

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

	X	:	
	:	:	
In re	:	:	Chapter 9
	:	:	
CITY OF DETROIT, MICHIGAN,	:	:	Case No. 13-53846
	:	:	
Debtor.	:	:	Hon. Steven W. Rhodes
	:	:	
	:	:	
	X		

**COUNTERDESIGNATION OF THE CITY OF DETROIT IN  
RESPONSE TO AFSCME COUNCIL 25 AND ITS AFFILIATED  
DETROIT LOCALS' DESIGNATION OF THE CONTENTS  
OF THE RECORD AND STATEMENT OF ISSUES ON APPEAL**

The City of Detroit, Michigan (the "City") hereby files this Counterdesignation pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, in response to AFSCME Council 25 and Its Affiliated Detroit Locals' Designation of the Contents of the Record and Statement of Issues on Appeal (Docket No. 8274) (the "Designation") filed on November 12, 2014 by AFSCME Council 25 and Its Affiliated Detroit Locals ("AFSCME").<sup>1</sup> For its Counterdesignation, the City states as follows:

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<sup>1</sup> The City reserves all of its rights with respect to any attempt by AFSCME, through the Designation, to supplement the record on appeal in this matter.



**COUNTERDESIGNATION OF ITEMS  
TO BE INCLUDED IN THE RECORD ON APPEAL<sup>2</sup>**

Item Number	Docket Number (if applicable)	Date	Description
1	1782	11/21/2013	Order, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof
2		2/21/2014	Proof of claim number 2958
3	4421	5/6/2014	Certificate of Service
4	4961	5/20/2014	Certificate of Service
5	7235	9/2/2014	Creditor Michigan AFSCME Council 25 and Its Affiliated Detroit Locals' Response to Debtor's Objection to Proofs of Claim (Docket Number 2958)
6	7502	9/16/2014	Seventh Amended Chapter 9 Plan for the Adjustment of Debts of the City of Detroit
7	7557	9/17/2014	Certificate of Service
8	7877	10/8/2014	Order Dismissing Claims from Mediation

<sup>2</sup> The items designated herein by the City include all exhibits, attachments, certificates of service and other papers included within the docket entry for each item.



Item Number	Docket Number (if applicable)	Date	Description
9	7981	10/16/2014	Supplemental Brief of the City of Detroit in Support of Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and Its Affiliated Detroit Locals
10	8336	11/19/2014	Transcript of hearing held on October 17, 2014
11	8003	10/18/2014	Corrected Reply in Support of Objection to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and Its Affiliated Detroit Locals
12	8015	10/20/2014	Order Regarding City's Objection to Proof of Claim #2958 Filed by AFSCME Council 25 and its Affiliated Detroit Locals (Dkt. #4876)
13	8020	10/20/2014	Certificate of Service
14	8031	10/21/2014	Transcript of hearing held on October 20, 2014
15	8045	10/22/2014	Eighth Amended Plan for the Adjustment of Debts of the City of Detroit
16	8061	10/22/2014	Certificate of Service
17	8091	10/24/2014	Certificate of Service
18	8118	10/27/2014	Certificate of Service

Item Number	Docket Number (if applicable)	Date	Description
19	8272	11/12/2014	Order Confirming Eighth Amended Plan for the Adjustment of Debts of the City of Detroit
20	8321	11/17/2014	Certificate of Service

The City reserves all of its rights with respect to this appeal.

Dated: November 26, 2014

Respectfully submitted,

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY

## **CERTIFICATE OF SERVICE**

I, Heather Lennox, hereby certify that the foregoing Counterdesignation of the City of Detroit in response to AFSCME Council 25 and Its Affiliated Detroit Locals' Designation of the Contents of the Record and Statement of Issues on Appeal was filed and served via the Court's electronic case filing and noticing system on this 26th day of November, 2014.

/s/ Heather Lennox

## **ITEM 1**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

-----X	:
In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
-----X	:

**ORDER, PURSUANT TO SECTIONS 105, 501 AND 503  
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002  
AND 3003(c), ESTABLISHING BAR DATES FOR FILING PROOFS OF  
CLAIM AND APPROVING FORM AND MANNER OF NOTICE THEREOF**

This matter coming before the Court on the Motion of Debtor,  
  
Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy  
Rules 2002 and 3003(c), for Entry of an Order Establishing Bar Dates for Filing  
Proofs of Claim and Approving Form and Manner of Notice Thereof  
(the "Motion"),<sup>1</sup> filed by the City of Detroit (the "City"); the City having filed the  
Notice of Filing of Amended Exhibits 6.1 and 6.2 to Motion of Debtor, Pursuant to  
Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002  
and 3003(c), for Entry of an Order Establishing Bar Dates for Filing Proofs of

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

Claim and Approving Form and Manner of Notice Thereof (Docket No. 1330)

(the "Amended Exhibits"); the following responses to the Motion (collectively, the "Responses") having been filed:

- (a) The Response (Docket No. 1360) of the Michigan Council 25 of the American Federation of State, County & Municipal Employees, AFL-CIO and Sub-Chapter 98, City of Detroit Retirees ("AFSCME");
- (b) The Response (Docket No. 1365) of the Detroit Fire Fighters Association, the Detroit Police Officers Association, the Detroit Police Lieutenants & Sergeants Association and the Detroit Police Command Officers Association (collectively, the "Public Safety Unions");
- (c) The Response (Docket No. 1372) of the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit;
- (d) The Response (Docket No. 1424) (the "Retiree Committee Response") of the Official Committee of Retirees (the "Retiree Committee");
- (e) The Response (Docket No. 1432) of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW");
- (f) The Response (Docket No. 1438) of the Retired Detroit Police Members Association, concurring in the Retiree Committee Response;
- (g) The Response (Docket No. 1442) (the "Retiree Association Response") of the Retired Detroit Police & Fire Fighters Association, Donald Taylor, the Detroit Retired City Employees Association and Shirley V. Lightsey (collectively, the "Retiree Association Parties");<sup>2</sup>
- (h) The Response (Docket No. 1460) (the "Assured Response") of Assured Guaranty Municipal Corp.;

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<sup>2</sup> The Retiree Association Response corrected an earlier Response (Docket No. 1430), filed by the Retiree Association Parties.

- (i) The Response (Docket No. 1461) of National Public Finance Guarantee Corporation joining in the Assured Response;
- (j) The Response (Docket No. 1465) of Ambac Assurance Corporation joining in the Assured Response; and
- (k) The supplemental Response (Docket No. 1523) of the Public Safety Unions.

The City having filed the Reply in Support of Motion of Debtor, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), for Entry of an Order Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (the "Reply"); the Court having reviewed the Motion, the Amended Exhibits, the Responses and the Reply and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court finding that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (c) notice of the Motion and the Hearing was sufficient under the circumstances; and the Court having determined that the legal and factual bases set forth in the Motion, the Amended Exhibits, the Reply and at the Hearing establish just cause for the relief granted herein;



IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth herein, and the Responses are resolved or addressed by the terms of this Order or as set forth on the record of the Hearing.
2. As used herein, (a) the term "claim" has the meaning given to such term in section 101(5) of the Bankruptcy Code, (b) the term "entity" has the meaning given to such term in section 101(15) of the Bankruptcy Code and (c) the term "governmental unit" has the meaning given to such term in section 101(27) of the Bankruptcy Code.
3. The form of (a) Notice of Deadlines for Filing of Proofs of Claim attached as Exhibit B to the Reply and attached hereto as Annex I (the "Bar Date Notice") and (b) the proof of claim form attached as Exhibit 6.3 to the Motion and attached hereto as Annex II (the "Proof of Claim Form" and, together with the Bar Date Notice, the "Bar Date Notice Package"), and the manner of providing notice of the Bar Dates proposed in the Motion, are approved in all respects pursuant to Bankruptcy Rules 2002(a)(7) and 2002(l). The form and manner of notice of the Bar Dates approved herein are deemed to fulfill the notice requirements of the Bankruptcy Code and the Bankruptcy Rules. As such, the Debtors are authorized to serve the Bar Date Notice Package in the manner described in paragraphs 23 through 26 below. In addition, the City is authorized to

make non-substantive edits or corrections to the Bar Date Notice and the Proof of Claim form, consistent with the terms of this Order.

4. Except as otherwise provided in this Order, all entities (including, without limitation, individuals, partnerships, corporations, joint ventures and trusts) that assert claims against the City that arose (or are deemed to have arisen) prior to July 18, 2013 (any such claim, a "Prepetition Claim") must file a proof of claim in writing in accordance with the procedures described herein by 4:00 p.m., Eastern Time, on February 21, 2014 (the "General Bar Date").

5. Except as otherwise provided in this Order, the General Bar Date applies to all types of Prepetition Claims, including secured claims, unsecured priority claims and unsecured nonpriority claims. For the avoidance of doubt, the General Bar Date shall apply to claims asserting administrative expense priority under section 503(b)(9) of the Bankruptcy Code ("503(b)(9) Claims"). The filing of a proof of claim form shall satisfy the procedural requirements for the assertion of 503(b)(9) Claims. All administrative claims under section 503(b) of the Bankruptcy Code, other than 503(b)(9) Claims and the administrative portions of Rejection Damages Claims (as defined below), shall not be deemed proper if asserted by proof of claim.

6. Subject to the provisions of paragraphs 16 through 19 of this Order with respect to holders of claims subject to the Rejection Damages Bar Date,

the Amended Claims List Bar Date and the Governmental Bar Date, and the exceptions described in paragraph 8 below, the following entities must file a proof of claim on or before the General Bar Date:

(a) Any entity: (i) whose prepetition claim against the City is not listed in the List of Claims or is listed as disputed, contingent or unliquidated; and (ii) that desires to share in any distribution in this bankruptcy case and/or otherwise participate in the proceedings in this bankruptcy case associated with the confirmation of any chapter 9 plan of adjustment proposed by the City (a "Chapter 9 Plan"); and

(b) Any entity that believes that its prepetition claim is improperly classified in the List of Claims or is listed in an incorrect amount or priority and that desires to have its claim allowed in a classification, priority or amount other than that identified in the List of Claims, *provided that* any holder of GO Bonds (as defined below) asserting a claim solely for principal and interest in connection with such bonds is not required to file a proof of claim to preserve its right to a *pro rata* share of distributions on account of the amount of principal and interest under such bonds listed in the City's List of Claims.

7. The following procedures for the filing of proofs of claim shall apply:

(a) Proofs of claim must be on the Proof of Claim Form or otherwise conform substantially to Official Bankruptcy Form No. 10;

(b) Proofs of claim must be filed by mailing the original proof of claim or delivering the original proof of claim by hand or overnight courier either to: (a) the City of Detroit Claims Processing Center c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245; or (b) the Clerk of the Court, United States Bankruptcy Court for the Eastern District of Michigan, 211 West Fort Street, Suite 1700, Detroit, Michigan 48226. Proofs of claim submitted by facsimile, electronic mail or electronic (ECF) court filing shall not be accepted and shall not be deemed properly filed;

(c) Proofs of claim will be deemed timely filed only if actually received by the City's claims agent, Kurtzman Carson Consultants LLC ("KCC"), or the Court at the addresses set forth in the foregoing subparagraph on or before the applicable Bar Date. If a creditor wishes to receive acknowledgement of receipt of a proof of claim by KCC or the Clerk of this Court (the "Clerk's Office"), the creditor also must submit to KCC or Clerk's Office by the applicable Bar Date and concurrently with submitting its original proof of claim: (i) a copy of the original proof of claim; and (ii) for claims submitted to KCC or by mail to the Clerk's Office, a self-addressed, postage prepaid return envelope; and

(d) Proofs of claim must (i) be signed by the claimant or by an authorized agent of the claimant; (ii) include any documents upon which the claim is based (or, if such documents are voluminous, a summary) or an explanation as to why the documents are not available; (iii) be written in the English language; and (iv) be denominated in United States currency. Any claimant that provides a summary in lieu of the documentation required by Bankruptcy Rule 3001 shall transmit the documents in support of its claim to KCC and the City within ten days after the date of any written request by the City for such documents.

8. Entities holding the following claims (to the extent such claims would be subject to the General Bar Date) shall not be required to file proofs of claim in this chapter 9 case on account of such claims:

(a) Any claim for liabilities associated with post-employment benefits under the City's Health and Life Insurance Benefit Plan, the Supplemental Death Benefit Plan or other non-pension post-employment welfare benefits, including unfunded actuarially accrued liabilities (any such claim, a "Healthcare Liability Claim").

(b) Any claim by present or potential future beneficiaries of the City's two pension systems, the General Retirement System and the Police and Fire Retirement System, for pension benefits or unfunded pension liabilities (any such claim, a "Pension Liability Claim").

(c) Any claim of (or on behalf of) an active employee for ordinary course compensation and employment benefits, including, without limitation, wages, salaries, employee medical benefits and/or insurance

benefits ("Ordinary Course Compensation Claims"), *provided, however*, that Ordinary Course Compensation Claims shall not include claims asserted or to be asserted in any lawsuit or similar proceeding even where such claims assert as damages an entitlement to wages, salaries, employee medical benefits and/or insurance benefits.

(d) Any claim by a holder for the repayment of principal, interest and/or other applicable fees and charges on or under (i) the Secured Bonds or (ii) the COPs.

(e) Any claim by a holder for the repayment of principal or interest on or under the City's unlimited tax general obligation bonds, limited tax general obligation bonds and general fund bonds (collectively, the "GO Bonds") to preserve its right to a *pro rata* share of distributions on account of the amount of principal and interest under such bonds listed in the City's List of Claims.

(f) Any claim arising from an ordinary course entitlement to an income tax refund (to the extent of such claimed entitlement) asserted through the City's established income tax refund procedures, *provided, however*, that entities holding any other Prepetition Claims or causes of action related to income tax matters that are not properly asserted through the City's established income tax refund procedures must file a proof of claim by the General Bar Date.

(g) Any claim with respect to which the holder already has filed a signed proof of claim against the City with the Clerk's Office or KCC in a form substantially similar to Official Bankruptcy Form No. 10;

(h) Any claim that is listed on the List of Claims if (i) the claim is not listed as "disputed," "contingent" or "unliquidated;" and (ii) such entity agrees with the amount, nature and priority of the claim as set forth in the List of Claims;

(i) Any claim that previously has been allowed by order of the Court;

(j) Any claim that has been paid in full by the City; and

(k) Any claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an expense of administration (other than any

503(b)(9) Claim or any portion of a Rejection Damages Claim asserting administrative priority under section 503(b) of the Bankruptcy Code).

9. Nothing herein shall operate to limit or deny the right of:

(a) any employee or retiree to vote on any Chapter 9 Plan proposed by the City in this case with respect to Healthcare Liability Claims or Pension Liability Claims that they may possess; or (b) any entity to file any proof of claim that such entity deems necessary or appropriate, subject to any rights the City or other parties in interest may have to object to any such proof of claim.

10. For the avoidance of doubt, the following entities should file proofs of claim to the extent the filing of such claim is not otherwise made unnecessary by the terms of the foregoing paragraph 8: (a) employees and retirees asserting Prepetition Claims *other than* Healthcare Liability Claims, Pension Liability Claims or Ordinary Course Compensation Claims and (b) insurers of the GO Bonds asserting claims in connection with such bonds.

11. Each of the Public Safety Unions may file one or more omnibus proofs of claim by the General Bar Date for its members with respect to (a) claims related to grievances for its respective members and/or (b) defense and indemnification claims arising from tort claims asserted or that may be asserted by third parties against the City and/or such Public Safety Union member(s), subject to the City's right to object to any such claims. The filing of any such omnibus

proof of claim is without prejudice to the right of any Public Safety Union member to file a claim on his or her own behalf.

12. The Retiree Committee may file one or more protective proofs of claim on behalf of retirees and their beneficiaries on account of Healthcare Liability Claims and Pension Liability Claims, subject to the City's rights to object to such claims. For the avoidance of doubt, it is not necessary for the Retiree Committee to file any such proof of claim: (a) to preserve the rights of retirees and their beneficiaries to receive any distributions from the City to which they may be entitled; or (b) to vote on any Chapter 9 Plan, to the extent such retirees and beneficiaries otherwise would be entitled to do so. In addition, nothing herein shall preclude the Retirement Systems from filing proofs of claim on behalf of retirees and beneficiaries on account of Pension Liability Claims, nor shall this Order constitute a judicial determination of the proper party or parties to assert any claim.

13. UAW may file one or more omnibus proofs of claim on behalf of UAW-represented employees and former employees, regardless of the nature of such claims, including, without limitation, claims for post-retirement health obligations, pension obligations (whether benefits, underfunding or otherwise) or other compensation, subject to the City's right to object to any such claims. The City shall reasonably cooperate with UAW in providing names and addresses of City retirees who are former employees of UAW-represented City bargaining

units to the extent the City has such information. The filing of any such omnibus proof of claim is without prejudice to the right of any UAW-represented employee or former employee to file a claim on his or her own behalf.

14. AFSCME may file one or more omnibus proofs of claim on behalf of AFSCME-represented employees and former employees, regardless of the nature of such claims, including, without limitation, claims for post-retirement health obligations, pension obligations (whether benefits, underfunding or otherwise) or other compensation, subject to the City's right to object to any such claims. The City shall reasonably cooperate with AFSCME in providing names and addresses of City retirees who are former employees of AFSCME-represented City bargaining units to the extent the City has such information. The filing of any such omnibus proof of claim is without prejudice to the right of any AFSCME-represented employee or former employee to file a claim on his or her own behalf.

15. For the avoidance of doubt, the classification, priority and treatment of claims for principal and interest under the GO Bonds pursuant to any Chapter 9 Plan shall not be affected by any provision of this Order or by whether or not the holders of GO Bonds file or do not file proofs of claim.

16. Any entities asserting claims arising from or relating to the rejection of executory contracts or unexpired leases, in accordance with



section 365 of the Bankruptcy Code and pursuant to an order of this Court entered prior to the confirmation of the City's Chapter 9 Plan (a "Rejection Order"), or claims otherwise related to such rejected agreements, including (a) secured claims, unsecured priority claims and unsecured nonpriority claims that arose or are deemed to have arisen prior to the Petition Date and (b) administrative claims under section 503(b) of the Bankruptcy Code (collectively, "Rejection Damages Claims") are required to file proofs of claim by the later of (a) the General Bar Date and (b) 4:00 p.m., Eastern Time, on the first business day that is at least 30 days after the entry of the applicable Rejection Order (the "Rejection Damages Bar Date"). For the avoidance of doubt, all prepetition and postpetition claims of any kind or nature relating to executory contracts or unexpired leases rejected by a Rejection Order must be filed by the Rejection Damages Bar Date. Rejection Orders entered after the date of entry of this Order shall include a description of the Rejection Damages Bar Date in the text of the Rejection Order.

17. Each entity asserting a Rejection Damages Claim with an administrative claim component must file, along with its proof of claim, a detailed statement describing the nature and basis of the portion of the Rejection Damages Claim asserting an administrative priority under section 503(b) of the Bankruptcy Code (the "Administrative Claim Supplement"). The filing of a proof of claim form, along with an attached Administrative Claim Supplement, if applicable, shall

satisfy the procedural requirements for the assertion of a Rejection Damages Claim (including any administrative claim included therein).

18. The City shall retain the right to: (a) dispute, or assert offsets or defenses against, any Filed Claim or any Scheduled Claim as to nature, amount, liability, classification, priority or otherwise; (b) subsequently designate any Scheduled Claim as disputed, contingent or unliquidated; and (c) otherwise amend or supplement the List of Claims. If the City amends or supplements the List of Claims after the Service Date, the City shall give notice of any such amendment or supplement to the holders of claims affected thereby, including notice of the applicable Amended Claims List Bar Date to file proofs of claim in response to the amendment or supplement to the List of Claims.

19. In particular, if the City amends or supplements its List of Claims to: (a) reduce the undisputed, noncontingent and liquidated amount of a claim; (b) change the nature, classification or priority of a Scheduled Claim in a manner adverse to the listed creditor; or (c) add a new Scheduled Claim to the List of Claims with respect to a party that was not previously served with notice of the Bar Dates (in each case, a "Modified Claim"), the affected claimant shall be permitted to file a proof of claim, or amend any previously filed proof of claim, in respect of the Modified Claim in accordance with the procedures described herein by the later of (a) the General Bar Date; and (b) 4:00 p.m., Eastern Time, on the

first business day that is at least 30 days after the date that notice of the applicable amendment to the List of Claims is served on the claimant (the "Amended Claims List Bar Date"). By contrast, if the amendment to the List of Claims improves the amount or treatment of a previously listed or filed claim, a claimant that previously was served with a notice of the Bar Dates is not permitted to file additional claims by the Amended Claims List Bar Date; *provided, however*, that nothing contained herein shall be construed to limit, enhance or otherwise affect a claimant's right to amend a timely filed proof of claim.

20. Nothing contained in this Order shall preclude the City from objecting to any claim, whether listed or filed, on any grounds. In addition, nothing herein limits, or is intended to limit, any claimant's rights to defend against any objection.

21. Pursuant to Bankruptcy Rule 3002(c)(1), the date by which governmental units shall file proofs of claim in this case shall be the later of:

(a) the first business day that is at least 180 days following the date of the entry of an order for relief in this case; and (b) any Rejection Damages Bar Date or Amended Claims List Bar Date applicable to the governmental unit.

22. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(2), any entity that is required to file a proof of claim in this case pursuant to the Bankruptcy Code, the Bankruptcy Rules or this Order

with respect to a particular claim against the City, but that fails properly to do so by the applicable Bar Date, shall be forever barred, estopped and enjoined from:

(a) asserting any claim against the City or property of the City that (i) is in an amount that exceeds the amount, if any, that is identified in the List of Claims on behalf of such entity as undisputed, noncontingent and liquidated or (ii) is of a different nature or a different classification or priority than any Scheduled Claim identified in the List of Claims on behalf of such entity (any such claim under subparagraph (a) of this paragraph being referred to herein as an "Unscheduled Claim"); (b) voting upon, or receiving distributions under any Chapter 9 Plan in this case in respect of an Unscheduled Claim; or (c) with respect to any 503(b)(9) Claim or administrative priority claim component of any Rejection Damages Claim, asserting any such priority claim against the City or property of the City.

23. Within five business days after the entry of this Order or as soon as practicable thereafter, the City, through KCC or otherwise, shall serve the Bar Date Notice Package by first class mail, postage prepaid (or equivalent service), on:

- (a) all known potential claimants (or their counsel, if known), including all entities identified as potential claim holders in the List of Claims;
- (b) the Trustees;
- (c) counsel to the Official Committee of Retirees appointed in this case;

- (d) all parties that have requested notice of the proceedings in this case as of the date of this Order;
- (e) all parties that have filed proofs of claim in this case as of the date of this Order;
- (f) all known parties to executory contracts and unexpired leases with the City, including all parties to executory contracts and unexpired leases rejected by a Rejection Order, if any, as of the date of this Order;
- (g) all known parties to pending litigation with the City;
- (h) the United States Attorney for this District; and
- (i) all federal and state environmental protection agencies for this jurisdiction.

24. The City also shall serve the Bar Date Notice on the holders of the GO Bonds. If DTC has not already provided the Institutional Nominee List to the City as of the date of this Order, DTC is directed to provide the City with the Institutional Nominee List within three business days of this date or as soon as practicable thereafter. Service of the Bar Date Notice by electronic mail on those holders of the GO Bonds that previously consented in writing to receive notices regarding the GO Bonds by electronic mail shall constitute adequate notice of the Bar Dates on such holders.

25. As part of the Bar Date Package, the City shall mail one or more Proof of Claim Forms (as appropriate) to the parties receiving the Bar Date Notice. Except with respect to holders of GO Bonds, for holders of Scheduled Claims listed in the List of Claims, the Proof of Claim Form mailed to such entities

shall indicate how the City has listed the creditor's claim in the List of Claims, including: (a) the amount of the claim, if any; (b) whether the claim is listed as disputed, contingent or unliquidated; and (c) whether the claim is listed as a secured claim or an unsecured nonpriority claim. Along with Proof of Claim Forms distributed to the holders of GO Bonds, the City will provide a schedule identifying the amount listed in the List of Claims for each series of GO Bonds.

26. Pursuant to Bankruptcy Rule 2002(f), the City shall publish the Bar Date Notice, once, in the *Detroit Free Press*, *The Detroit News* and national editions of *USA Today* and *The Wall Street Journal* at least 28 days prior to the General Bar Date, which publication is hereby approved and shall be deemed good, adequate and sufficient publication notice of the Bar Dates. The City is authorized to modify the Bar Date Notice to the extent necessary or appropriate to conform the Bar Date Notice to publication and minimize expense.

27. The City and KCC are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order.

28. The entry of this Order is without prejudice to the right of the City to seek a further order of this Court fixing a date by which holders of claims or interests not subject to the Bar Dates established herein must file such proofs of claim or interest or be barred from doing so.

29. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation, implementation and/or enforcement of this Order.

Signed on November 21, 2013

/s/ Steven Rhodes  
Steven Rhodes  
United States Bankruptcy Judge

## ANNEX I



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	:	
In re	:	Chapter 9
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CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
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**NOTICE OF DEADLINES FOR FILING OF PROOFS OF CLAIM**  
**(GENERAL BAR DATE IS FEBRUARY 21, 2014**  
**AT 4:00 P.M., EASTERN TIME)**

**TO ALL PERSONS AND ENTITIES WITH CLAIMS  
AGAINST THE CITY OF DETROIT, MICHIGAN (THE "CITY"):**

On [\_\_\_\_], 2013, the United States Bankruptcy Court for the Eastern District of Michigan (the "Court") entered an order (Docket No. [\_\_\_\_]) (the "Bar Date Order") establishing certain deadlines for the filing of proofs of claim in the chapter 9 bankruptcy case of the City.

By the Bar Date Order, the Court established **February 21, 2014 at 4:00 p.m., Eastern Time** (the "General Bar Date"), as the general claims bar date for filing proofs of claim in the City's case. As described below, certain claimants are not required to file proofs of claim with respect to their claims, and the Bar Date Order also establishes different bar dates with respect to certain categories of claims. See Section 1 for more information. ***To determine if you need to file a proof of claim in this case and the applicable deadline and instructions for filing a proof of claim, please read this Notice carefully.***

**List of Claims**

On September 30, 2013, the City filed its Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (Docket No. 1059), which constitutes the City's list of claims (as amended or supplemented from time to time, the "List of Claims") under section 925 of title 11 the United States Code (the "Bankruptcy Code"). Any claim identified on the List of Claims is referred to herein as a "Scheduled Claim."

**Proof of Claim Form**

For your convenience, enclosed with this Notice is a proof of claim form (the "Claim Form"), which identifies on its face the amount, nature and classification of your claim(s), if any, listed in the City's List of Claims. *If you are the holder of a general obligation bond (defined in Section 1 as GO Bonds), please note that the List of Claims identifies the City's calculation of the total bond debt by series as of commencement of the City's bankruptcy case on July 18, 2013, and the List of Claims does not identify the amount owed to any particular bondholder. If you are a holder of a GO Bond, the amount listed by the City in the List of Claims for each series of GO Bonds is provided with your Claim Form.*

A blank copy of the Claim Form is available on the City's restructuring website at [www.kccllc.net/detroit](http://www.kccllc.net/detroit), along with all other documents filed in the City's bankruptcy case. **[Note: The preceding two paragraphs are for the service version, not the publication version, of this Notice.]**

For the convenience of potential claimants, a proof of claim form prepared for use in the City's chapter 9 case (the "Claim Form"), along with all other documents filed in the City's bankruptcy case, is available on the City's restructuring website at [www.kccllc.net/detroit](http://www.kccllc.net/detroit). **[Note: This paragraph is for the publication version of this Notice.]**

**Certain Definitions**

The following definitions come from the Bankruptcy Code and are provided for your convenience.

As used in this Notice the term "entity" has the meaning given to it in section 101(15) of the Bankruptcy Code and includes, among other things, individuals, partnerships, corporations, joint ventures and trusts.

As used in this Notice, the term "claim" means, as to or against the City and in accordance with section 101(5) of the Bankruptcy Code: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

## SECTION 1 — WHO IS NOT REQUIRED TO FILE A PROOF OF CLAIM

### SUMMARY

- **Section 1 describes which of the City's creditors are not required to file a claim. It states that the following creditors, among others, are not required to file a claim:**
  - **City retirees and their beneficiaries** are not required to file claims for pension or healthcare benefits or other post-employment welfare benefits. *The City will work with retiree representatives to establish an appropriate process for retirees and their beneficiaries to vote on and receive payments under any restructuring plan.*
  - **City employees and their beneficiaries** are not required to file claims for pension or healthcare benefits, routine wages or other employment benefits. *The City will work with employee representatives to establish an appropriate process for employees to vote on and receive payments under any restructuring plan.*
  - **Taxpayers** are not required to file claims for routine income tax refunds. *The City will continue to process routine income tax refunds according to its usual procedures.*
  - **Bondholders** holding any of the bonds identified on the "Schedule of Secured Bonds" on the last two pages of this Notice and **holders of Certificates of Participation** issued by the City are not required to file claims for the repayment of principal, interest and/or other applicable fees and charges. *In each case, the applicable trustee or other agent has agreed to file the claim on behalf of the holders.*
  - **Other bondholders** holding general obligation bonds are not required to file claims to receive their *pro rata* share of distributions on account of the amount of principal and interest listed on the City's list of claims. *See Section 8 for more details about the list of claims.*
- A restructuring plan is a document that explains how the City proposes to pay the amounts it owes to its creditors. Once filed, this plan will be available for creditors to review. **If you are not required to file a claim, you do not need to complete and return a claim form, and you will still keep your rights to vote on a restructuring plan and receive payments under the plan.** Who gets to vote on the plan will be determined at a later date. The amount you may receive under the plan also will be determined later. The plan may propose that you receive less than the amount you are owed.
- **Even if you are not required to file a claim form, you are permitted to do so.**

The Bar Date Order provides that entities holding the following claims **are not required** to file proofs of claim on account of such claims to preserve any right they may have to receive distributions from the City and vote on any chapter 9 plan of adjustment (a "Plan") proposed by the City:

- (a) Claims of retirees, employees or other beneficiaries for (a) post-employment benefits under the City's Health and Life Insurance Benefit Plan, the Supplemental Death Benefit Plan or other non-pension post-employment welfare benefits, including unfunded actuarially accrued liabilities (any such claim, a "Retirement Healthcare Claim") and (b) pension benefits (any such claim, a "Pension Claim") under the City's two retirement systems, the General Retirement System and the Police and Fire Retirement System (together, the "Retirement Systems"). In consultation with the Official Committee of Retirees appointed in the Chapter 9 Case (the "Retiree Committee"), other groups representing the interests of current and future recipients of post-employment healthcare and pension benefits and, in the case of Pension Claims, the Retirement Systems, the City intends to establish an appropriate mechanism for such retirees, employees or other beneficiaries to vote on any Plan with respect to any pension and healthcare claims they may possess.
- (b) Claims of active employees for ordinary course compensation and employment benefits including, without limitation, wages, salaries, employee medical benefits and insurance benefits ("Ordinary Course Compensation Claims"). The City intends to continue to pay Ordinary Course Compensation Claims in the normal course. Accordingly, active employees need not file proofs of claim on account of Ordinary Course Compensation Claims. For the avoidance of doubt, claims asserted or to be asserted in any lawsuit or similar proceeding are not Ordinary Course

Compensation Claims even where the claims assert as damages an entitlement to wages, salaries, employee medical benefits and/or insurance benefits.

- (c) Any claim by a holder for the repayment of principal, interest and/or other applicable fees and charges on or under (i) the bonds identified on the "Schedule of Secured Bonds" on the last two pages of this Notice (collectively, the "Secured Bonds") or (ii) any certificates of participation issued by the City (collectively, the "COPs"). In each case, the trustee or similar entity with respect to the applicable series of Secured Bonds or COPs has informed the City that, consistent with Bankruptcy Rule 3003(c), it intends to: (i) file any proofs of claim against the City on behalf of the holders of the Secured Bonds and the COPs; and (ii) provide notice to the holders of the Secured Bonds and the COPs.
- (d) Any claim by a holder for the repayment of principal or interest on or under the City's unlimited tax general obligation bonds, limited tax general obligation bonds and general fund bonds (collectively, the "GO Bonds" or "general obligations bonds") to preserve its right to a *pro rata* share of payments on account of the amount of principal and interest under such bonds listed in the List of Claims. Holders of GO Bonds with claims for amounts beyond principal and interest under these bonds are required to file claims for those additional amounts unless another exception applies. Also, the insurers of the GO Bonds must file any claims relating to the GO Bonds by the General Bar Date. The classification, priority and treatment of claims for principal and interest under the GO Bonds pursuant to any Chapter 9 Plan shall not be affected by any provision of the Bar Date Order or by whether or not the holders of GO Bonds file or do not file proofs of claim.
- (e) Any claim arising from an ordinary course entitlement to an income tax refund (to the extent of such claimed entitlement) asserted through the City's established income tax refund procedures, provided, however, that entities holding any other Prepetition Claims or causes of action related to income tax matters that are not properly asserted through the City's established income tax refund procedures must file a proof of claim by the General Bar Date.
- (f) Any claim with respect to which the holder already has filed a signed proof of claim against the City with the Clerk of this Court in a form substantially similar to Official Bankruptcy Form No. 10.
- (g) Any claim that is listed on the List of Claims if (i) the claim is not listed as "disputed," "contingent" or "unliquidated;" and (ii) such entity agrees with the amount, nature and priority of the claim as set forth in the List of Claims.
- (h) Any claim that previously has been allowed by order of the Court.
- (i) Any claim that has been paid in full by the City.
- (j) Any claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an expense of administration (other than any 503(b)(9) Claim or any portion of a Rejection Damages Claim asserting administrative priority under section 503(b) of the Bankruptcy Code).

***For the avoidance of doubt, nothing herein or in the Bar Date Order affects any right that the claimants identified in subsections (a) through (h) of this Section 1 may have to vote on and receive distributions under any Plan proposed by the City. Further, nothing herein or in the Bar Date Order should be construed as an agreement by the City or a determination by the Court that any particular party is the proper holder of any specific claim against the City with the right to vote on any Plan proposed by the City and receive distributions from the City on account of such claim.***

***Nothing in this Section 1 limits the right of any entity (including, without limitation, the City, the Retiree Committee, the Retirement Systems or the City's unions, employees, retirees, bondholders, bond insurers, trustees, paying agents or any other entity) to (a) assert any proof of claim authorized under the Bankruptcy Code or (b) object to any proof of claim on any grounds to the extent permitted under the Bankruptcy Code.***

## **SECTION 2 — WHO MUST FILE A PROOF OF CLAIM**

### **SUMMARY**

- **Section 2 explains who must file a claim. If none of the exceptions in Section 1 apply to you, then you must file a claim.**
- Note that the instructions in this document are for filing claims for any amounts owed to you by the City that "arose" before July 18, 2013, when this bankruptcy case was filed. That may include amounts promised to you before July 18, 2013, even if they were not due until later.
- If you are the holder of a bond listed at the end of this document, or the holder of a Certificate of Participation, a trustee or agent has indicated that it will file a claim on your behalf.
- If you hold general obligation bonds, you are not required to file claims for your *pro rata* share of distributions on account of the amount of principal and interest listed on the City's list of claims. *See Section 8 for more details about the list of claims.* Claims for other amounts should be filed by the deadline.
- **Even if you are not required to file a claim form, you are permitted to do so.**

If none of the exceptions described in Section 1 applies, and if you have a claim that arose or is deemed to have arisen prior to the Filing Date (any such claim, a "Prepetition Claim"), you **MUST** file a proof of claim to share in distributions from the City's bankruptcy case and to vote on a Plan. Claims based on acts or omissions of the City that occurred before the Filing Date must be filed on or prior to the applicable Bar Date, even if such claims are not now fixed, liquidated or certain or did not mature or become fixed, liquidated or certain before the Filing Date.

Except where one of the exceptions described in Section 1 applies (or where the Rejection Damages Bar Date, the Amended Claims List Bar Date or the Governmental Bar Date applies to establish a different deadline), the following entities must file proofs of claim on or before the General Bar Date:

- (a) any entity (i) whose Prepetition Claim against the City is not listed in the City's List of Claims or is listed as "disputed," "contingent" or "unliquidated" and (ii) that desires to share in any distribution in this bankruptcy case and/or otherwise participate in the proceedings in this bankruptcy case associated with the confirmation of any Plan; and
- (b) any entity that believes its Prepetition Claim is improperly classified in the List of Claims or is listed in an incorrect amount or priority and that desires to have its claim allowed in a classification, priority or amount other than that identified in the List of Claims, *provided that* any holder of GO Bonds asserting a claim for principal and interest in connection with such bonds is not required to file a proof of claim to preserve its right to a *pro rata* share of distributions on account of the amount of principal and interest under such bonds listed in the City's List of Claims.

***Note that the Bar Date Order should not be construed as an agreement by the City or a determination by the Court that any particular party is the proper holder of any specific claim against the City with the right to vote on any Plan proposed by the City and receive distributions from the City on account of such claim.***

### SECTION 3 — THE BAR DATES

#### **SUMMARY**

- Section 3 states that the general deadline for creditors to file claims is **February 21, 2014 at 4:00 p.m., Eastern Time.**
- "Bar date" is the legal term for the deadline to file a claim form.
- There are other later deadlines for filing claims that apply to certain parties. Additional information about these deadlines will be sent to those parties. These deadlines also are explained in Section 3.

The Bar Date Order establishes the following bar dates for filing proofs of claim in this case (collectively, the "Bar Dates"):

- (a) The General Bar Date. Pursuant to the Bar Date Order, except as described below, all entities holding claims against the City that arose (or are deemed to have arisen) prior to the commencement of this case are required to file proofs of claim by the General Bar Date (i.e., by February 21, 2014 at 4:00 p.m., Eastern Time). This case was commenced on July 18, 2013 (the "Filing Date"). The General Bar Date applies to all types of claims against the City that arose prior to the Filing Date, including secured claims, unsecured priority claims and unsecured nonpriority claims. For the avoidance of doubt, the General Bar Date applies to all claims asserting administrative expense priority under section 503(b)(9) of the Bankruptcy Code, subject to Section 4 below.
- (b) The Rejection Damages Bar Date. Pursuant to the Bar Date Order, any entity asserting claims arising from or relating to the rejection of executory contracts or unexpired leases, in accordance with section 365 of the Bankruptcy Code and pursuant to an order entered prior to the confirmation and effectiveness of a Plan (any such order, a "Rejection Order"), or claims otherwise related to such rejected agreements, including (i) secured claims, unsecured priority claims and unsecured nonpriority claims that arose or are deemed to have arisen prior to the Filing Date and (ii) administrative claims under section 503(b) of the Bankruptcy Code (collectively, "Rejection Damages Claims") are required to file proofs of claim by the later of (a) the General Bar Date and (b) 4:00 p.m., Eastern Time, on the first business day that is at least 30 days after the entry of the relevant Rejection Order. The later of these dates is referred to in this Notice as the "Rejection Damages Bar Date." *For the avoidance of doubt, all prepetition and postpetition claims of any kind or nature arising from or relating to executory contracts or unexpired leases rejected by a Rejection Order must be filed by the Rejection Damages Bar Date.* In accordance with the Bar Date Order, any Rejection Order entered by the Bankruptcy Court will specify the Rejection Damages Bar Date applicable to any executory contracts or unexpired leases rejected thereunder.
- (c) The Amended Claims List Bar Date. Pursuant to the Bar Date Order, if, subsequent to the date of this Notice, the City amends or supplements its List of Claims to: (i) reduce the undisputed, noncontingent and liquidated amount of a claim; (ii) change the nature, classification or priority of a Scheduled Claim in a manner adverse to the listed creditor; or (iii) add a new Scheduled Claim to the List of Claims with respect to a party that was not previously served with notice of the Bar Dates (in each case, a "Modified Claim"), the affected claimant shall be permitted to file a proof of claim, or amend any previously filed proof of claim, in respect of the Modified Claim in accordance with the procedures described herein by the later of (i) the General Bar Date; and (ii) 4:00 p.m., Eastern Time, on the first business day that is at least 30 days after the date that notice of the applicable amendment to the List of Claims is served on the claimant (the "Amended Claims List Bar Date"). The City will provide notice of any Amended Claims List Bar Date to affected claimants. Affected claimants that previously filed a proof of claim (any such claim, a "Filed Claim") with respect the liabilities giving rise to any Modified Claim need not refile their proof of claim because the Filed Claim is deemed to supersede and replace the original Scheduled Claim and the Modified Claim. In addition, if the City's amendment to the List of Claims improves the amount or treatment of a Scheduled Claim or a Filed Claim, a claimant that previously was served with a notice of the Bar Dates is not permitted to file additional claims by

the Amended Claims List Bar Date; provided, however, that nothing contained in the Bar Date Order shall be construed to limit, enhance or otherwise affect a claimant's right to amend a timely filed proof of claim. In addition, notwithstanding the foregoing, nothing contained herein precludes the City from objecting to any Scheduled Claim or Filed Claim on any grounds.

- (d) The Governmental Bar Date. Governmental units (as defined in section 101(27) of the Bankruptcy Code) are not subject to the General Bar Date. Pursuant to Bankruptcy Rule 3002(c)(1), the date by which governmental units must file proofs of claim in this case (the "Governmental Unit Bar Date") is the later of: (i) the first business day that is at least 180 days following the date of the entry of an order for relief in this case; and (ii) any Rejection Damages Bar Date or Amended Claims List Bar Date applicable to the governmental unit. No order for relief has yet been entered in the City's chapter 9 case, and proceedings to establish the City's eligibility to be a chapter 9 debtor are ongoing at this time. If the City prevails in establishing eligibility, the Court will enter an order for relief consistent with section 921(d) of the Bankruptcy Code. **[Update as appropriate at time that this Notice is finalized.]** The City will provide notice of the entry of an order for relief to all known creditors that are governmental units of the Court's entry of an order for relief and the resulting Governmental Bar Date.

#### **SECTION 4 — WHAT TO FILE**

##### **SUMMARY**

- Section 4 explains the paperwork for filing a claim.
- The claim form is sometimes called a "proof of claim."
- You must complete and sign the claim form and provide all necessary supporting documentation or a summary of this documentation.
- The amount owed to you must be listed in U.S. dollars, and the form must be filled out in English.
- The claim form includes instructions and explanations to assist you.
- A claim form is enclosed. Extra copies are available for free on the internet at [www.kccllc.net/detroit](http://www.kccllc.net/detroit).

As noted above, the City is enclosing a Claim Form for use in this case, or you may use another proof of claim form that conforms substantially to Official Bankruptcy Form No. 10. If your claim is listed by the City on its List of Claims (other than claims arising from GO Bonds), the attached Claim Form sets forth: (a) the amount of your claim (if any) as listed by the City; (b) whether your claim is listed as disputed, contingent or unliquidated; and (c) whether your claim is listed as a secured claim or an unsecured nonpriority claim. *If you are the holder of a GO Bond, please note that the List of Claims identifies the City's calculation of the total bond debt by series as of the Filing Date, and the List of Claims does not identify the amount owed to any particular bondholder. If you are a holder of a GO Bond, the amount listed by the City in the List of Claims for each series of GO Bonds is provided with your Claim Form.*

You will receive a different Claim Form for each claim listed in your name by the City. You may utilize the Claim Form(s) provided by the City to file your claim. Additional proof of claim forms may be obtained at the following websites: (a) [www.kccllc.net/detroit](http://www.kccllc.net/detroit) for a blank Claim Form designed specifically for this case or (b) [www.uscourts.gov/bkforms](http://www.uscourts.gov/bkforms) for a copy of Official Bankruptcy Form No. 10. **[Note: The preceding two paragraphs are for the service version, not the publication version, of this Notice.]**

To file your claim, you may use (a) the Claim Form specifically prepared for this chapter 9 case, which is available at [www.kccllc.net/detroit](http://www.kccllc.net/detroit) or (b) another proof of claim form that conforms substantially to Official Bankruptcy Form No. 10 (which form is available at [www.uscourts.gov/bkforms](http://www.uscourts.gov/bkforms)). **[Note: This paragraph is for the publication version of this Notice.]**

All proof of claim forms must be **signed** by the claimant or by an authorized agent of the claimant. The proof of claim form must be written in English and be denominated in United States currency. You should attach to your completed proof of claim form any documents on which the claim is based (the "Supporting Documents") (or, if the Supporting Documents are voluminous, you may attach a summary) or an explanation as to why the documents are not available. If you file a summary of the Supporting Documents because they are voluminous, you must transmit the Supporting Documents to (a) the City of Detroit Claims Processing Center (as defined below) and (b) the City within ten days after the date of a written request by the City for such documents.

Each entity asserting a Rejection Damages Claim with an administrative claim component must file, along with its proof of claim, a detailed statement describing the nature and basis of the portion of the Rejection Damages Claim asserting an administrative priority under section 503(b) of the Bankruptcy Code (the "Administrative Claim Supplement").

Under the Bar Date Order, the filing of a proof of claim form satisfies the procedural requirements for the assertion of any administrative priority claims under section 503(b)(9) of the Bankruptcy Code. Likewise, the filing of a proof of claim form, along with an attached Administrative Claim Supplement, if applicable, satisfies the procedural requirements for the assertion of a Rejection Damages Claim (including any administrative claim included therein). Claims asserting administrative expense priority (a) under section 503(b)(9) of the Bankruptcy Code or (b) as a portion of a Rejection Damages Claim must be filed by the General Bar Date and the Rejection Damages Bar Date, respectively.

*All other administrative claims under sections 503(b) and 507(a)(2) of the Bankruptcy Code will not be deemed proper if asserted by proof of claim. The City intends to establish a process for the assertion of such claims at a future date if and to the extent necessary or appropriate. Note that the claim priorities provided under subsections (a)(1) and (a)(3) through (a)(10) of section 507 of the Bankruptcy Code are inapplicable in chapter 9 pursuant to section 901(a) of the Bankruptcy Code.*

## **SECTION 5 — WHEN AND WHERE TO FILE**

### **SUMMARY**

- Section 5 explains that claims may be mailed or hand delivered to *either*: (a) the City's Claims Processing Center in California or (b) the Clerk's Office at the Bankruptcy Court in Detroit, Michigan.
- The addresses for filing are listed in Section 5 below.
- All claims must be received by **February 21, 2014 at 4:00 p.m., Eastern Time**, if that deadline applies to you.
- **All claims must be mailed or delivered by hand. Fax and e-mail submissions are not allowed. Also, electronic filing of claims on the Court's docketing system is not permitted.**
- If you would like to receive an acknowledgment of your filing, you must provide an extra copy of your claim. If you are filing your claim by mail, or delivering it to the claims center in California, you also must provide a self-addressed, postage prepaid return envelope.

All proofs of claim must be mailed or delivered so as to be received **on or before the applicable Bar Date**, at either one of the following two locations:

- (a) the City of Detroit Claims Processing Center at the following address:

**City of Detroit Claims Processing Center  
c/o Kurtzman Carson Consultants, LLC  
2335 Alaska Avenue  
El Segundo, CA 90245**



- (b) the Clerk's office at the Court (the "Clerk's Office") at the following address:

**Office of the Clerk of Court  
United States Bankruptcy Court  
for the Eastern District of Michigan  
211 West Fort Street  
Suite 1700  
Detroit, MI 48226**

Proofs of claim will be deemed filed only when **actually received** by the City of Detroit Claims Processing Center or the Clerk's Office on or before the applicable Bar Date. **Proofs of claim may NOT be delivered by facsimile or electronic mail transmission.** Any submissions by facsimile, electronic mail or electronic (ECF) court filing will not be accepted and will not be deemed filed until a proof of claim is submitted by one of the methods described above.

Proof of claim forms will be collected from the City of Detroit Claims Processing Center and the Clerk's Office, docketed and maintained by the City's claims agent, KCC. If you wish to receive acknowledgement of receipt of a proof of claim, you must submit by the applicable Bar Date and concurrently with submitting your original proof of claim (a) a copy of the original proof of claim and (b) for claims submitted to KCC or by mail to the Clerk's Office, a self-addressed, postage prepaid return envelope.

#### **SECTION 6 — EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

##### **SUMMARY**

- Section 6 provides special rules for creditors asserting claims arising from contracts that the City rejects during its bankruptcy case.
- "Rejecting" a contract is a special bankruptcy power that allows the City to stop performing certain agreements upon approval of the Bankruptcy Court.

As described in Section 3 above, any entity wishing to assert a Rejection Damages Claim must file a proof of claim for any prepetition or postpetition damages caused by such rejection, or any other prepetition or postpetition claims of any kind or nature whatsoever relating to the rejected agreement, by the Rejection Damages Bar Date.

#### **SECTION 7 — CONSEQUENCES OF FAILURE TO FILE A PROOF OF CLAIM BY THE APPLICABLE BAR DATE**

##### **SUMMARY**

- Section 7 explains what happens if you are required to file a claim by the deadline, but do not.
- In that case, you will lose the right to vote on or receive payments under the City's restructuring plan.

ANY ENTITY THAT IS REQUIRED TO FILE A PROOF OF CLAIM WITH RESPECT TO A PARTICULAR CLAIM AGAINST THE CITY, BUT THAT FAILS TO DO SO BY THE APPLICABLE BAR DATE DESCRIBED IN THIS NOTICE, SHALL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM THE FOLLOWING: (A) ASSERTING ANY CLAIM AGAINST THE CITY OR PROPERTY OF THE CITY THAT (I) IS IN AN AMOUNT THAT EXCEEDS THE AMOUNT, IF ANY, THAT IS IDENTIFIED IN THE LIST OF CLAIMS ON BEHALF OF SUCH ENTITY AS UNDISPUTED, NONCONTINGENT AND

LIQUIDATED OR (II) IS OF A DIFFERENT NATURE OR A DIFFERENT CLASSIFICATION OR PRIORITY THAN ANY CLAIM IDENTIFIED IN THE LIST OF CLAIMS ON BEHALF OF SUCH ENTITY (ANY SUCH CLAIM BEING REFERRED TO IN THIS NOTICE AS AN "UNSCHEDULED CLAIM"); (B) VOTING UPON, OR RECEIVING DISTRIBUTIONS UNDER, ANY PLAN IN THIS CHAPTER 9 CASE IN RESPECT OF AN UNSCHEDULED CLAIM; OR (C) WITH RESPECT TO ANY 503(B)(9) CLAIM OR ADMINISTRATIVE PRIORITY CLAIM COMPONENT OF ANY REJECTION DAMAGES CLAIM, ASSERTING ANY SUCH PRIORITY CLAIM AGAINST THE CITY OR PROPERTY OF THE CITY.

## **SECTION 8 — THE CITY'S LIST OF CLAIMS**

### **SUMMARY**

- Section 8 explains that the City filed a list of the claims that it believes it owes.
- The enclosed claim form will show how the City listed your claim. A copy of the claim list also is available on the internet at [www.kccllc.net/detroit](http://www.kccllc.net/detroit).
- Note that the City's bond debt was listed by bond series. Individual bondholders were not listed. The claim form sent to holders of general obligation bonds will include a list of all series of general obligation bonds, showing the City's calculation of the total principal and interest as of the date the bankruptcy was filed.
- If your claim is on the claim list, that means the City may have filed a claim for you. Please review the information carefully. If the City listed your claim with any of these labels, you cannot rely on the City's claim: "contingent" or "unliquidated" or "disputed." If you see any of these words next to your claim, you must file the claim form by the deadline if the claim deadline applies to you. ***The parties listed in Section 1 do not have to file a claim form by the deadline.***

You may be listed as the holder of a claim against the City in the City's List of Claims. To determine if and how you are listed on the List of Claims, please refer to the descriptions set forth on the enclosed proof of claim form(s) regarding the nature, amount and status of your claim(s). See Section 10 below for instructions regarding how to access the List of Claims. If you received postpetition payments from the City on account of your claim, the information on the enclosed proof of claim form may reflect the net remaining amount of your claims.

If you rely on the City's List of Claims, it is your responsibility to determine that the claim is accurately listed in the List of Claims. However, you may rely on the enclosed form, which sets forth (a) the amount of your claim (if any) as listed; (b) specifies whether your claim is listed in the List of Claims as disputed, contingent or unliquidated; and (c) identifies whether your claim is listed as a secured, unsecured priority or unsecured nonpriority claim. *If you are the holder of a GO Bond, please note that the List of Claims identifies the City's calculation of the total bond debt by series as of the Filing Date, and the List of Claims does not identify the amount owed to any particular bondholder. If you are a holder of a GO Bond, the amount listed by the City in the List of Claims for each series of GO Bonds is provided with your Claim Form.*

As described above, if you agree with the nature, amount and priority of your claim as listed in the City's List of Claims, and if your claim is not described in the Schedules as "disputed," "contingent" or "unliquidated," you do not need to file a proof of claim. Otherwise, or if you decide to file a proof of claim, you must do so before the applicable Bar Date in accordance with the procedures set forth in this Notice. **[Note: This Section 8 is for the service version, not the publication version, of this Notice.]**

## **SECTION 9 — RESERVATION OF RIGHTS**

### **SUMMARY**

- Section 9 explains that the City has the right to "object" to any claim you may file.
- This means that the City can challenge your claim in Court. If the City challenges your claim, you will be notified.

The City reserves the right to (a) dispute, or to assert offsets or defenses against, any filed claim or any claim listed or reflected in the List of Claims as to nature, amount, liability, priority, classification or otherwise; (b) subsequently designate any listed claim as disputed, contingent or unliquidated; and (c) otherwise amend or supplement the List of Claims. Nothing contained in this Notice shall preclude the City from objecting to any claim, whether listed or filed, on any grounds. Nothing herein or in the Bar Date Order limits, or is intended to limit, any claimant's rights to defend against any objection.

## **SECTION 10 — ADDITIONAL INFORMATION**

### **SUMMARY**

- Section 10 explains how you can get more information.
- If you have questions, you can call the **City of Detroit Claims Hotline toll-free at (877) 298-6236** between 9:00 a.m. and 5:00 p.m., Eastern Time, Monday through Friday. Or you can write to the address below.
- Information also will be available on the internet at [www.kccllc.net/detroit](http://www.kccllc.net/detroit).
- The people at the hotline cannot give you legal advice. Legal advice cannot be provided through the mailing address below or the City's website. If you want legal advice, you must contact a lawyer.

Copies of the City's List of Claims, the Bar Date Order and other information and documents regarding the City's chapter 9 case are available free of charge on KCC's website at [www.kccllc.net/detroit](http://www.kccllc.net/detroit) or for a fee at the Court's website at <https://ecf.mieb.uscourts.gov>. A login identification and password to the Court's Public Access to Court Electronic Records ("PACER") are required to access this information through the Court's website and can be obtained through the PACER Service Center at [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov). The List of Claims and other documents filed in this case may be accessed electronically, between the hours of 8:30 a.m. and 4:00 p.m., Eastern Time, Monday through Friday, at the public access terminals located in the Clerk's Office on the 17th Floor of the courthouse at 211 West Fort Street, Detroit, Michigan 48226. Copies of documents may be printed at the Clerk's Office for a charge.

If you require additional information regarding the filing of a proof of claim, you may contact the City of Detroit Claims Hotline toll-free at **(877) 298-6236** between 9:00 a.m. and 5:00 p.m., Eastern Time, Monday through Friday. You also may contact the City's claims agent, KCC, directly by writing to:

City of Detroit Claims Processing Center  
c/o Kurtzman Carson Consultants, LLC  
2335 Alaska Avenue  
El Segundo, CA 90245

**PLEASE NOTE THAT KCC IS NOT PERMITTED TO PROVIDE LEGAL ADVICE. YOU CANNOT GET LEGAL ADVICE BY CALLING THE CITY OF DETROIT CLAIM HOTLINE OR BY WRITING TO THE CITY OF DETROIT CLAIMS PROCESSING CENTER. YOU SHOULD CONSULT AN ATTORNEY REGARDING ANY MATTERS NOT COVERED BY THIS NOTICE OR FOR ANY LEGAL ADVICE, SUCH AS WHETHER YOU SHOULD FILE A PROOF OF CLAIM.**

Dated: [\_\_\_\_], 2013

BY ORDER OF THE COURT

## SCHEDULE OF SECURED BONDS

The applicable trustee or similar entity with respect to the following series of bonds has informed the City that it intends to: (a) file any proofs of claim against the City on behalf of the holders of these bonds; and (b) provide notice to the holders of the bonds.

<u>Secured Bond</u>	<u>Trustee or Similar Entity</u>	<u>Secured Bond</u>	<u>Trustee or Similar Entity</u>
Sewage Disposal System Revenue Bond Series 1998-A	U.S. Bank National Association ("U.S. Bank")	Sewage Disposal System State Revolving Fund Revenue Bonds Series 2004-SRF2	U.S. Bank
Sewage Disposal System Revenue Bond Series 1998-B	U.S. Bank	Sewage Disposal System State Revolving Fund Revenue Bonds Series 2004-SRF3	U.S. Bank
Sewage Disposal System Revenue Bond Series 1999-A	U.S. Bank	Sewage Disposal System State Revolving Fund Revenue Bonds Series 2007-SRF1	U.S. Bank
Sewage Disposal System Revenue Bond Series 2001-B	U.S. Bank	Sewage Disposal System State Revolving Fund Revenue Bonds Series 2009-SRF1	U.S. Bank
Sewage Disposal System Revenue Bond Series 2001(C)(1)	U.S. Bank	Sewage Disposal System State Revolving Fund Revenue Bonds Series 2010-SRF1	U.S. Bank
Sewage Disposal System Revenue Bond Series 2001(C)(2)	U.S. Bank	Sewage Disposal System State Revolving Fund Revenue Bonds Series 2012-SRF1	U.S. Bank
Sewage Disposal System Revenue Bond Series 2001-D	U.S. Bank		
Sewage Disposal System Revenue Bond Series 2001-E	U.S. Bank	Water Supply System Revenue Bond Series 1993	U.S. Bank
Sewage Disposal System Revenue Bond Series 2003-A	U.S. Bank	Water Supply System Revenue Bond Series 1997-A	U.S. Bank
Sewage Disposal System Revenue Bond Series 2003-B	U.S. Bank	Water Supply System Revenue Bond Series 2001-A	U.S. Bank
Sewage Disposal System Revenue Bond Series 2004-A	U.S. Bank	Water Supply System Revenue Bond Series 2001-C	U.S. Bank
Sewage Disposal System Revenue Bond Series 2005-A	U.S. Bank	Water Supply System Revenue Bond Series 2003-A	U.S. Bank
Sewage Disposal System Revenue Bond Series 2005-B	U.S. Bank	Water Supply System Revenue Bond Series 2003-B	U.S. Bank
Sewage Disposal System Revenue Bond Series 2005-C	U.S. Bank	Water Supply System Revenue Bond Series 2003-C	U.S. Bank
Sewage Disposal System Revenue Bond Series 2006-A	U.S. Bank	Water Supply System Revenue Bond Series 2003-D	U.S. Bank
Sewage Disposal System Revenue Bond Series 2006-B	U.S. Bank	Water Supply System Revenue Bond Series 2004-A	U.S. Bank
Sewage Disposal System Revenue Bond Series 2006-C	U.S. Bank	Water Supply System Revenue Bond Series 2004-B	U.S. Bank
Sewage Disposal System Revenue Bond Series 2006-D	U.S. Bank	Water Supply System Revenue Bond Series 2005-A	U.S. Bank
Sewage Disposal System Revenue Bond Series 2012-A	U.S. Bank	Water Supply System Revenue Bond Series 2005-B	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1992-B SRF	U.S. Bank	Water Supply System Revenue Bond Series 2005-C	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1993-B SRF	U.S. Bank	Water Supply System Revenue Bond Series 2006-A	U.S. Bank

<b>Secured Bond</b>	<b>Trustee or Similar Entity</b>
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1997-B SRF	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1999-SRF1	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1999-SRF2	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1999-SRF3	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 1999-SRF4	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2000-SRF1	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2000-SRF2	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2001-SRF1	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2001-SRF2	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2002-SRF1	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2002-SRF2	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2002-SRF3	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2003-SRF1	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2003-SRF2	U.S. Bank
Sewage Disposal System State Revolving Fund Revenue Bonds Series 2004-SRF1	U.S. Bank

<b>Secured Bond</b>	<b>Trustee or Similar Entity</b>
Water Supply System Revenue Bond Series 2006-B	U.S. Bank
Water Supply System Revenue Bond Series 2006-C	U.S. Bank
Water Supply System Revenue Bond Series 2006-D	U.S. Bank
Water Supply System Revenue Bond Series 2011-A	U.S. Bank
Water Supply System Revenue Bond Series 2011-B	U.S. Bank
Water Supply System Revenue Bond Series 2011-C	U.S. Bank
Water Supply System State Revolving Fund Revenue Bonds Series 2005-SRF1	U.S. Bank
Water Supply System State Revolving Fund Revenue Bonds Series 2005-SRF2	U.S. Bank
Water Supply System State Revolving Fund Revenue Bonds Series 2006-SRF1	U.S. Bank
Water Supply System State Revolving Fund Revenue Bonds Series 2008-SRF1	U.S. Bank
Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation) Series 2010-A	U.S. Bank
Distributable State Aid General Obligation Limited Tax Bonds Series 2010	U.S. Bank
Distributable State Aid Third Lien Bonds (Limited Tax General Obligation) Series 2012-A(2), (A2-B), (B) & (B)(2)	U.S. Bank
Detroit Building Authority Bonds: Revenue Refunding Bonds Parking System- Series 1998-A	The Bank of New York Mellon Trust Company, National Association

## ANNEX II



**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, exceptions to these general rules may apply.*

**Items to be completed in Proof of Claim form****Court, Name of Debtor, and Case Number:**

For the convenience of creditors, the Court, Name of Debtor and Case Number already have been completed on this modified proof of claim form.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:** State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as listed by the debtor on the Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (Docket No. 1059), as it may be amended or supplemented from time to time.

**4. Secured Claim:**

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and

value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority as a Administrative Expense Under 11 U.S.C. §§ 503(b)(9) and 507(a)(2).**

If any portion of the claim is entitled to priority under U.S.C. §§ 503(b)(9) and 507(a)(2), state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

**DEFINITIONS****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

**Claim**

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form by sending or delivering the form to one of the addresses provided below.

**Secured Claim Under 11 U.S.C. § 506 (a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly

unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority as an Administrative Expense Under 11 U.S.C. §§ 503(b)(9) and 507(a)(2)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims. In a chapter 9 case, 11 U.S.C. § 503(b)(9) may provide priority status to claims for "the value of goods received by the debtor within 20 days before the date of commencement of a case ... in which the goods have been sold to the debtor in the ordinary course of such debtor's business." 11 U.S.C. § 503(b)(9).

Pursuant to 11 U.S.C. § 901(a), the priorities accorded certain claims under 11 U.S.C. § 507(a)(1) and (a)(3-10) are inapplicable in a chapter 9 case.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

**INFORMATION****Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may view a list of filed claims in this case by visiting the Claims and Noticing Agent's website at <http://www.kccllc.net/Detroit>

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

**PLEASE SEND OR DELIVER COMPLETED PROOFS OF CLAIM TO:**

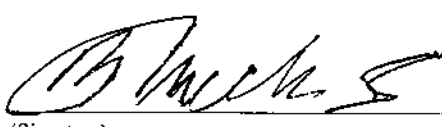
City of Detroit Claims Processing Center  
c/o KCC  
2335 Alaska Avenue  
El Segundo, CA 90245

-or-

Office of the Clerk of Court  
United States Bankruptcy Court  
for the Eastern District of Michigan  
211 West Fort Street, Suite 1700  
Detroit, MI 48226



## **ITEM 2**

<b>UNITED STATES BANKRUPTCY COURT</b>		<b>EASTERN DISTRICT of MICHIGAN</b>		<b>FILED</b> <b>FEB 21 2014</b> <b>US Bankruptcy Court</b> <b>MI Eastern District</b>
Name of Debtor: <b>City of Detroit, Michigan</b>		Case Number: <b>13-53846</b>		<b>RECEIVED</b> <b>FEB 24 2014</b> <b>KURTZMAN CARSON CONSULTANTS</b>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing.				
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>Michigan AFSCME Council 25 and its affiliated Detroit Locals</b>				
Name and address where notices should be sent: <b>Richard G. Mack Jr. Miller Cohen, PLC 600 W. Lafayette Blvd. 4<sup>th</sup> Floor Detroit, MI 48226</b>		Telephone number: <b>313-964-4454</b> email: <b>richardmack@millercohen.com</b>		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where payment should be sent (if different from above):		Telephone number: _____ email: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
<b>1. Amount of Claim as of Date Case Filed: Not less than \$8,718,697,854.82</b> See Attached (Note: AFSCME Council 25 has filed an additional Proof of Claim)  If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.				
<b>2. Basis for Claim: See attached Addendum for additional details.</b>				
<b>3. Last four digits of any number by which creditor identifies debtor:</b>		<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a)		
<b>4. Secured Claim (See instruction #4)</b> Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other  Describe: Value of Property: _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____  Basis for perfection: See Attached  Amount of Secured Claim: \$ <b>0</b> Amount Unsecured: _____		
<b>5. Amount of Claim Entitled to Priority as an Administrative Expense under 11 U.S.C. §§ 503(b)(9) and 507(a)(2).</b> \$ <b>0</b>				
<b>5b. Amount of Claim Otherwise Entitled to Priority. Specify Applicable Section of 11 U.S.C. § _____</b> \$ <b>0</b>				
<b>6. Credits.</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)				
<b>7. Documents:</b> Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: See attached Addendum. Further, the underlying documents relative to this claim are in the City's possession				
<b>8. Signature:</b> (See instruction # 8) Check the appropriate box.  <input type="checkbox"/> I am the creditor. <input checked="" type="checkbox"/> I am the creditor's authorized agent. <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.)  I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.				
Print Name: <u>Richard G. Mack Jr.</u> Title: <u>Attorney and Authorized Agent</u> Company: <u>Miller Cohen, PLC</u>		 (Signature)		
Address and telephone number (if different from notice address above): <u>600 W. Lafayette Blvd. 4<sup>th</sup> Floor</u> <u>Detroit, MI 48226</u> <u>313-964-4454</u> email: <u>richardmack@millercohen.com</u>		<u>2/21/2014</u> (Date)		

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 35

**Addendum to the Proof of Claim of  
Michigan AFSCME Council 25, and its affiliated Locals of the City of Detroit**

This proof of claim (the "Claim") is for all claims due to Michigan AFSCME Council 25 and its affiliated Locals within the City of Detroit (the "Claimant"), and its members, and former members/retirees (or future retirees with pension or other post-employment benefit obligations vested prior to the City of Detroit's (the "City") bankruptcy filing), relating to:

(i) unfunded or underfunded pension obligations (including annuity savings fund obligations) owed with respect to the City's General Retirement System (the "Pension Obligations"),

(ii) other unfunded or underfunded post-employment benefit obligations (the "OPEB Obligations", including obligations owed with respect to the City's Health and Life Insurance Benefit Plan and/or the Supplemental Death Benefit Plan and/or other non-pension post-employment welfare benefits, including unfunded actuarially accrued liabilities),

(iii) grievances and other disputes under the various union contracts, the City Employment Terms or other contractual obligations,

(iv) monies owed for violations of local, state or federal law, unfair labor practice charges,

(v) monies owed due to uncompensated services performed,

(vi) any other claims which arose before July 18, 2013.

**The calculated aggregate amount owed pursuant to these claims amount to not less than \$8,718,697,854.82.** The not less than **\$8,718,697,854.82** amount asserted in this Claim consists of several separate claims.<sup>1</sup> (See attachment)

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<sup>1</sup> The amount set forth in this Claim are estimates based on data provided to Claimant by the City, Collective Bargaining Agreements, the City's General Retirement System and other third

On November 21, 2013, the Court entered its order establishing bar dates for filing proofs of claim and approving the form and manner of notice thereof [Docket No. 1782] (the "Bar Date Order") establishing February 21, 2014 at 4:00 p.m. Eastern Time as the general claims bar date for filing proofs of claim in this case. While individuals or entities holding claims for, *inter alia*, Pension Obligations and OPEB Obligations were not required to file proofs of claim pursuant to the Bar Date Order, as the City has not (to date) determined how the claims for Pension Obligations and/or OPEB Obligations will be asserted and/or allowed, portions of this claim are in reference to Pension Obligations and OPEB Obligations as a protective measure.

As the documents supporting this Claim – including without limitation the relevant statutes, charter and ordinances, collective bargaining agreements, City Employment Terms, grievances, arbitration awards, unfair labor practice charges, the books and records of the City and its General Retirement System, and the City's communications with its employees and retirees – are voluminous, they are not attached to this Claim. Copies of the relevant documents supporting this Claim are or should be, upon information and belief, in the possession of the City.

Claimant expressly reserves the right to amend this Claim to re-characterize or further characterize all or any portion of these claims as administrative expenses or priority claims or to include such modifications, deletions or additions as may be just and proper.

Pursuant to the Bar Date Order, individual members of AFSCME Council 25, its affiliated Locals, and the Coalition of Unions have a right to file a proof of claim on their own

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parties. Claimant reserves the right to amend this Claim to include updated data, any appropriate changes in applicable actuarial assumptions which serve as the basis for the calculations of the amounts set forth herein, and any appropriate updates for Claimant's members or former Claimant members who have or may become eligible in the future for pension benefits but whose data was not included in the herein calculations.

behalf. Thus, Claimant reserves the right for other units or individual members to file proof of claims in addition to this claim. Claimant has put forth a good faith effort to provide an exhaustive list of all outstanding claims while avoiding duplicative filings; any unnecessary duplication is not intentional and will be resolved.

The filing of this Proof of Claim is not and should not be deemed a waiver of any Claimant's challenge to the legal validity of this bankruptcy or any legal claims relating to the bankruptcy and/or Detroit's assets. Furthermore, this Claim shall not be deemed or construed to be a waiver of the rights of the Claimant (1) to have final orders with respect to non-core matters entered only after *de novo* review by the United States District Court, (2) to trial by jury in any proceeding so triable in these cases or any case, controversy, or proceeding related to these cases, (3) to have the United States District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal, (4) to assert any other rights, claims, actions, setoff or recoupments to which the Claimant is or may be entitled in law or in equity, all of which rights, claims, actions, defenses, setoffs, and recoupment the Claimant expressly reserves, and (5) to assert any and all rights or claims against others jointly or severally liable for the sums claimed herein.

# EXHIBIT 1 TO MICHIGAN AFSCME COUNCIL 25 PROOF OF CLAIM

<u>ISSUE NAME</u>	<u>DESCRIPTION</u>
Underfunded pension and post employment benefit obligations	Based upon data from the City and elsewhere, it is projected that the pension and health care obligations of the City's active employees and retirees amounts, in total, to no less than \$8.1 billion dollars.
Violations of local, state or federal law	Claimant asserts any and all claims arising from or related to every City breach of local, state or federal law, the orders of the Emergency Manager, or any other failure of the City or its agents to fulfill such legal obligations, to Claimant or its present or former members. This applies to legal violations impacting present or former union members for injury which has been, is presently or will be realized in the future. This applies whether or not such violations are identified herein.
Refusal to bargain AFSCME Local 1023: MERC Case Number D13 C-0331	AFSCME Local 1023 is a public safety local, and therefore its bargaining disputes must be resolved with binding arbitration pursuant to state law, if so requested by a negotiating party. The state labor board, in another case, ruled that 2012 Public Act 436 denied binding arbitration to public safety locals. AFSCME Local 1023 was not a party to that case and filed its own request for negotiation assistance with the state labor board. Local 1023 maintains a claim for the City's unilateral imposition of employment conditions, prior to binding arbitration, and contends that the state labor board interpreted Public Act 436 in error (by, for instance, not properly accounting for the other state law which requires binding arbitration).
Local 207, 2394 and 2920 DWSD refusal to bargain / Case Number C13 D-069	AFSCME water department locals were refused the opportunity to bargain a new contract, and incurred illegal changes in employment conditions.
Imposition of furloughs days in February 2013	In February 2013, the City unilaterally imposed furlough days, in violation of its obligation to bargain with its unions. The City required employees to take unpaid days off work at least twice per month. These furlough days were realized through the bulk of the 2013 calendar year, causing significant losses in wages and benefits that would have been earned or accrued during the lost time.
Detroit refusal to bargain concerning Transportation Locals: Case Number C12 H-157	The City has committed to bargain with AFSCME Locals 214 and 312. The members of these Locals work in the Detroit Department of Transportation. These locals, however, are part of a city-wide bargaining unit, as determined by Michigan courts. By refusing to bargain with the entire bargaining unit, but only select portions of the bargaining unit, the City is violating state labor law. Any changes in employment conditions realized by the entire unit – due to the City's failure to bargain – represent a claim.

AFSCME Council 25 (13th check ULP). MERC Case No. C12-E-092	On about November 30, 2011, the City passed an ordinance which curtailed payments into employee annuity accounts and stopped "13 <sup>th</sup> checks" being paid to retirees. By applying this change to union-negotiated benefits, the City violated state labor laws, by ignoring its bargaining obligation and repudiating its contractual obligations. An administrative law judge recommended a finding in favor of the Unions and estimated the award to be as high as \$174,000,000.
City of Detroit 2012 negotiations and implementation with Coalition: MERC Case No. C12 D-065, C12 F-125, C13 G-129	Following the negotiation of a Coalition tentative agreement in February 2012, the City violated state labor laws by refusing to execute that contract but illegally imposing other terms and conditions of employment. This includes wage and benefit concessions for all AFSCME members, which remain in existence today. The reader is referred to the Coalition of Detroit Unions Proof Of Claim, addressing the losses discussed therein. AFSCME's share of the Coalition proof of claim amount is in the range of 60% - 70%.
Violation of Privatization Ordinance	The City has repeatedly violated the City's Privatization Ordinance, prior to letting contracts to vendors to perform work normally performed by unionized employees. These claims are held by individual members of the Unions, as opposed to the union itself. Nonetheless, the claims seek all relief available to the employees under the law.
City of Detroit/DFFA/MERC: MERC Case No. C11 K-201	The union filed an unfair labor practice charge concerning removal of work from the applicable bargaining unit. This change impacted the employees who had previously performed the work.
City of Detroit longevity claim for AFSCME employees: Claim number 12-000522 and 12-000523; Wayne County Circuit Court Number 13-003430-AA	Under the 2005-2008 AFSCME union contract, employees had received a yearly payment, in December, based upon the number of hours they worked since the previous December; receiving the full longevity payment for hitting 1600 hours. Effective October 2010, the City imposed new contract terms on AFSCME employees, which removed the longevity pay. However, many AFSCME members had already worked the 1600 hours since the December 2009, entitling them to full longevity pay. Further, for members who had worked less than the 1600 hour threshold, they were entitled to prorated longevity payments for hours worked in each month during that year. The City refused any AFSCME members longevity pay, despite the clear contractual obligation. AFSCME members filed claims with the state for this payment, and the City challenged the payments. The claims were initially denied by the administrative law judge, and placed on appeal before Wayne County Circuit Court.

Negotiation of Local 542 supplemental agreement: MERC Case Number C07 L-033	MERC ruled that the City was obligated to negotiate a supplemental bargaining agreement with Local 542. Failure of the City to do so caused financial harm to members of this bargaining unit.
Detroit & SEMHA: MERC Case No. C05 H-194	The charge was filed to protest the layoff of four individuals from the Detroit Health Department and rehiring of them by a Detroit contractor, to perform the same work. The charge alleged a violation of state labor law. In the process of the hearing (despite repeated appeals, ancillary litigation and cancelations), the Union learned of other positions for which this occurred. The charge sought back pay and benefits for those impacted employees. The Union lost dues for those laid off members as well.
	Grievance Claims
Breach of contract claims	Claimant asserts any and all claims arising from or related to every City breach of the Council 25 Master Agreement, local supplemental agreements, Council or local memoranda or letters of understanding, the imposed City Employment Terms, the orders of the Emergency Manager, or any other failure of the City or its agents to perform any contractual obligation to the Claimant or its present or former members. This applies to breaches impacting present or former union members for injury which has been, is presently or will be realized in the future. This applies to all such breaches, whether or not listed specifically herein.
Exhibit 2 Listing of Specific Grievances	Exhibit 2, attached to this Proof Of Claim, contains a listing of a number of specific grievances filed by AFSCME Council 25 local unions. While this is intended to be a list of all active grievances currently in existence, derived after diligent search, Claimant reserves the right to add to or otherwise modify the list of grievances, or the description of any grievance listed therein.
City of Detroit/Human Services department: Grievance No. 25-01-12 / COA: 12-0077708-CL	In July and October, 2012, approximately 174 AFSCME Locals 1642 and 457 members, working at the Detroit Health Department and Workforce Development Department, were permanently laid off and replaced with employees from third party companies. The arbitrator found the City's actions to be in violation of the union contract, and awarded back pay and benefits to the members. The arbitrator's decision, confirmed by Circuit Court, is now on appeal.
City of Detroit Retirees Health Care: Grievance No. C10 A-025	In 2006, the City changed retiree health care benefits, requiring retirees to incur greater cost for health care. AFSCME filed a grievance on behalf of all AFSCME retirees (approximately 6,000), because the changes violated specific provisions of the union contracts under which the employees retired.
Payroll disputes	Repeatedly, the City of Detroit payroll system will not issue correct amounts of pay or benefits on payroll checks of AFSCME members. This problem has escalated over the years, resulting in significant losses of money and benefits for AFSCME members.



Detroit Service and Maintenance Outsourcing in Downtown Detroit: Grievance Number C09-078	In 2009, the City reduced the overtime of AFSCME members, due to work performed by private contractors, in the downtown Detroit area. This violation of Article 19 of the AFSCME Master Agreement continued for years after the fact. The violations impacted 40-60 employees throughout the period.
Tree Artisan failure to secure license: Grievance Number 727May08	Tree artisan employees in the AFSCME bargaining unit were discharged. The grievance was granted in that the City was required to pay for training and restore seniority to some employees. To the extent these benefits were not awarded, those employees have claims.
<b>TOTAL CLAIM AMOUNT</b>	<b>Not less than \$8,718,697,854.82 (estimated)</b>

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23	20-Oct-09	D21806-23-2009	14609	CP 01-09	All City of Detroit Locals	Termination of Contract	All			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
23	21-Oct-09	D21805-23-2009	14608	CP 02-90	All City of Detroit Locals	Failure to Enact Defined Contribution Plan	All			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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Ex 2, AFSCME Proof Of Claim

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62	14-Apr-08	D19058-62-2008	13782	2-08ITS	McKinney, Joel	2-12-08	Computer Equipment Operator	ITS	\$12,480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	14-Apr-09	D20954-62-2009	14380	1-14-09	McKinney, Joel	30-Day Suspension	Data Processing Equip.	ITS	\$64,688.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	14-Apr-09	D20956-62-2009	14447	20-09	UNION POLICY	4-8-09	ALL	Union		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	01-Nov-12	D26800-62-2012	16256	51-12MP	VanLowe, Christina	Worker's Comp	Parking Meter collector	Municipal Parking		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	12-Feb-13	D27105-62-2013	16259	62-12	AFSCME Local 62	Longevity Pay		Union	\$360,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	28-Oct-09	D21873-62-2009	14629	15-091ITS	McKinney, Joel	Discharge	Data Processing Equip.	ITS	\$64,866.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	24-Feb-10	D22481-62-2009	14820	26-09 DPW	Smith, Samantha	Suspension/Discharge	OA II	DPW Davison	\$8,092.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	24-Feb-10	D22483-62-2010	14818	2-10-BSE	Rogers, Angelina	29-Day Suspension Pending Discharge	Clerk	BSE	\$60,112.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	24-Sep-09	D21714-62-2009	14628	23-09	Zachary, Deborah	Layoff	All	BSE	\$12,480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	11-Jul-12	D26490-62-2012	16194	40-12MP	AFSCME Local 62	Supervisors and Work Rules		Union	\$30,388.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	13-Jul-12	D26498-62-2012	16200	4-23-HR	Murriel, Bridget L	Layoff and Seniority	Personnel and Payroll Clerk	Human Resource	\$30,100.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	13-Jul-12	D26499-62-2012	16199	29-01 HR	Burrell, Roslyn	Discharge	Sr. Payroll/Personnel Clerk	Human Resource	\$420,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	30-Jan-12			01-12-MP	Taylor, Terrance	Discharge	Parking Meter collector	Municipal Parking		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	06-Sep-12			41-05 ITS	Riley, Earlene	Opportunity to apply for a position	Sr Data Processing Equip Oper.	ITS	\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	05-Nov-10			50-10-HR	Peterson, Jacqueline	Sr Payroll Clerk		Human Resource	\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
62	05-Nov-10			51-10-HR	Pickett, Janice	Sr Payroll Clerk		Human Resource	\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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214	03-Jun-11	D24677-214-2011	15518	10-12	Jackson, Deborah	Written Reprimand	TTS	DDOT		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	01-Jul-11	D24831-214-2011	15572	11-06	Jackson, Deborah	Suspension	TTS	DDOT	\$36,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	16-Sep-10	D23495-214-2010	15221	09-13	AFSCME Local 214	Out-of-Class	All	DDOT	\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	26-Mar-12	D26066-214-2012	16032	12-02	AFSCME Local 214	Reduction in Force	All	DDOT	\$80,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	26-Mar-12	D26068-214-2012	16034	12-05	AFSCME Local 214	Maintenance of Conditions/Reduction in force	All	DDOT	\$80,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	07-Aug-12	D26560-214-2012	16216	12-07	Barnes, George	Discharge	Int Monety Handler	DDOT	\$60,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	23-Jan-13	D27031-214-2013	16260	12-15	AFSCME Local 214	Uniform Allowance	Money Handler	DDOT	\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	23-Jan-13	D27032-214-2013	16261	12-08	AFSCME Local 214	Wages	All	DDOT	\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	03-Jun-11	D24678-214-2011	15519	10-14	Hamilton, Rena	Overtime	Money Handler	DDOT	\$8,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	16-Sep-10	D23497-214-2010	15218	10-06	AFSCME Local 214	Out of Class	All	DDOT	\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214			15224	12-11	AFSCME Local 214	Overtime	All	DDOT	\$4,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
214	31-Aug-10	D23425-214-2010	15223	10-02	Westbrook, Michael	Wages	Sr Serv Guard	DDOT	\$800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	15-Jan-06	D20435-207-2009	14182	0260-08	Daniels, Andrew	3-Suspension	General Auto Mechanic		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-07	D19314-207-2008	14081	0129-08	Ciers, Curtis	Denied Overtime			\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18055-207-2007	13673	0150-07-SC	Union Policy	Improper requirement the IWC workers provide US Stee Security with their SSA; Non filling of vacant position; Seniority based out of class procedures not followed	All		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18056-207-2007	13651	0008-07	White, Gertrude	Denied right to work Christmas and OT	Serv Guard P.U.		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18058-207-2007	13646	0028-07	Triplett, Kathy	Took \$230.94 from check with no explanation	Serv Guard P.U.		\$230.94	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18059-207-2007	13633	0023-07	Richardson, Squire	Owed Longevity Pay	Serv Guard P.U.		\$750.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18087-207-2007	13648	0032-07	Union Policy	Unsafe Vehicles - Need Repairs	All		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18089-207-2007	13649	0030-07	Thomas, Lekita	Unsafe conditions - Booth Repairs	Serv Guard PU		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jul-07	D18090-207-2007	13652	0029-07	Thomas, Lekita	Passed over for OT due to Supervisor favoritism	Serv Guard PU		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-07	D19416-207-2008	14280	0182-08	Harms, Dwight	Incorrect Pay Rate in New Title & Owed Step Increases From Previous Title	Park Maintenance Worker		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jul-07	D17604-207-2007	13342	0109-07	Reggie Rounds	Promotion to plant maint Mech.	Repair Mechanic		\$43,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jul-07	D17654-207-2007		0107-07	Union Policy	Non-bargaining unit employees performing bargaining unit duties.	ALL		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jul-07	D17657-207-2007	13343	0094-07	Union Policy	Promotion to plant maint. Mech.	Repair Mechanics		\$300,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jul-07	D17658-207-2007	13350	0118-07	Union Policy	Owed straight O.T. hours	SPA, SPO		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jul-07	D17659-207-2007	13353	0135-07	Ketelhut, Dennis	denied overtime	SPO		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Jul-07	D18047-207-2007	13623	0075-07	Yowell, Lyle	Double time for working beyond 16 hours	Serv Guard P.U.		\$50.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Jul-07	D18048-207-2007	13622	0134-07	White, Gertrude	Bypassed for OT	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Jul-07	D18049-207-2007	13625	0042-07	Thomas, Lekita	Unnecessary delay in taking injured worker to clinic	Serv Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Jul-07	D17998-207-2007	13474	0150-07	Hatchett, Kenneth	Theft of dept property	Sr Water Sys Mechanic		\$250,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Aug-07	D17999-207-2007	13472	0114-07	Melvin Lamb	AWOL	Water Sys Helper		\$250,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Aug-07	D17997-207-2007	13476	0162-07	Cooper, Chester L	Under the influence of alcohol	Plant Maint Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	09-Aug-07	D18031-207-2007	13619	0152-07	Union Policy	Out of Class Assignment	All		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Aug-07	D18032-207-2007	13475	0175-07	Chester Cooper	Away from plant site	Plant Maint Mech		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Aug-07	D18036-207-2007	13630	0099-07	Spicer, Kim	Incorrect pay rate	Repair Mechanic		\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Aug-07	D18038-207-2007	13515	0108-07	Harris, Ronald	Poor Work Performance	Sr Water Sys Mechanic		\$450.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Aug-07	D18039-207-2007	13631	0110-07	Anderson, Terry	Shorted on pay-out of sick pay	Asst Water Sys Investigator		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Aug-07	D18040-207-2007	13624	0106-07	Dynita McCaskill	Supervisors working AFSCME duties	Asst Water Sys Investigator		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Aug-07	D18042-207-2007	13621	0100-07	Dynita McCaskill	OT equalization	Asst Water Sys Investigator		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-07	D18060-207-2007	13647	0184-07	Bradley, William	Incorrect pay rate, unpaid work hours and no health insurance	SPA		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Nov-07	D18041-207-2007	13617	0167-07	White, Gertrude	A- Shift worker not offered B-Shift OT	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Nov-07	D18025-207-2007	13620	0290-07-SC	Union Policy	Overtime equalization at CSF Garage; Unfair OT distribution at SCF Garage	General Auto Mechanic & Helper		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-07	D18001-207-2007	13681	0208-07	Gertrude White	Unequal assignment of patrol duty in security	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-07	D18002-207-2007	13623	0158-07	Stevens, Carrie	Wants patrol to be assigned to those who want to patrol	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-07	D18003-207-2007	13627	0241-07	Sigmon, Marlon	Improper denial of vacation time request	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-07	D18005-207-2007	13628	0271-07	Haque, Mohammad	Denial of Workers Compensation	Water Sys Repair Worker		\$400,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Nov-07	D18061-207-2007	13470	0297-07	Michael Harper	Under the influence of alcohol	Plant Maint Mech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Dec-07	D18907-207-2007	13936	0251-07	UNION POLICY	Overtime equalization			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-07	D18909-207-2008	13943	0293-07	Tate, Darla	Harassment by supervisor	Building Attendants			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-07	D18922-207-2008	13934	0286-07	UNION POLICY	contractual work			\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-07	D18923-207-2008	13823	0211-07	Webb, Rodney	Invalid drivers license	Service Guard P.U.		\$220,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-07	D18925-207-2008	13951	0287-07	Hayden, Mark	Contractual Work	Plant Maintenance mechanic		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-08	D18411-207-2008	13688	0303-07	Ward, Kenneth	Pay rate incorrect (step increase)	Service Guard P.U.		\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-08	D18413-207-2008	13687	0295-07	Union Policy	Steward to receive 1st OT of fiscal year	ALL		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-08	D18414-207-2008	13886	0318-07	Thomas, Lekita	Charged for OT - not asked	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-08	D18415-207-2008	13685	0301-07	Bass, Richard	Owed private car mileage	Service Guard P.U.		\$50.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	18-Jan-08	D18956-207-2008	13954	0002-08	UNION POLICY	VIOLATION OF THE JUST CAUSE STANDARDS FOR ALCOHOL AND DRUG TESTING. AND THE DWSO ALCOHOL AND DRUG POLICY.	SR WATER SYSTEMS MECHANIC		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Jan-08	D18957-207-2008	13941	0280-07	Bridges, Kendra	HEALTH INSURANCE CANCELLED	WATER METER MECHANIC		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Feb-08	D19045-207-2008	13854	0340-07	Hogans, James	Poor work performance	Sewage Plant Operator		\$100.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-08	D19048-207-2008	13940	0324-07	Teamer, Albert J	Skipped over for promotion	Repair Mechanic		\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-08	D19050-207-2008	13956	0069-08	Spratt, Antonio L	Owed Longevity Payments	Water Systems Repair Worker		\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-08	D19051-207-2008	13859	0010-08	Weathersby, Alvin		General Auto Mechanic		\$32,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-08	D19053-207-2008	13955	0064-08	Cheatham, Paul	Denied OT 2-17-2008	GAM		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-08	D19054-207-2008		0054-08	Martin, Ronald W	Failure To Maintain Driving Eligibility	Water Systems Helper		\$180,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Mar-08	D18747-207-2008	13746	0022-08	Moore, Silas	Owed Out of Class Pay	Water Systems Mechanic		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Apr-08	D19061-207-2008	13935	0035-08	McKissack, Cynthia	Sexual Harassment	Sewage Plant Attendant		\$50,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Apr-08	D19065-207-2008	14233	0043-08	Union Policy	Displaying Members Social Security Numbers	ALL			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19104-207-2008	13939	0330-07	CANTY, ANDRE	Owed 2 hrs. O.T. Plus afternoon shift premium from 11-9-07	Service Guard P.U.		\$60.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19106-207-2008	13937	0321-07	Case, Richard	Denied O.T. Opportunity	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19107-207-2008	13938	0320-07	Thomas, Lekita	Owed 25 minutes of double time pay (worked past 16hrs)	service Guard P.U.		\$7.50	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19108-207-2008	13945	0317-07	Murray, Richard	Unfair Treatment	service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19109-207-2008	13961	0014-08	Houghton, Robert	Harassment	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19112-207-2008	13959	0012-08	Houghton, Robert	Overtime Equalization	Plant Maintenance Mechanic		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19114-207-2008	13944	0257-07	White, Gertrude	Unfair Treatment While Ill	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19115-207-2008	13850	0059-08	Parker, William	Calling member a derogatory name	Del. Driver		\$350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D19118-207-2008		0051-08	McKinley, Dennis	Theft of City Property	Service Guard P.U.		\$225,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D18892-207-2008	13757	0041-08	Richard Case	Harassed by Supervisor	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-08	D18893-207-2008	13756	0044-08	Mccaskill, Kathy	Guard Booth Dirty	Service Guard P.U.		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	18-Apr-08	D19121-207-2008	14236	0084-08	Swanigan, William	Breach of confidentiality	sewage plant operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19123-207-2008	13999	0071-08	Merchant, Jeffery	Out-of-class assignemnt	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19124-207-2008	14000	0015-08	Murray, Lawrence	Out of Class Assignment	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19125-207-2008	14001	0068-08	Hayes, Richard A.	Out-Of-Class Assignemnt	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19131-207-2008	13962	0057-08	Houghton, Robert	Overtime Equalization	Plant Maintin		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19134-207-2008	14002	0070-08	Ketelhut, Dennis	Out-Of-Class Assignments (Sr. Spo-WWTP)	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19135-207-2008	14235	0073-08	White, Sandra	breach of confidentiality	Sewage Plant Operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19071-207-2008	13998	0072-08	Fears, Lawrence	Out-of-class Assignment	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jun-08	D19201-207-2008	14228	0153-08	Timothy Aggas	Health Insurance Deduction	Water Plant Operator		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19196-207-2008	14221	0120-08	Mckelvy, Therron		Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19198-207-2008	14222	0121-08	Stewart, Zanetta	Millwrights assigned to plant maintenance mechanics duties	Plant Maintenance Mechanic		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19200-207-2008	14046	0019-08	Haynes, Donna	Out of Class Assignment (SR. SPO)	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19203-207-2008	13848	0106-08	Turner, Toney D	Improper Conduct with Customer	Repair Mechanic		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19204-207-2008	14047	0107-08	Rush, Gregory	Out of Class Assignemnts (SR. SPO)	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19205-207-2008	13862	0099-08	Jolly, Roderick	Unjust Termination	Sewage Plant Attendant		\$250,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-08	D19193-207-2008	14040	0113-08	Jackson, Ronald	Out of Class Pay	Water Systems Helper		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jun-08	D19194-207-2008	14039	0114-08	Coston, Eric	Out of Class Pay	Water Systems Helper		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jun-08	D19192-207-2008	14041	0100-08	Moore, Earl M	Owed OOC Pay For Water Systems Mechanic Work	Water Systems Repair Worker		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jun-08	D19268-207-2008	13847	0103-08	Charleston, Edward	3-Day Suspension	Sewage Plant Operator		\$450.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jun-08	D19271-207-2008	14237	0117-08	Sain, Phillip	Short Staffing	Sewage Plant Attendant		\$0.10	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jun-08	D19273-207-2008	13855	0032-08	Orlando Ruffin	21-Day Suspension	Sewage Plant Operator		\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jun-08	D19307-207-2008	14091	0104-08	Thompson, Curtis	WSCIT Work to Mechanics & Engineers	Wat Sys Cont Inst. Tech		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		



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207	20-Jun-08	D19309-207-2008	14092	0116-08	Thompson, Curtis	Interference With the Job	Water Sys Control Inst Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jun-08	D19313-207-2008	14082	0130-08	Ciers, Curtis	Unfair Treatment				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jun-08	D19315-207-2008	14038	0125-08	Hutson, Michael	Owed Out-of-Class Pay			\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jun-08	D19317-207-2008	14088	0077-08	Thompson, Curtis	Supervisors Doing Bargaining Unit Work	Water Sys Control Inst Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Jun-08	D19311-207-2008	13894	0335-07	Lawson, Sean	Suspension Absenteeism	Storekeeper		\$350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-08	D19308-207-2008	14085	0056-08	Thompson, Curtis	Contractor Doing Barg Unit Work Reducing Overtime	Water Sys Control Inst Tech		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-08	D19316-207-2008	14197	0148-08	Charles Smith	Involuntary Transfer	Building Attendant A		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19381-207-2008	14341	0156-08	Dynita McCaskill	Harassment by Supervisor	Water Systems Investigator		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19384-207-2008	14083	0164-08	Mccaskill, Kathy	Overtime Equalization	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19385-207-2008	14084	0165-08	Mccaskill, Kathy	Overtime	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19388-207-2008	14218	0159-08	Daniels, Andrew	Denied Worker's Comp Pay			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19389-207-2008	14194	0157-08	Adams, Willie B	2006 & 2007 Longevity Payments	Waters Sys Helper		\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19395-207-2008	14198	0161-08	Charles Smith	Harassment	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19398-207-2008	14239	0149-08	White, Gertrude	Vehicles in Disrepair	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19399-207-2008	14238	0139-08	Mccaskill, Kathy	Failure to Secure All Doors	Service Guard P.U.		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19401-207-2008	14094	0135-08	Thompson, Curtis	WSCIT Work to Electricians	Water Sys Control Inst Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19404-207-2008	14093	0132-08	Thompson, Curtis	WSCIT Work to Mechanics	Water Sys Control Inst Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19407-207-2008	14242	0171-08	James, Beverly A	Uniform Service	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jul-08	D19415-207-2008	14195	0160-08	McMillan, Tenisha	Not allowed to work with restriction, after having worked with restriction and sent home without proper paperwork.	Building Attendant A		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Aug-08	D19621-207-2008	14196	0170-08	Union Policy	Refusal to provide requested information for grievance				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Aug-08	D19625-207-2008	14334	0174-08	Harris, Ronald	Harassment	Sr. Water Systems Mechanic		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Aug-08	D19626-207-2008	13957	0184-08	Daniels, Andrew	Failure to provide medical documents	General Auto Mechanic		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-08	D19671-207-2008	13929	0234-08	Robinson, Jennifer	Drivers License	Water Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	25-Aug-08	D19674-207-2008	13931	0177-08	Ruffin, Orlando	Insubordination, Loitering, Conduct Unbecoming	Sewage Plant Operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-08	D19675-207-2008	13932	0176-08	Brooks, Danean	Absenteeism	Sewage Plant Operator		\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Aug-08	D19668-207-2008	14199	0183-08	Charles Smith	Continued Harassment	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Aug-08	D19673-207-2008	13930	0205-08	Holt, Rickie	Absenteeism	Sewage Plant Attendant		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Sep-08	D19852-207-2003	13997	0218-08	Holt, Rickie	Poor Work Performance	Sewage Plant Attendant		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Sep-08	D19849-207-2008	13996	0194-08	Hines, Thomas	Poor Work Performance	Sewage Plant Operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Sep-08	D19850-207-2008	14342	0216-08	Union	Racist Statement by Supervisor				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-08	D19833-207-2008	13994	0145-08	White, Lynn	Attendance	Sewage Plant Operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-08	D19843-207-2008	13995	0211-08	Hines, Tony	Excessive Tardiness	Sewage Plant Attendant		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-08	D20206-207-2008	14141	0243-08	Miller, Jerry	3-Day Suspension	Park Maintenance Worker		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-08	D20207-207-2008	14142	0261-08	Martin, Reynard	3-Day Suspension	SPO		\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-08	D20209-207-2008	14143	0212-08	Holt, Rickie	Excessive Absenteeism	Sewage Plant Attendant		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-08	D20372-207-2009	14186	0240-08	Grigsby, Raymond	Written Reprimand - Leaving Work Site	Waters Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-08	D20374-207-2009	14189	0323-08	Leapheart, Ronald	3-Day Suspension Loss of DWSD Equipment	Water Systems Mechanic		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-08	D20376-207-2009	14183	0279-08	Daniels, Andrew	7-Day Suspension	General Auto Mechanic		\$1,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-08	D18906-207-2008	13924	0260-07	Ciers, Curtis	Denied Temporary shift change to take care of his sick mother.	General Auto Mechanic		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-09	D20371-207-2009	14307	0239-08	Sullivan, Patricia	Denied FMLA	Building Attendant A		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jan-09	D20381-207-2009	14365	0204-08	Howard, Peggy	Promotion	Assistant Storekeeper		\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jan-09	D20410-207-2009	14278	0206-08	Pennington, Audrey L	Incorrect Pay Rate	Service Guard PU		\$1,300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jan-09	D20413-207-2009	14329	0201-08	Murray, Richard	Improper Procedures for Involuntary Transfer	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20434-207-2009	14185	0281-08	Daniels, Andrew	Unfair Treatment	General Auto Mechanic		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20436-207-2009	14184	0280-08	Daniels, Andrew	Unjustly denied access to worksite	General Auto Mechanic		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	15-Jan-09	D20437-207-2009	14315	0362-08	Rhorne, James	Retired Has Not Received Sick Pay	Pitometer Technician		\$7,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20439-207-2009	14346	0187-08	Thompson, Curtis	Harassment	Water Sys Control Ins. Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20441-207-2009	14344	0168-08	Thompson, Curtis	Contractual Work	Water Sys Control Ins. Tech		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20444-207-2009	14351	0233-08	Thompson, Curtis	Unsafe Practices	Water Sys Control Ins Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20445-207-2009	14350	0232-08	Thompson, Curtis	Contractual Work	Water Sys Control Inst Tech		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20446-207-2009	14349	0231-08	Thompson, Curtis	Contractual Work	Water Sys Cont Inst Tech		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20447-207-2009	14348	0226-08	Thompson, Curtis	Contractual Work	Water Sys Control Inst. Tech		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20448-207-2009	14347	0203-08	Thompson, Curtis	Unsafe Practices	Water Sys Control Ins Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20449-207-2009	14345	0781-08	Thompson, Curtis	Continued Harassment	Water Sys Control Inst. Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20450-207-2009	14188	20272-08	Parter, Glynn	3-Day Suspension			\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Jan-09	D20451-207-2009	14268	0324-08	Robinson, Jennifer	Suspension/Discharge Revoked Drivers License	Water Sys Repair Wker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Jan-09	D20507-207-2009	14330	0199-08	Davis, Eduardo	Involuntary Transfer Procedures				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Jan-09	D20541-207-2009	14391	0348-08	Union Policy	Overtime			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Jan-09	D20545-207-2009	14274	0342-08	Dujuan Hayes	Step Increase	Water Systems Helper		\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Jan-09	D20546-207-2009	14277	0340-08	Robert Graham	Step Increase	Water Systems Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Jan-09	D20548-207-2009	14275	0338-08	Daris Howard	Step Increase	Water Systems Helper		\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Jan-09	D20551-207-2009	14217	0310-08	Daniels, Andrew	Insubordination	General Auto Mechanic		\$450.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Feb-09	D20549-207-2009	05-08	0247-08	Thompson, Curtis	Excluded From Training	Water Sys Cont Inst tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Feb-09	D20550-207-2009	14353	0248-08	Thompson, Curtis	Further Harassment	Water Syst Control Inst. Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	04-Feb-09	D20561-207-2009	14354	0249-08	Thompson, Curtis	Contractual Work	Water Sys Control Inst. Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	04-Feb-09	D20563-207-2009	14369	0262-08	Sain, Phillip	Promotion	Sewage Plant Attendant		\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	04-Feb-09	D20565-207-2009	14355	0273-08	Thompson, Curtis	Maintenance Personnel Performing Grievants Work	Water Sys Control Inst Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Feb-09	D20599-207-2009	14356	0274-08	Thompson, Curtis	Contractor doing BU Work	WSCIT		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - LocalRef#/Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
207	05-Feb-09	D20610-207-2009	14357	0275-08	Thompson, Curtis	Jr. Chemist doing Grievant's Work	WSCIT		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Feb-09	D20611-207-2009	14358	0276-08	Thompson, Curtis	Electricians from Huber and Lake Orion Performing Grievant's Work	WSCIT		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Feb-09	D20612-207-2009	14359	0277-08	Thompson, Curtis	Unjust Treatment, Discrimination and Jr. Chemist Performing WSCIT Work	WSCIT		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Feb-09	D20613-207-2009	14270	0290-08	Boatwright, Douglas	No Step Increases while in the Water Plant Operator Apprenticeship	WPOA		\$150,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Feb-09	D20616-207-2009	14331	0307-08	Due, Anna Marie	Denial of Transfer Request	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20600-207-2009	1434	0246-08	Local 207	Supervisors Performing BU Work	WWTP Operations		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20601-207-2009	14265	0366-08	Miller, Jerry	7-Calendar Day Suspension	Park Maint Worker		\$850.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20602-207-2009	14373	0267-08	Holmes, Rissa D	Owed OCC & Pay from Promotion to SPO	Sewage Plant Operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	C20603-207-2009	14266	0320-08	Jenkins, Michael	Poor Work Performance	SPA; SPO; Sr. SPO		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20604-207-2009	14335	0265-08	Local 207	Denied off-site lunch break during emergency response exercise.			\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20605-207-2009	14371	0263-08	Union Policy	Improper Overtime Designation	SPA, SPO, Sr. SPO		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20609-207-2009	14325	0268-08	Local 207	Seniority Date/Pay Rate	Sr. Sewage Plant Operators		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Mar-09	D20743-207-2009	14336	0068-09-SC	AFSCME Local 207	Management compelling auto titles to obtain CDL under threat of demotion and/or discharge				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Mar-09	D20859-207-2009	14481	0297-08	Stewart, Carine M	payroll errors not being corrected	storekeeper		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Mar-09	D20860-207-2009	14487	0004-09	Johnson, Glenda	denial of union representation	assistant storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Mar-09	D20861-207-2009	14486	0003-09	Johnson, Glenda	unknown issue/no union representation	assistant storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Mar-09	D20862-207-2009	14454	0373-08	Yowell, Lyle	Member worked eight hours overtime on September 25, 2008 but haven't received any pay.	Service Guard P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Mar-09	D20863-207-2009	14505	03-1308	Mccaskill, Kathy	Not paid 30 minutes member was on the clock.	service guard p.u.		\$8.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	18-Mar-09	D20925-207-2009	14553	0256-08	Daniels, Andrew	Unjust treatment, harassment, transfer, and loss of pay	General Auto Mechanic		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-09	D20927-207-2009	14554	0252-08	Daniels, Andrew	Unjust Treatment, Denied statement of fact by management	General Auto Mechanic		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-09	D20928-207-2009	14455	0008-09	Coleman, Donald	took too many deductions from 2008 longevity check	water systems helper		\$50.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Mar-09	D20929-207-2009	14555	0047-09	Daniels, Andrew	o.t. equalization	general auto mechanic		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Mar-09	D20932-207-2009	14547	0326-08	Robinson, Darryl	denial of overtime	water systems mechanic		\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Mar-09	D20934-207-2009	14791	0337-08	Ellison, Elroy	denied promotional opportunity	auto repair helper		\$42,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Mar-09	D20938-207-2009	14552	0011-09	Singleton, Alma	denied opportunity to work entire shift of O.T.	building attendant		\$85.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Mar-09	D20939-207-2009	14551	0001-09	UNION POLICY	sr. spo o.t. given to spos	SR. sewage plant operators		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-09	D20990-207-2009	14514	0331-08	Thompson, Curtis	Harassment, Intimidation, Discrimination	Water sys control inst tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-09	D20991-207-2009	14482	0302-08	Carr, Marcus	Marcus Carr was issued a poor work performance because of delayed low lift changes.	Sr. Water Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Apr-09	D21297-207-2009	14508	0055-09	Garfield, Demetrius	gross misconduct, creating hostile environment	repair mechanic		\$280,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Apr-09	D20987-207-2009	14519	0026-09	Thompson, Curtis	wscit work to electrician (birchville vfd)	water sys control inst tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	24-Apr-09	D21024-207-2009	14480	0207-08	Williams, Willie	Written Reprimand Late Call-in for Sick	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21026-207-2009	14504	0311-08	Mccaskill, Kathy	Unhealthy & Unsafe Conditions Lake Huron Gd Post	Service Guard PU		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21028-207-2009	14477	0073-09	Ketelhut, Dennis	Written Reprimand Poor Work Performance	Sr. Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21029-207-2009	14475	0046-09	Jones, Michael Anthony	Written Reprimand Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21030-207-2009	14483	0321-08	Peoples, Najla D	Reprimand Excessive Tardiness	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21031-207-2009	14517	0335-08	Thompson, Curtis	Harassment, Intimidation & Discrimination	Water Sys Con Inst Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21048-207-2009	14516	0334-08	Thompson, Curtis	Harassment, Intimidation and Discrimination	Water Systems Cont Inst Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21054-207-2009	14515	0333-08	Thompson, Curtis	Harassment, Intimidation and Discrimination	Water Sys Cont Inst. Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	27-Apr-09	D21060-207-2009	14518	0336-08	Thompson, Curtis	Harassment, Intimidation and Discrimination	Wtr Systems Cont Inst. Tech.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Apr-09	D21064-207-2009	14462	0351-08	Wilson, Tyrome	Denied Out-of-Class Pay	Mechanical Helper		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-09	D21066-207-2009	14509	0063-09	Landers, Lumumba	1-Day Suspension Poor Work Performance	Sewage Plant Operator		\$156.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-09	D21068-207-2009	14636	0043-09	AFSCME Local 207	Health and Safety Use of Vehicles				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-09	D21070-207-2009	14463	0042-09	Rodriguez, Jaime	Failure to return from medical leave or provide documents to extend medical leave.	Water Systems Mechanic		\$170,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21148-207-2009	14457	0094-09	Ross, Ronald L	Incorrect Pay	Sewage Plant Operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21152-207-2009	14732	0096-09	Watson, Michael	Written Reprimand	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21153-207-2009	14729	0095-09	White, Lynn	Written Reprimand Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21155-207-2009	14458	0029-09	Wilson, Kim	Wages	Water Systems Control Mechanic		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21157-207-2009	14479	0119-09	AFSCME Local 207	Faulty Time Capture System				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21159-207-2009	14730	0083-09	Carlton, Dwight	Written Reprimand Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21160-207-2009	14510	0110-09	Landers, Lumumba	5-Day Suspension Excessive Absenteeism	Sewage Plant Operator		\$720.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21162-207-2009	14556	0048-09	Ratliff, Antonio	1-Day Suspension Poor Work Performance	Sewage Plant Attendant		\$104.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21168-207-2009	14494	0080-09	Hayes, Michael	Punching-In 15 Minutes Before Shift	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21171-207-2009	14465	0105-09	Washington, Thomas	29-Day Suspension	Mechanical Helper		\$140,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21173-207-2009	14459	0109-09	Thomas, Lekita	PM Shift Premium	Service Guard PU		\$56.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21174-207-2009	14460	0113-09	Malu, Satia	Owed Step Increase and Retro	Service Guard PU		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21175-207-2009	14558	0114-09	Turner, Toney D	3-Day Suspension	Repair Mechanic		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21177-207-2009	14461	0118-09	Yowell, Lyle	Owed Step Increases 10/05 - 4/06	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-May-09	D21232-207-2009	14491	0123-09	Hayden, Mark	Denied OOC Assignment as plant maintenance subforeman.	Plant Maintenance Mech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-May-09	D21234-207-2009	14520	0054-09	Thompson, Curtis	Using unqualified people to do WSCIT duties (unsafe)	Water Sys Control inst tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-May-09	D21235-207-2009	14500	0146-09	Boatwright, Douglas	Owed pay for attending classes (WSCIT apprentice)	Water plant operator		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	28-May-09	D21237-207-2009	14495	0129-09	Michael Hayes	no vacation time accrual for 2005, 06, 07 or 08	storekeeper		\$2,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-May-09	D21240-207-2009	14496	0131-09	Michael Hayes	inaccurate pay check week 51 of 2008	storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-May-09	D21241-207-2009	14497	0132-09	Michael Hayes	no step increases since promotion to storekeeper			\$5,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21268-207-2009	14540	0049-09	Knight, David	Poor work performance	SR. Water systems mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21298-207-2009	14507	0021-09	Union Policy	Contractual Work (Grass Cutting)	Park Maintenance Series		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21300-207-2009	14512	0090-09	Tate, Darla	Poor work performance	Building attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21302-207-2009	14513	0137-09	Tate, Darla	Poor work performance	building attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21303-207-2009	14529	0128-09	Kelley, Douglas	poor work performance	sewage plant operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21306-207-2009	14531	0079-09	Harris, Ronald	Leaving work site	Senior water sys mechanic		\$432.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Jun-09	D21325-207-2009	14538	0092-09	Taylor, Joshua	poor work performance	senior water sys mechanic		\$432.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21376-207-2009	14641	0139-09	Lamont Tate	unfair schedule change				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21377-207-2009	14559	0120-09	Booker, William J	suspended drivers license	water sys repair worker		\$2,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	C21378-207-2009	14640	0296-08	Cockroft, Melvin	health and safety issues at lake huron guard booth	service guard p.u.		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21380-207-2009	14642	0140-09	Peoples, Najla D	unfair schedule change	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21384-207-2009	14637	0126-07	Union Policy	Health & Safety (Security Post Door & Floor)	Service Guard P.U.		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21409-207-2009	14639	0287-08	UNION POLICY	Unhealthy, Unsafe, and hazardous conditions at Lake Huron Guard Post			\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21413-207-2009	14619	0088-08	Union Policy	improper drug/ alcohol test	tests			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21414-207-2009	14643	0134-08	Union Policy	Operations task given to electricians			\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21415-207-2009	14638	0101-08	Union Policy	service vehicles without seat belts			\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	C21424-207-2009	14635	0285-08	James, Beverly A	Problem with clothing vendor: takes to long to get cloth back, and cloth come back dirty or wrong cloth.	Service Guard P.U.		\$580.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21425-207-2009	14644	0270-08	Toni A Liley	Testing positive for marijuana after vehicle accident	storekeeper		\$165,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21426-207-2009	14662	0086-08	Davis, Andre	suspended drivers license	Sewer safety helper		\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	06-Jul-09	C21421-207-2009	14728	0179-08	Parter, Glynn	work performance	water meter worker		\$350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jul-09	D21445-207-2009	14741	0074-09	Ciers, Curtis	Disparate Treatment	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Sep-09	D21711-207-2009	14625	0203-09	Moore, Michelle	Incorrect \$100 Ded Payroll	Storkeeper		\$100.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Sep-09	D21712-207-2009	14624	0204-09	Moore, Michelle	Incorrect Pay Rate	Storekeeper		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-09	D21759-207-2009	14645	0223-09	Bowman, Joseph J	Suspension/Discharge	Sr. Water Sys Mechanic		\$180,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-09	D21768-207-2009	14627	0202-09	Osley, Damon	Shift Premium	Shift Premium		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-09	D21770-207-2009	14620	0197-09	AFSCME Local 207	Denial of Union Representation				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Oct-09	D21788-207-2009	14745	0228-09	Ronald Stewart	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-09	D21812-207-2009	14742	0143-09	Thornton, Bennie E.	Written Reprimand Sleeping on the Job	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-09	D21814-207-2009	14733	0195-09	Kelley, Douglas	3-Day Suspension Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-09	D21816-207-2009	14746	0232-09	Powell, Clinton	1-Day Suspension AWOL	Service Guard PU		\$121.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Nov-09	D21990-207-2009	14715	0249-09	Franklin, Alfonzo	Vacation/Prorated Vacation	Water Systems Repairman			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Nov-09	D21991-207-2009	14716	0248-09	Franklin, Alfonzo	Shif Premium/Partial Shift Premium	Water Systems Repairman			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Nov-09	D21995-207-2009	14726	0256-09	James, Beverly A	Shift Premium	Service Guard PU		\$28.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Dec-09	D22046-207-2009	14725	0173-09	Moyer, Jonathan	Owed Pay Rate Correction & Back Pay	Water Plant Operator		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Dec-09	D22100-207-2009	14727	0277-09	Massey, Nicole	1-Day Suspension	Service Guard PU		\$121.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22247-207-2010	14888	0199-09	AFSCME Local 207	Posted Security Schedules (Abuse of Management Rights)				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jan-10	D22240-207-2010	14889	0315-09	AFSCME Local 207	SOP for Mobil Patrol Relief Duties				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Feb-10	D22428-207-2010	14893	0382-09	AFSCME Local 207	Incomplete OT Equalization Records				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Feb-10	D22436-207-2010	14891	022-10	Hyde, Joyce M	Owed Longevity Pay	Building Attendant A		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	C27130-207-2013		0210-12	AFSCME Local 207	Implementation of CET				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Mar-05	D1568-207-2005	12919	It-97-04	Grier, Bonita	Unfair treatment/Union rep denied	Service guard			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jun-05	D1919-207-2005	13011	It-123-04	Grier, Bonita	Unfair treatment, Schedule off work	Service Guard, Public Utility		\$121.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jun-05	D1922-207-2005	12972	It-108-04	Oliver, Ronnie	Unfair treatment/Denial of break	Service Guard P. U.		\$11.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		



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207	10-Jun-05	D1923-207-2005	12973	It-107-04	Lyle Yowell	Unfair Treatment, Private car mileage	Service Guard P. U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Oct-05	D2072-207-2005	13435	DT-21-05	Herbert Russel	Abusive treatment	Sewer safety helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Oct-05	D2075-207-2005	13434	DT-20-05	Clinton Gary	Abusive treatment	Sewer safety helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Nov-05	D2167-207-2005	13026	LT-198-05	Thomas, Lekita	Cold, leaking work site	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-05	D2211-207-2005	13401	LT-192-05	Policy Union	Union Policy (Social Security Numbers)	ALL			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-05	D2240-3308-2005	13402	MRM-261-05		Unpaid time	Water Systems Repair Worker		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-05	D2242-207-2005	13414	DT-26-05	Kenneth Gray	O.O.C Work	Auto Mechanic		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-05	D2243-207-2005	13405	CT-39-05	Thompson, Curtis	Work given to other titles	Inst. Tech. (WSCIT)		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-05	D2246-207-2005	13404	BC-38-05	Nathan Williams	Owed Sick Time	Sr. Water Systems Mechanic		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jan-06	D2295-207-2006	13398	AH-08-05	Havard, Andre	Holiday Scheduling	Service Guard P.U.		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jan-06	D2304-207-2006	13411	AB-73-05	Morgan, Regina	Denied O.T.	Building Attendant A		\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jan-06	D2308-207-2006	13406	DT-28-05	Kenneth Gray	Required to clean other mechanic's mess	Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jan-06	D2311-207-2006	13410	AB-72-05	Edward Hannah	Denied Overtime	Building Attendant A		\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Mar-06	D2415-207-2006	13408	CT-41-05	Thompson, Curtis	Contractual Work/ O.T.	Instrument Technician		\$290.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Jun-06	D2654-207-2006	13102	0087-06	Union Policy	Crew Wkd Good Friday - Comp Time Not Added to Bank	Building Attendant A		\$850.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Jun-06	D2657-207-2006	13112	0069-06	Kenneth Gray	Harassment by Supervisor	Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	24-Jul-06	D2683-207-2006	13128	WW-27-06	POLICY UNION	Respiratory testing	Auto Mech. General Auto Mech.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jul-06	D2730-207-2006	13145	WW-26B-06	Clark, Ricco	Unjust Layoff, Owed Back pay	Water Sys Helper		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jul-06	D2734-207-2006	13144	MRM-290-06	Batie, Andre L	Promotion & Pay Owed	Plant Maint. Mechanic		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Aug-06	D2811-207-2006	13268	LT-230-05	Case, Richard	Supervisor Doing Bargaining Unit Work work on O.T.	Service Guard PU		\$121.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Aug-06	D2812-207-2006	13146	LT-236-05	Mcquerry, Madaline	Holiday Scheduling	Service Guard PU		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Aug-06	D2814-207-2006	13132	LT-229-05	Case, Richard	Overtime Equalization	Service Guard PU		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Aug-06	D2816-207-2006	13147	LT-148	Lyle Yowell	Holiday Scheduling	Service Guard PU		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Aug-06	D2891-207-2006	13269	LT-309-06	Mccaskill, Kathy	Disparate Treatment - City Vehicles to Lake Huron	Service Guard, P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Aug-06	D2913-207-2006	12890	LT-243-05	Shirilla, George	Denied Overtime	Service Guard, P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Jan-07	D3054-207-2007	13271	0057-06	Berryhill, Denis	DENIED RIGHT TO GO TO CLINIC	SERVICE GUARD P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	16-Jan-07	D3115-207-2007	13279	0245-06	MELANIE WINSTON-CUMMINGS	GENERAL SERVICES DEPT. - DENIED O.T.	SR. STORKEEPER		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Jan-07	D3121-207-2007	13280	0244-06	PAMELA CAMPBELL-JOHMSON	GENERAL SERVICES DEPT - DENIED O.T.	STOREKEEPER		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Jan-07	D3180-207-2007	13274	0232-06	UNION POLICY	UNSAFE SECURITY PARTOL VEHICLES	SERVICE GUARD P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Jan-07	D3199-207-2007	13278	0185-06	Thomas, Lekita	DENIED O.T.	SERVICE GUARD P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Jan-07	D3231-207-2007	13275	0239-06	ROBERT HUEY	FAILURE TO PASS TRAIL PERIOD	FACILITIES OPERATOR- REC.DEPT-			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Jan-07	D3237-207-2007	13273	0262-06	Samon, Kenyon	POOR WORK PERFORMANCE	SERVICE GUARD P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Jan-07	D3204-207-2007	13253	0278-06	Hinds, Michael E	DENIED O.T.	GEN AUTO MECH		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Jan-07	D3211-207-2007	0	0259-06	Mccaskill, Kathy	IMPROPER O.T. DISTRIBUTION	SERVICE GUARD P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Jan-07	D3253-207-2007	13356	0238-06	Mitchell, Jerry	DENIED O.T.	WATER SYS REPAIR WORKER		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Jan-07	D3254-207-2007	13355	0209-06	UNION POLICY	EQUALIZATION OF O.T.	ALL MAINT & REPAIR		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3317-207-2007	13292	0170-06	UNION POLICY	MANAGEMENT HAVING DIFFERENT RULES FOR SERVICE	SERVICE GUARD P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3338-207-2007	13297	0015-07	RICKIE HOLT	IMPROPER CONDUCT: WRITING FALSE & INSINUATING	SPA		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3321-207-2007	13281	0316-06	Stanton, Gregory	OWED LONGEVITY PAY	REPAIR MECHANIC		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3322-207-2007	13291	0291-06	UNION POLICY	PATTERN OF HARASSMENT AND UNPROFESSIONAL SUPER	ALL			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3325-207-2007	13288	0299-06	BRYANT BARBER	DENIED OUT OF CLASS PAY	WATER SYSTEMS HELPER		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3327-207-2007	13312	0027-07	Miller, Jerry	POOR WORK PERFORMANCE	PARK MAINTENANCE WORKER		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Mar-07	D3328-207-2007	13287	0274-06	Wallace, Valerie	LATE ON OUT OF CLASS PAY	SPO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-07	D3401-207-2007	13296	0007-07	Chandler, Albert	POOR WORK PERFORMANCE	PLANT MAINT MECH			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-07	D3405-207-2007	13289	0034-07	AURELIA MORGAN	ASSIGNED SUPERVISORS DUTIES	SPO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-07	D3407-207-2007	13295	0003-07	Carter, Elliott	POOR WORK PERFORMANCE	PLANT MAINT MECH			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-07	D3408-207-2007	13283	0004-07	Allen, Timothy	DENIED OT	PLANT MAINT MECH			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-07	D3409-207-2007	13294	0006-07	JAMES YOUNG	POOR WORK PERFORMANCE	REPAIR MECHANIC			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-May-07	D3418-207-2007	13346	0086-07	UNION POLICY	PRIVATIZATION-SCC-CS-1473	ALL			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	23-May-07	D3427-207-2007	13308	0076-07	Kenneth Gray	OVERTIME EQUALIZATION IN GARAGE/CSF	Auto Mechanic		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-May-07	D3428-207-2007	13309	0093-07	Williams, James E	OVERTIME EQUALIZATION IN THE GARAGE	GAM		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	24-May-07	D3465-207-2007	13330	0013-07	Kellam, Anthony C	Sleeping on Job	SERVICE GUARD P.U.		\$220,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jun-07	D3484-207-2007	13358	0083-07	Hamm, Lakenya	MEMBER LOST OVERTIME BECAUSE MANAGEMENT	WATER SYS HELPER		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jun-07	D3486-207-2007	13340	0137-07	McGregor, Ernest	UNJUST TREATMENT-NOT RETURNED	MECHANICAL HELPER			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jun-07	D3487-207-2007	13352	0103-07	Tate, Darla	SUPERVISOR TOOK ONE HOUR PAY ON AN EIGHT HOUR DAY	BUILDING ATTENDANT		\$14.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jun-07	D3490-207-2007	13348	0055-07	Clark, Jeannette L.	MEMBER ASSIGNED TO WORK ON A PICK UP	PARK MAINT HELPER			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Dec-07	D3224-207-2007	13257	0157-06	UNION POLICY	SCHEDULING OF O.T. FOR BOAT RACE	SERVICE GUARD P.U.		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-08	D19133-207-2008	14003	0040-08	Brown, Allen	Owed Out of Class Pay	Sewage Plant Attendant		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Dec-08	D18918-207-2008	13935	0300-07	Baan, John P	owed out-of-class pay	Park maintenance worker		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Feb-09	D20607-207-2009	14308	0242-08	Thompson, Barry	Step Increases	Sewage Plant Operator		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-09	D21067-207-2009	14771	0044-09	Gardula, Gary D	Overtime	GAM		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21147-207-2009	14511	0108-09	Briggs, Anderson	5-Day Suspension	Sewage Plant Operator		\$680.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21149-207-2009	14731	0084-09	Brooks, Danean	Written Reprimand Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21407-207-2009	14763	0163-09-SC	UNION POLICY	Continued Harassment of Union Official				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Jul-09	D21453-207-2009	14766	0151-09	Garrett, Malcolm	Harassment	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Dec-09	D22041-207-2009	14739	0281-09	Horton, Peavy A	15-Day Suspension	Street Lighting Maintenance		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Dec-09	D22099-207-2009	14826	0264-09	Wilson, Dennis	Denied Promotion	Water Plant Operator		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-10	D22807-207-2010	15064	0030-10	Carter, Sherman	Owed 7.5 hours Overtime from 12/18/09.	Water Systems Mechanic		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-10	D22781-207-2010	15059	0011-10	Collins, Julius	Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-May-10	D22961-207-2010	15094	0077-10	AFSCME Local 207	Layoffs/Bargaining Unit Work	St. Lighting Maint. Workers			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-May-11	D24633-207-2011		0043-11	Cotton, Jeffrey L	poor work performance	plant maint mech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	28-Jun-12	D26427-207-2012		0019-12	Mullinax, Michael	Leaves	Repair Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Jun-12	D26428-207-2012		0040-12	Moyer, Jeffery E	Promotion	Water Plant Operator		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Aug-12	D26605-207-2012		0122-12	Vaughn, Ronald	Work Rules	Water Repair Worker		\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Aug-12	D26606-207-2012		0075-12	Davis, Eduardo A	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Aug-12	D26609-207-2012		0080-12	AFSCME Local 207	Work Rules				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Aug-12	D26610-207-2012		0065-12	AFSCME Local 207	Work Rules				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26633-207-2012		0052-12	AFSCME Local 207	Harassment				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26634-207-2012		0067-12	AFSCME Local 207	Work Rules				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26635-207-2012		0054-12	AFSCME Local 207	Work Rules				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26636-207-2012		0053-12	AFSCME Local 207	Work Rules				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26637-207-2012		0068-12	AFSCME Local 207	Civil Service Position				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26638-207-2012		0076-12	Woods, Terry	Reprimand	Sr Water Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26639-207-2012		0125-12	Kristopher Jackson	Suspension	Sewage Plant Attendant		\$350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26640-207-2012		0124-12	Rippy, Lorenzo M	Suspension	Water Sys Mechanic		\$70,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26643-207-2012		0066-12	CANTY, ANDRE	Overtime			\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26645-207-2012		0038-12	Robert Nowik	Suspension			\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-12	D26671-207-2012		0109-12	Love, Raymond	Promotion	Sewage Plant Aggendant		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-12	D26673-207-2012		0118-12	Soulet, Darryl	Premium Pay	Sewage Plant Operator		\$28.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-12	D26675-207-2012		0130-12	Graham, Robert D	Suspension	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-12	D26676-207-2012		0131-12	Chris Sheffield	Suspension	Sewage Plant Attendant		\$350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-12	D26677-207-2012		0079-12	Bridges, Kendra	Overtime; Harassment	Water Meter Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-12	D26678-207-2012		0077-12	Stokes, Crystal	Harassment	Mechanical Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Sep-12	D26702-207-2012		0078-12	Moore, Karl	Promotion	Water Plant Operator		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Sep-12	D26703-207-2012		0088-12	Arutoff, Joshua	Written Reprimand	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Sep-12	D26704-207-2012		0105-12	James, Adonis	Suspension	Water Plant Attendant		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Sep-12	D26709-207-2012		0142-12	Holts, Patricia A	Suspension	Service Guard PU		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Sep-12	D26710-207-2012		0143-12	McIlhenny, Daniel	Suspension	Water Sys Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	26-Sep-12	D26711-207-2012		0119-12	Allen, Michele	Harassment	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Sep-12	D26712-207-2012		0104-12	AFSCME Local 207	Suspension of Uniform Cleaning	Service Guard PU		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26830-207-2012		0181-12	Allen, Michele	Suspension	Park Maint Helper		\$54,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26831-207-2012		0089-12	Duncan, Gregory	Written Reprimand				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26832-207-2012		0115-12	Sykes, Steven	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26833-207-2012		0114-12	Sykes, Steven	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26835-207-2012		0097-12	Fagan, Carolyn	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26837-207-2012		0116-12	Johnson, George	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26838-207-2012		0003-12	Johnson, George	Violation of Grievance Procedure	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26839-207-2012		0111-12	Thomas, Lekita	Premium Pay	Service Guard PU		\$560.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26841-207-2012		0139	AFSCME Local 207	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26842-207-2012		0141-12	AFSCME Local 207	Work Rules				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26844-207-2012		0092-12	AFSCME Local 207	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Feb-13	D27107-207-2013		0016-13	Payton, Calvin	Discharge	GAM		\$40,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27131-207-2013		0200-12	AFSCME Local 207	Involuntary Transfer				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27132-207-2013		0036-11	AFSCME Local 207	Overtime and FMLA				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27133-207-2013		0100-12	AFSCME Local 207	Transfer/Demotion				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27134-207-2013		0136-12	AFSCME Local 207	Denial of Union Representation				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27135-207-2013		0001-13	Turner, Carl	Discharge	Sewage Plant Operator		\$26,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27136-207-2013		0211-12	AFSCME Local 207	CET Double Time for Holidays			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27137-207-2013		0212-12	AFSCME Local 207	Election Day Premium			\$190,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27138-207-2013		0035-11	Boyd, Leon	Suspension	Sewage Plant Operator		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27139-207-2013		0004-13	Triplett, Kathy	Suspension			\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27140-207-2013		0199-12	Howell, Carl	Improperly Reassigned	Building Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27141-207-2013		0056-11	Moore, Patricia	Not Recalled From Blocking List	Building Attendant A		\$58,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27146-207-2013		0010-13	Herron, Terry	Involuntary Transfer	Building Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27147-207-2013		0009-12	Herron, Terry	ID Badge Deactivated for Remote Site	Building Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	25-Feb-13	D27148-207-2013		0008-13	Vaughn, Ronald	Owed Sixteen Hours Overtime	Water Systems Repair Worker		\$340.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27149-207-2013		0209-12	Harper, Michael	Unsafe, Unhealthy Working Conditions	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27150-207-2013		0362-11	Flowers, Dale	Discharge	Sewage Plant Operator		\$29,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27151-207-2013		0048-11	Pittman, John	Suspension	Plant Maintenance Mechanic		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27152-207-2013		0108-12	Ratliff, Antonio	Suspension	Sewage Plant Attendant		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27153-207-2013		0070-12	Coles, Michael	Suspension	Sewage Plant Operator		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27154-207-2013		0134-12	Parter, Glynn	Suspension	Water Meter Worker		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27155-207-2013		0083-11	Pittman, John	Suspension	Plant Maintenance Mechanic		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27156-207-2013		0160-12	Legreair, April	Suspension	Sewage Plant Attendant		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27157-207-2013		0107-12	Arnold Agee	Suspension	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27158-207-2013		0066-11	Melissa Jackson	Promotion	Assistant Storekeeper		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27159-207-2013		0074-12	Pittman, John	Written Reprimand	04241995			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27163-207-2013		0006-13	Spicer, Kim	Disparate Treatment/Hostile Environment	Plant Maintenance Mechanic		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27164-207-2013		0190-12	Young, Shelia	Written Reprimand	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27165-207-2013		0103-12	Yowell, Lyle	Wages	Wtr Syst Control Inst Tech App			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27166-207-2013		0194-12	Hayes, Richard A.	FMLA	Sr. Sewerage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27167-207-2013		0012-13	Myron Lewis	Oral Reprimand	Sewerage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27168-207-2013		0191-12	Reynolds, Carlton	Written Reprimand	Sewerage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27169-207-2013		0135-12	Smith, Roy J	Written Reprimand	Mechanical H helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27170-207-2013		0052-11	Whisenant, Andrew	Step Increases	Repair Mechanic		\$624.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Feb-13	D27172-207-2013		0051-11	Whisenant, Mark	Step Increases	Repair Mechanic		\$624.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Feb-13	D27142-207-2013		0201-12	Herron, Terry	Improperly Reassigned	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Feb-13	D27143-207-2012		0014-13	Herron, Terry	Forced Supervisory Duties	Building Attendant		\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Feb-13	D27145-207-2013		0195-12	Holts, Patricia A	Oral Reprimand	Service Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	27-Feb-13	D27171-207-2013		0098-12	Grigsby, Raymond	Written Reprimand	Water Systems Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	04-Mar-13	D27189-207-2013		0024-13	Nowik, Robert D	Suspension	Water Plant Operator		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	04-Mar-13	D27191-207-2014		0022-13	Jimmerson, Michael	Discharge	Water Systems Mechanic		\$450.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Mar-13	D27209-207-2013		0020-13	Landers, Lumumba	Discharge	Sewage Plant Operator		\$37,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27247-207-2013		0082-12	AFSCME Local 207	Out of Class Pay			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27248-207-2013		0091-12	AFSCME Local 207	No Monthly Overtime Sheets				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27249-207-2013		0093-12	AFSCME Local 207	Security Closing the West Gate				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27250-207-2013		0080-12	AFSCME Local 207	Late Pay Checks				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27251-207-2013		0047-11	AFSCME Local 207	BU Work Performed by Non Union Workers			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27252-207-2013		0120-12	Gallaway, Martin	Written Reprimand	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27253-207-2013		0130-12	Graham, Robert D	3-Day Suspension	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27254-207-2013		0145-12	Allen, Michele	Harassment	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27255-207-2013		0119-12	Allen, Michele	Harassment	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Mar-13	D27256-207-2013		0250-11	Allen, Michele	Written Reprimand	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Mar-13	D27261-207-2013		0028-13	Bailey, Tywan	Suspension	Water Systems Mechanic		\$3,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Mar-13	D27266-207-2013		0030-13	Royster, Ronald	Discharge	Sewage Plant Operator		\$450.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Mar-13	D27268-207-2013		0033-13	Franklin, Jon-Erik	Discharge	Water Systems Helper		\$45,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27297-207-2013		0018-13	Mccaskill, Kathy	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27298-207-2013		0017-13	Mccaskill, Kathy	Mileage Check Short	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27299-207-2013		0019-13	Mccaskill, Kathy	Vacations	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27300-207-2013		0072-12	Graham, Robert D	Suspension	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27301-207-2013		0204-12	AFSCME Local 207	Overtime			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27302-207-2013		0197-12	Mccaskill, Kathy	Management Refuses to Issue Check Stubs	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27303-207-2013		0198-12	Mccaskill, Kathy	Holidays	Service Guard PU		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Apr-13	D27304-207-2013		0202-12	AFSCME Local 207	Representation				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	03-Apr-13	D27309-207-2013		0038-13	Porter, Timi Gay	Suspension	Park Maintenance Helper		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Apr-13	D27310-207-2013		0037-13	Garrett, Felecia	Suspension	Park Maintenance Helper		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27351-207-2013		0039-13	Taylor, Joshua	Harassment	Sr Water Systems Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27352-207-2013		0042-13	Patterson, Otis	Suspension	Park Maint Sub- foreman		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27353-207-2013		0040-13	Grigsby, Raymond	Suspension	Water System Mechanic		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27355-207-2013		0112-12	Williams, Esther	Suspension			\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27356-207-2013		0110-12	Cherry, Jerome	Suspension			\$340.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27357-207-2013		0206-12	Payton, Calvin	Discharge			\$40,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27358-207-2013		0193-12	McCain, Howard	Wages			\$420.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27360-207-2013		005-13	Boatwright, Douglas	Suspension	Sewerage Plant Operator		\$460.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Apr-13	D27362-207-2013		0138-12	Childs-Burgess, Shirley	Overtime			\$230.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Apr-13	D27359-207-2013		0180-12	Sims, Rico	Discharge			\$54,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Apr-13	D27361-207-2013		0137-12	Houghton, Robert	Overtime			\$230.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Apr-13	D27377-207-2013		0051-13	Holts, Patricia A	Suspension	Service Guard PU		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Apr-13	D27384-207-2013		0048-13	Mayweather, William	Written Reprimand				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-Apr-13	D27385-207-2013		0027-13	Mccaskill, Kathy	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-13	D27390-207-2013		0026-13	Boatwright, Douglas	Suspension	Sewage Plant Attendant		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-13	D27391-207-2013		0055-13	Converse, Karen	Suspension	Water Plant Operator		\$430.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Apr-13	D27392-207-2013		0054-13	Pittman, John	Suspension	Plant Maint Mechanic		\$430.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-May-13	D27402-207-2013		0044-13	Mccaskill, Kathy	Mileage Payment	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-May-13	D27437-207-2013		0030-13	Royster, Ronald	Suspension	Sewerage Plant Operator		\$430.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-May-13	D27446-207-2013		0068-13	Norman, Twain	19-Day Suspension	Sewerage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-May-13	D27448-207-2013		0056-13	Holts, Patricia A	Premium Pay	Service Guard PU		\$5.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	23-May-13	D27455-207-2013		0065-13	Rachel Rice	Wages	Service Guard PU		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Jun-13	D27494-207-2013		0075-13	Norman, Twain	Discharge	Sewage Plant Attendant		\$26,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	22-Dec-08	D20375-207-2009	14193	0305-08	Joseph Williams	29-Day Suspension Took City Vehicle w/o Permission	Water Systems helper		\$175,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		



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207	04-Dec-09	D22045-207-2009	14722	0265-09	James Schaffer	Discharge	Sr. Waters Systems Mechanic		\$180,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jan-10	D22237-207-2010	14861	0266-09	Scott, Valonza	Discharge-Refusal of Drug Screening	Building Attendant A		\$146,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Oct-11	D25432-207-2011	15837	0274-11	Blevins, Marcus	Discharge	Water Systems Helper		\$58,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-May-12	D26246-207-2012	16103	0279-11	Avery, Dennis	Discharge	Sewage Plant Operator		\$112,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-May-09	D21206-207-2009	14478	0115-09	Brooks, Rene M	WorkBrain Errors	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Dec-05	D2241-3308-2005	13409	MRM-259-05	Walker, Enos	O.T. Equalization	Water systems repair worker		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-09	D22246-207-2010	14887	0245-09	AFSCME Local 207	Contractual Work - Green Ranger Cutting Grass			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-09	D20992-207-2009	14806	0329-08	McCants, Nicole L	Management worked a union negotiated position.	Water plant operator		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21151-207-2006	14769	0089-09	AFSCME Local 207	WWP WISCIT's Making Vehicle Repairs				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21154-207-09	14795	0093-09	Bond, Alphonso	Denied Promotion	Sewage Plant Operator		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21156-207-2009		0094-09	Ross, Ronald L	Incorrect Pay	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-May-09	D21163-207-2009	14557	0107-09	Horton, Peavy A	5-Day Suspension Leaving Work Site	Street Lighting Maintenance		\$700.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21169-207-2009	14810	0088-09	James, Beverly A	Not Allowed to Punch-In 15 Minutes Before Shift	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-09	D21178-207-2009	14812	0133-09	Duncan, Gregory	Reinstatement of Seniority	Reinstatement of Seniority		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-May-09	D21327-207-2009	14539	0149-09	Remesz, Charles W	owed 8 hours straight time & 80 hours afternoon shift premium	building attendant A		\$175.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21301-207-2009	14809	0077-09	Gibson, Gail	ada dispute	Water sys helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jun-09	D21305-207-2009	14811	0091-09	Pettway, Steven	Threatening behavior by supervisor	Mechanical Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Jun-09	D21275-207-2009	15184	0060-09	Nelson, Ronald	out-of-class pay owed	senior sewage plant operator		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21404-207-2009	14769	LT-103-04	Mccaskill, Kathy	supervisor working barg. Unit o.t.	Service Guard - P.U.		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21419-207-2009	14800	0188-08	Thompson, Curtis	not allowed to do complete job	water sys control inst tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-09	D21423-207-2009	14640	0296-08	Cockroft, Melvin	health and safety issues at lake huron guard booth	service guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	20-Jul-09	D21450-207-2009	14808	0076-09	Harris, Ronald	Continuing Harassment	Sr. Water Sys Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-09	D21766-207-2009	14781	0191-09	AFSCME Local 207	Overtime Equalization			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-09	D21776-207-2009	14769	0162-09	Walker, Enos	Promotion	Water Systems Mechanic		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Oct-09	D21808-207-2009	14798	0169-09	Thompson, Curtis	Contractual Work	Wat Sys Cont Inst Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Oct-09	D21809-207-2009	14816	0170-09	Hayden, Michael	Overtime Equalization	Plant Maintenance Mechanic		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Oct-09	D21810-207-2009	14813	0147-09	AFSCME Local 207	Supervisor Doing BU work			\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-09	D21813-207-2009	14815	0167-09	Flowers, Dale	Overtime Equalization	Sewage Plant Operator		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-09	D21818-207-2009	14814	0152-09	AFSCME Local 207	Contractual Work-Vehicles Sent to Arrow Truck	Auto Repair Series		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Oct-09	D21819-207-2009	14817	0171-09	Hayden, Mark	Overtime Equalization	Plant Maintenance Mechanic		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-09	D21917-207-2009	14831	02221-09	Holts, Patricia A	Unfairly Reassigned - Shift and Location Preference Violation	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Nov-09	D21918-207-2009	14830	0205-09	Bradley, William	Incorrect Bank Time	Sewage Plant Operator		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Nov-09	D22023-207-2009	14994	0236-09	Eduardo Davis	Harassed for checking on payroll correction	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Nov-09	D22024-207-2009	14995	0239-09	Union Policy	Mandatory O.T. after temporary location transfer	All Service Guards P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Nov-09	D22025-207-2009	14996	0230-09	Union Policy	hostile, unprofessional behavior in grievance hearings	ALL			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	04-Dec-09	D22043-207-2009	14723	0270-09	Moyer, Jonathan	Suspension/Discharge - Suspended Drivers License	Water Plant Operator		\$4,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22300-207-2010	14916	0332-09	White, Gertrude	Harassed by Supervisor	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22301-207-2010	14917	0333-09	White, Gertrude	Inattention to Duty	Service Guard PU		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22308-207-2010	14920	0365-09	Hughes, Zenola	Owed Corrections in Longevity Payments - Wrong Seniority Date	Sr. Building Attendant		\$450.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22313-207-2010	14898	0383-09	Powell, Keith	Numerous Payroll Errors March Through November 2009	Water Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22314-207-2010	14897	0374-09	Peoples, Najla D	Overtime and Holiday Equalization	Storekeeper		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22318-207-2010	14896	0214-09	Johnson, Glenda	Poor Work Performance (Written Reprimand)	Assistant Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22319-207-2010	14895	0242-09	Jones, Christopher	Working on Uncleaned Equipment	General Machinist			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	06-Jan-10	D22320-207-2010	14932	0354-09	Lambert, Keith	Owed 4 Hours Afternoon Premium (Pay Period Ending 9/6/09)	Plant Maintenance Mechanic		\$2.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22321-207-2010	14933	0355-09	Lambert, Keith	Owed Overtime and Afternoon Shift Premium - Pay Period Ending 9/6/09	Plant Maintenance Mechanic		\$122.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22323-207-2010	14953	0280-09	Soares, Reginald	Worked 40 Hours - Paid 40 Hours Sick time	General Auto Mechanic		\$800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22324-207-2010	14952	0279-09	Smith, Darryl	Denied Right to be Assigned to Work Holidays	Repair Mechanic		\$320.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22334-207-2010	14878	0339-09	Moyer, Jeffery E	Has Not Received Vacation Time	Water Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22335-207-2010	14877	0340-09	Moyer, Jeffery E.	Owed 15.5 Hours Midnight Shift for Pay Period Ending 8/9/09	Water Plant Operator		\$11.63	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22346-207-2010	14930	00289-90	Oliver, Ronnie	Need Sign at Exit Door at East Side Payment Center	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22347-207-2010	14931	0290-90	Oliver, Ronnie	Owed 24 Hours Midnight Shift Premium	Service Guard PU		\$18.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22174-207-2010	14926	0198-09	AFSCME Local 207	Inconsiderate Treatment Abuse of Management Rights				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22176-207-2010	14874	0364-09	Edmond, Abrom	Shift Premium	Plant Maintenance Mechanic		\$560.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22178-207-2010	14923	0160-09	Ellison, Elroy	Denied Overtime	Auto Repair Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22180-207-2010	14944	0262-09	Hadley, France D	Step Increases	Water Systems Helper		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22241-207-2010	14883	0310-09	AFSCME Local 207	Guards Not Allowed to Work OT on Fire Watch				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22242-207-2010	14884	0309-09	AFSCME Local 207	OT Equalization Procedures			\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22245-207-2010	14935	0293-09	AFSCME Local 207	WWTP Operations Workers				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jan-10	D22309-207-2010	14900	0334-09	Clark, Jeannette L.	Owed Out of Class Payments and Step Increase with Retro Pay	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jan-10	D22179-207-2010	14945	0306-09	Gary, Clinton	Overtime	Sewer Safety Inspector		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jan-10	D22238-207-2010	14925	0227-09	Haynes, Donna	Poor Work Performance	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Jan-10	D22239-207-2010	14951	0312-09	Holt, Rickie	WorkBrain Issues	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Jan-10	D22235-207-2010	14950	0319-09	Quarles, James L	Owed Step Increase	Waters Systems Repair Worker		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Jan-10	D22230-207-2010	14946	0318-09	White, William M	Owed Sick Day and Prorated Vacation Time			\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	13-Jan-10	D22231-207-2010	14890	0384-09	McCain, Howard	Owed Step Increases	Waters Systems Helper		\$10,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Jan-10	D22232-207-2010	14947	0376-09	Taylor, Joshua	Owed Overtime	Sr. Waters Systems Mechanic		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Jan-10	D22233-207-2010	14948	0366-09	Wesson, Gerry	Owed Overtime and Shift Premium	Water Systems Helper		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Jan-10	D22234-207-2010	14949	0322-09	Murphy, Gerald	Owed Step Increases	Water Systems Repair Worker		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Jan-10	D22244-207-2010	14885	0288-09	AFSCME Local 207	Union Not Getting Copies of Waiving Representation Form				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jan-10	D22295-207-2010	14870	0358-09	Edmond, Abrom	Owed Shift Premium	Plant Maintenance Mechanic		\$5.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Feb-10	D22407-207-2010	14936	0389-09	Colby, Monique	Disparate Treatment; Unfair and Unprofessional Behavior by Supervisor	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Feb-10	D22408-207-2010	14960	0321-09	Coston, Eric	OT Equalization	Water Systems Repair Worker		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Feb-10	D22409-207-2010	14904	0388-09	Glover, Tanya L	Holiday Work Assignment	Water Sys. Control Inst Tech		\$390.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Feb-10	D22410-207-2010	14914	0385-09	Goodwin, Christopher	Insubordination	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Feb-10	D22412-207-2010	14903	0387-09	McNair, Yolanda M	Constant Payroll Errors	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Feb-10	D22403-207-2010	14961	0367-09	Brownlee, Latoya	Denied Representation; Owed 4 Hours Show-Up Time at Time and One-Half Rate	Park Maintenance Worker		\$80.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Feb-10	D22414-207-2010	14867	0380-09	Duncan, Gregory	Owed Longevity & Vacation for 2009	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Feb-10	D22421-207-2010	14918	0362-09	White, Gertrude	Need Enough Guards to Cover Duties During Absences	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Feb-10	D22422-207-2010	14894	0314-09	Cockroft, Melvin	Owed Step Increases & Retro	Service Guard PU		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Feb-10	D22425-207-2010	14929	0268-09	Thompson, Curtis	Contractual Work - Gas Detector Maintenance	Water Sys Cont Inst Tech		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Feb-10	D22427-207-2010	14854	0386-09	Craig, Calvin	Owed OOC Pay since June 2009 (as Plant Maint. Sub-foreman)	Plant Maintenance Mechanic		\$83,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Feb-10	D22431-207-2010	14963	0020-10	Davis, Terrance	Owed Step Increases	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Feb-10	D22432-207-2010	14964	0028-10	Harper, Michael	Numerous Payroll Errors	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Feb-10	D22434-207-2010	14966	0025-10	AFSCME Local 207	Wastewater Techs did not have 16 Hours vacation time converted to 16 hours comp	Wastewater Techs			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	16-Feb-10	D22437-207-2010	14892	0005-10	Blaney, Walter	Owed \$150 more longevity pay for 2009	Water Systems Investigator		\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Feb-10	D22465-207-2009	14922	0390-09	Collins, Cynthia	Owed Holiday Pay (11/26/09) & Longevity	Building Attendant A		\$230.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Feb-10	D22466-207-2010	14921	0350-09	Collins, Cynthia	Written Reprimand Incorrectly on Record	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Feb-10	D22467-207-2010	14972	0393-09	Howard, Roger	Owed for Working Thanksgiving 11/16/09	12041979		\$340.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Feb-10	D22469-207-2010	14970	0391-09	Miller, Felicia	Owed for Working Thanksgiving 11/26/09 & More Longevity Pay	Building Attendant A		\$1,090.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-10	D22619-207-2010	15007	0050-10	Royster, Ronald	Annuity Deductions Not Taken Out of Check	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-10	D22623-207-2010	15003	0038-10	Doppelberger, Roger	Non-Resident Paying Residential Tax Rate	Sr. Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-10	D22644-207-2010	15031	0009-10	Williams, James	Harassment by Supervision	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-10	D22648-207-2010	15012	0041-10	Manel, Allen	Rate Adjustment - Step Increases and Back Pay	Assistant Storekeeper		\$850.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-10	D22795-207-2010	15067	0059-10	AFSCME Local 207	Payroll Errors	All			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-10	D22796-207-2010	15082	0058-10	Brown, Omar	Sick Time Banks	Mechanical Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-10	D22797-207-2010	15079	0055-10	Garza, Kimberly	Payroll Errors	Park Maintenance Worker		\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-10	D22812-207-2010	15053	0015-10	Lovely, Priscilla	Wants promotion to field service representative.	Asst. Water Systems Invest.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Apr-10	D22815-207-2010	15081	0065-10	Peterson, Simone	Wages/Overtime	Building Attendant A		\$170.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-10	D22816-207-2010	15070	0064-10	Avery, Dennis	Wages/Overtime	Sewage Plant Operator		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-10	D22818-207-2010	15060	0297-10	King, Aaron	Absenteeism (Oral Reprimand)	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Apr-10	D22821-207-2010	15065	0044-10	Colby, Monique	Harassment	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-May-10	D22822-207-2010	15119	0068-10	Houghton, Robert	Sick Leave	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-May-10	D22902-207-2010	15080	0046-10	Maxbauer, John M	Payroll Errors	Service Guard PU		\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-10	D22905-207-2010	15068	0062-09	Taylor, Joshua	Harassment				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-May-10	D22906-207-2010	15120	0252-10	Smith, Charles	Sick Time Policy	Building Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Sep-10	C23486-207-2010	15248	0089-10	AFSCME Local 207	Overtime			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Sep-10	D23487-207-2010	15209	0107-10	Mink, Robert	Prescription Costs	Water Sys Control Inst Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	02-Sep-10	C23488-207-2010	15245	0082-10	AFSCME Local 207	Overtime Equalization			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Sep-10	D23516-207-2010	15215	005-10	Davis, Eduardo A	Conduct Unbecoming	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Sep-10	C23521-207-2010	15187	0061-10	AFSCME Local 207	Sub-Contracting			\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Sep-10	D23517-207-2010	15216	0097-10	Davis, Eduardo A	Insubordination	Service Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23484-207-2010	15228	0092-10	Pittman, John	Safety	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23485-207-2010	15210	0081-10	Logan, Lennard	Harassment	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23524-207-2010	15236	0124-10	AFSCME Local 207	Seniority List Wrong				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23526-207-2010	15251	0121-10	Cotton, Jeffrey L	Overtime Equalization and Harassment	Plant Maintenance Mechanic		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23527-207-2010	15250	0099-10	Cotton, Jeffrey L	Overtime Equalization	Plant Maintenance Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23528-207-2010	15246	0084-10	Smith, Darryl	Overtime and Bargaining Unit Work			\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23529-207-2010	15247	0085-10	Pittman, John	Overtime Equalization	Plant Maintenance Mechanic		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23506-207-2010	15212	0087-10	Graham, Robert D	Sleeping on the job.	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23508-207-2010	15211	0083-10	AFSCME Local 207	Harassment				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23509-207-2010	15213	0100-10	Smith, Charles	Leaving Work Site	Building Attendant		\$336.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	08-Sep-10	D23510-207-2010	15232	0111-10	Duncan, Elonzo T	Step Increases	Mechanical Helper		\$850.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Sep-10	D23481-207-2010	15208	0114-10	Martin, Melinda	Unpaid Holidays - Shift and Premium	Building Attendant A		\$340.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Sep-10	D23483-207-2010	15207	0110-10	Martin, Melinda	Wages Owed, Comp Time	Building Attendant A		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Oct-10	D23587-207-2010	15206	0136-10	Fritts, James	Pay Rate (Wages)	Water Sys Repair Worker		\$2,090.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Oct-10	D23589-207-2010	15205	0129-10	White, William M	Unfair RTW Restrictions/ADA	Water Sys. Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-10	D23612-207-2010	15255	0138-10	Malone, Linard	Oral Reprimand	Water Systems Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-10	D23613-207-2010	15252	0123-10	CANTY, ANDRE	Vacations	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-10	D23614-207-2010	15253	0126-10	Mckenzie, James C	Harassment	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-10	D23615-207-2010	15254	0131-10	Rowland, Joseph	Funeral Leave	Water Systems Repair Worker		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Oct-10	D23616-207-2010	15249	0093-10	Arnold, Bernard	Written Reprimand/Suspension	Machinst Sub-Foreman			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Oct-10	D23650-207-2010	15256	0158-10	AFSCME Local 207	Contracting Out			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Nov-10	D23701-207-2010	15269	0155-10	Michael Benson	Improper recall procedures	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	02-Nov-10	D23702-207-2010	15270	0159-10	Andre Ranson	Equipment damage			\$5,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Nov-10	D23703-207-2010	15268	0130-10	Franklin, Alfonzo	FMLA and medical documentation				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Nov-10	D23781-207-2010	15277	0145-10	James, Beverly A	Lack of security for vehicles at MOB	Service Guard P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Nov-10	D23782-207-2010	15276	0144-10	Union Policy	O.T. Equalization	All Service Guards P.U.		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Nov-10	D23783-207-2010	15273	0142-10	Union Policy	Contractual work	All Service Guards P.U.		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-Nov-10	D23784-207-2010	15275	0143-10	Union Policy	Security Management Not Posting Overtime records	All Service Guards P.U.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jan-11	D24033-207-2011	15352	0180-10	Mruphy, Gerald	Owed Step Increases	Water Systems Repair Worker		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	20-Jan-11	D24035-207-2011	15341	0179-10	Staley, Craig	Denied Promotion to Water System Mechanic	Water Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	24-Jan-11	D24054-207-2011	15354	0196-10	Roberson, Elton	Damaged Tool Box	General Auto Mechanic		\$5,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Feb-11	D24094-207-2011	15411	0212-10	Williams, James	Overtime for Stewards	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	31-Mar-11	D24386-207-2011	15475	0216-10	Teasley, Alfred	Unpaid overtime	Plant Maint. Mechanic		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	31-Mar-11	D24389-207-2011	15473	0184-10	Cotton, Jeffrey L	Pay error	Plant Maint Mechanic		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	31-Mar-11	D24391-207-2011	15649	0199-10	Chandler, Albert	Insubordination	Plant Maint. Mechanic		\$160.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Apr-11	D24440-207-2011	15563	0002-11	Local 207	Contractors doing Union work			\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24397-207-2011	15450	0007-11	Williams, James	Out of class pay	Mech Helper		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24398-207-2011	15454	0025-11	Union Policy	overtime	ALL		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24399-207-2011	15478	0022-11	Mason Drake	Job not posted in his work...	Water System Repair workers			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24400-207-2011	15474	0210-10	Tawanda Salisbury	Supervisor yelling disrespectfully	Park Maint. Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24401-207-2011	15449	0194-10	Franklin, Alfonzo	Owed 1/2 hour overtime	water system repair worker		\$11.35	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24402-207-2011	15448	0191-10	Leonard, Edward	Owed pay rate & retro	Water System Repair worker		\$832.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24404-207-2011	15447	0187-10	Lawanda Salisbury	Owed unpaid wages	Plant Maint Helper		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24405-207-2011	15453	0021-11	Stanford, Earle	Denied overtime	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Apr-11	D24438-207-2011	15566	0023-11	Charles Huskey	Excessive absenteeism				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24449-207-2011	15557	0157-10	Clark, Jeannette L.	OT	Park Maint. Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24453-207-2011	15561	0178-10	Local 207	OT equalization records for Sept. 2010				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	18-Apr-11	D24454-207-2011	15560	0173-10	Harris, Sidney	Failure to maintain valid driver's license.	Plant Maint Mechanic		\$200,025.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24455-207-2011	15559	0177-10	Local 207	OT Equalization records				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24461-207-2011	15502	0227-10	Massey, Nicole	OT Equalization & disparate treatment	Service Guard PU		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24471-207-2011	15601	0032-11	Thomas, Aaron	Not wearing safety vest	Water Sys Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24472-207-2011	15496	0218-10	Massey, Nicole	SW freshwater plant needs new chairs and the bathroom needs cleaning.	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24473-207-2011	15451	0004A-11	Powers, Keinya M	Work place bullying, harassment & retaliation	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24474-207-2011	15476	0004-11	Ford, Keisha	Work place bullying, harassment and retaliation	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24477-207-2011	15455	0014-11	Massey, Nicole	Disparate treatment & hostile work environment	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24478-207-2011	15456	0027-11	Massey, Nicole	Continued disparate treatment	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24479-207-2011	15458	0221-10	Massey, Nicole	Disparate treatment - not assigned to pum station patrol	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24480-207-2011	15457	0220-10	Massey, Nicole	Disparate treatment - comp time	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24482-207-2011	15452	0020-11	Powers, Keinya M	Poor work performance	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24483-207-2011	15479	0026-11	Smith, Darryl	Overtime equalization	Plant maintenance mechanic		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24484-207-2001	15579	0034-11	Sayles, Darnell	Threats and abusive language toward supervisor	Senior water plant operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	18-Apr-11	D24485-207-2011	15472	0198-10	Howard, Sokoni K	Harassment	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-May-11	D24720-207-2011	15606	0082-11	LAWANDA SALISBURY	SUPERVISOR YELLING AND DISRESPECTFUL				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-May-11	D24722-207-2011	15607	0087-11	Martin, Bryant	Harassment	mechanical helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-May-11	D24643-207-2011	15616	0046-11	Cotton, Jeffrey L		Plant Maint Mech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-May-11	D24645-207-2011	15618	0084-11	Cotton, Jeffrey L	3 calendar days 2 working days	plant maint mech		\$320.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-May-11	D24740-207-2011	15545	0088-11	Union Policy	Overtime & contractual work			\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-May-11	D24771-207-2011	15608	0099-11	Drost, George J	HARASSMENT	GENERAL AUTO MECHANIC			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-May-11	D24772-207-2011	15604	0060-11	Allen, James	INSULTED BY SUPERVISOR	PARK MAINT SUB FOREMAN			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		



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207	27-May-11	D24775-207-2011	15605	0074-11	MONIQUE COLBY	HARRASSMENT & UNPROFESSIONAL BEHAVIOR BY SUPERVISOR.				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-May-11	D24778-207-2011	15542	0076-11	UNION POLICY	OVERTIME/SAETY	ALL		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-May-11	D24781-207-2011	15603	058-11	Quarles, James L	ORAL REPRIMAND	WATER SYSTEMS REPAIR			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24797-207-2011	15648	0157-11-SC	AFSCME Local 207	Work Rules	Seward Plant Attendants			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24798-207-2011	15632	11-12-02	Dumont, Michael	Shift Preference	Water Systems Cont Ins Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24802-207-2011	15638	0143-11	McNair, Yolanda M	Shift Preference	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24805-207-2011	15635	0140-11	Allen, Mandel	Shift Preference	Water Systems Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24806-207-2011	15634	0139-11	Winston, Gary B	Shift Preference	Water System Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24808-207-2011	15633	0138-11	Hopkins, Robin Yvette	Shift Preference				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24809-207-2011	15645	0151-11	Isabelle, Jimmie	Shift Preference				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24810-207-2011	15643	0149-11	Osley, Damon	Shift Preference	Water Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24811-207-2011	15637	0142-211	Mccaskill, Kathy	Shift Preference	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	27-Jun-11	D24812-207-2011	15644	0150-11	Joshua, David	Shift Preference	Shift Preference			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-11	D24816-207-2011	15619	0110-11	Benson, Deshawn	Written Reprimand	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-11	D24818-207-2011	15729	0132-11	Ellison, Philip	Suspension				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-11	D24819-207-2011	15761	0130-11	Hubbard, Daniel	Suspension			\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-11	D24821-207-2011	15726	0114-11	White, William M	Suspension	Water Systems Repair Worker		\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-11	D24822-207-2011	15703	0156-11	AFSCME Local 207	Sub-Contracting			\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Jul-11	D24829-207-2011	15655	0164-11	Moore, Patricia	Shift Preference				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Jul-11	D24828-207-2011	15630	0153-11	Mulholland, Michael	Sick Pay (2-Days)	Sr. Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Jul-11	D24875-207-2011	15656	0194-11	Ghee, Ronald R.	Change of "R" Days	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jul-11	D24935-207-2011	15677	0174-11	AFSCME Local 207	Work Rules	Service Guards PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jul-11	D24936-207-2011	15678	0089-11	AFSCME Local 207	Work Rules	Service Guar PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jul-11	D24940-207-2011	15686	0111-11	James, Beverly A	Overtime	Service Guard PU		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jul-11	D24941-207-2011	15685	0102-11	James, Beverly A	Employee Benefits	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	21-Jul-11	D24942-207-2011	15727	0122-11	Rudolph, Richard	Holidays				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	21-Jul-11	D24947-207-2011	15688	0152-11	Mccaskill, Kathy	Health and Safety				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Aug-11	D25018-207-2011	15770	0190-11	Pettway, Steven	Harassment	Mechanical Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Aug-11	D25068-207-2011	15814	0176-11	Sims, Alicia	Wages	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Aug-11	D25070-207-2011	15813	0184-11	Holts, Patricia A	Work Assignment	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Aug-11	D25074-207-2011	15810	0100-11	Davis, Eduardo A	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Aug-11	D25077-207-2011	15681	0115-11	Thomas, Lekita	Wages			\$126.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	05-Aug-11	D25079-207-2011	15730	0173-11	AFSCME Local 207	Other	All Service Guards PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	11-Aug-11	D25103-207-2011	15705	0193-11	Staley, Craig	Out of Class Pay Owed	Water Systems Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25149-207-2011	15812	0215-11	Davis, Eduardo A	Job Assignment Not Prorated Properly	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25151-207-2011	15811	0200-11	Davis, Eduardo A	Chief Steward Not Allowed to Look At the Overtime Book	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25152-207-2011	15815	0177-11	Sims, Alicia	Incorrect Sick Pay	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25159-207-2011	15805	0023-10	Massey, Nicole	Holiday Assignments W/O Regard Seniority	Service Guard PU		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25160-207-2011	15806	0021-10	Massey, Nicole	Harassment/FMLA	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25161-207-2011	15807	0206-11	Massey, Nicole	Scheduled Off 4th of July	Service Guard PU		\$240.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25162-207-2011	15808	0212-11	Massey, Nicole	Schedules Not Rotated Properly	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25163-207-2011	15804	0219-11	Allen, Michele	Harassment	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25165-207-2011	15803	0218-11	Allen, Michele	Overtime	Park Maintenance Helper		\$156.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25166-207-2011	15791	0220-11	Salisbury, Lawanda J	Furlough 7/5/11	Park Maintenance Helper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25168-207-2011	15790	0161-11	Salisbury, Lawanda J	Suspension	Park Maintenance Helper		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25169-207-2011	15706	0198-11	AFSCME Local 207	Overtime	Service Guard PU		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	25-Aug-11	D25172-207-2011	15710	0217-11	AFSCME Local 207	Supervisors Doing Bargaining Unit Work	Service Guard PU		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	29-Aug-11	D25174-207-2011	15704	0158-11	AFSCME Local 207	Promotion			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Sep-11	D25183-207-2011	15792	0241-11	Joyner, Victor	Suspension	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Sep-11	D25184-207-2011	15793	0242-11	Pettway, Steven	Suspension	Mechanical Helper		\$3,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Sep-11	D25246-207-2011	15794	0252-11	Dickens, Carl	Discharge	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	13-Sep-11	D25248-207-2011	15893	0231-11	Chase, Robert	Layoff	Auto Mechanic		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	13-Sep-11	D25250-207-2011	15796	0224-11	Davis, Allan	Step Increase	Service Guard PU		\$624.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	15-Sep-11	D25265-207-2011	15802	0065-11	Kelley, Douglas	Discharge	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-11	D25303-207-2011	15830	0229-11	Duncan, Gregory	Leaves	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-11	D25304-207-2011	15829	0228-11	Duncan, Gregory	Holidays	Service Guard PU		\$340.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-11	D25307-207-2011	15798	0236-11	Mccaskill, Kathy	Overtime	Service Guard PU		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	19-Sep-11	D25308-207-2011	15797	0234-11	Mccaskill, Kathy	Pay Checks Handled Carelessly	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Sep-11	D25385-207-2011	15867	0246-11	James, Beverly A	Employee Safety	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	30-Sep-11	D25387-207-2011	15801	0255-11	Mortinger, Robin	Transfer Request	Repair Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	02-Nov-11	D25524-207-2011	16017	0267-11	Stokes, Cynthia	Unfair Job Assignment	Plant Maint Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Nov-11	D25550-207-2011	16022	0295-11	AFSCME Local 207	Contractual Work			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	09-Nov-11	D25551-207-2011	15942	0289-11	James, Beverly A	Employment Verification	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Nov-11	D25566-207-2011	16019	0270-11	James, Beverly A	Poor Uniform Cleaning Service	Service Guard PU		\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	14-Nov-11	D25567-207-2011	15945	0304-11	Malone, Linard	Suspension	Water Sys Con Inst Tech		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Nov-11	D25621-207-2011	15946	0305-11	Hansberry, Maurice	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Dec-11	D25671-207-2011	15950	0312-11	Martin, Andrea	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Dec-11	D25672-207-2011	15944	0300-11	Massey, Nicole	Written Reprimand	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Dec-11	D25673-207-2011	15943	0299-11	Massey, Nicole	FMLA Practices	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Dec-11	D25675-207-2011	16023	0314-11	AFSCME Local 207	Work Rules	Services Guards PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-11	D25689-207-2011	15948	0307-11	Kimbrough, Joe	Premium Pay	Sewage Plant Attendant		\$112.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-11	D25693-207-2011	15952	0318-11	Weber, Michael A	Suspension	Building Attendant A		\$336.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Dec-11	D25694-207-2011	15951	0317-11	McKinney, Nathan	Suspension	Sewage Plant Operator		\$800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25816-207-2011	16076	0296-11	Miller, Andrea J	Written Reprimand - Failure to Turn in Equipment	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25819-207-2012	16016	0322-11	Clark, Jeannette L.	Overtime				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25820-207-2012	15953	0346-11	Wilson, Kenneth	Suspension	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25821-207-2012	15954	0347-11	Franklin, Martinus	Suspension	Sewage Plant Attendant		\$85,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25826-207-2012	16027	0337-11	AFSCME Local 207	Overtime			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25827-207-2012	16028	0338-11	AFSCME Local 207	Overtime			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	17-Jan-12	D25829-207-2012	16024	0324-11	AFSCME Local 207	Overtime			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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207	17-Jan-12	D25830-207-2012	16025	0329-11	AFSCME Local 207	Overtime			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	24-Jan-12	D25839-207-2012	16105	0361-11	AFSCME Local 207	Pension Change			\$500,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Feb-12	D25860-207-2012	16141	0348-11	Morrison, Paul	Work Rules	Sewage Plant Operator				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	01-Feb-12	D25864-207-2012	16114	0336-11	AFSCME Local 207	Overtime			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	01-Feb-12	D25869-207-2012	16111	0332-11	AFSCME Local 207	Overtime			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Mar-12	D26069-207-2012	16078	0352-11	Stokes, Crystal	Work Rules	Mechanical Helper				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26070-207-2012	16081	0355-11	Martin, Melinda	Work Rules	Building Attendant A				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26072-207-2012	16077	0349-11	Jenkins, Michael	Oral Reprimand - Tardiness	Sewage Plant Operator				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26075-207-2012	16138	0015-12	Duncan, Gregory	Oral Reprimand	Service Guard PU				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26076-207-2012	16137	0014-12	Duncan, Gregory	Oral Reprimand	Service Guard PU				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26078-207-2012	16082	0356-11	Martin, Melinda	Harassment	Building Attendant A				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26080-207-2012	16139	0006-12	King, Gregory	Not Wearing Uniform					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26081-207-2012	16075	0008-12	Hamilton, Rodney	Suspension-Fighting	Sewage Plant Attendant		\$56,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Mar-12	D26084-207-2012	16142	0358-11	Herron, Terry	Ignoring Shift and Location Preferences and Article 18, H	Building Attendant A				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26085-207-2012	16080	0354-11	Martin, Melinda	Work Rules	Building Attendant A				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26086-207-2012	16079	0353-11	Martin, Melinda	Work Assignment	Building Attendant A				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26089-207-2012	16153	0345-11	AFSCME Local 207	Staffing/and or Health and Safety					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	26-Mar-12	D26091-207-2012	16140	0029-12	AFSCME Local 207	Overtime	Service Guards PU		\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	28-Mar-12	D26120-207-2012	16120	0020-12	Calvert, Charni	Suspension	Wastewater Technician		\$480.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	10-Apr-12	D26147-207-2012	16146	0351-11	Salisbury, Lawanda J	FMLA/Forced Unpaid Medical Leave	PMH				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	10-Apr-12	D26154-207-2012	16145	0344-11	Salisbury, Lawanda J	Violation of Grievance Procedure	Park Maintenance Helper				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	10-Apr-12	D26156-207-2012	16143	0017-12	Malone, Linard	Suspension	Water Systems Helper		\$325.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Jun-12	D26336-207-2012	16171	0041-12	Collins, Cynthia	Overtime	Building Attendant A				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	07-Jun-12	D26341-207-2012	16170	0039-1228	Henry, Judnard	Suspension	Park Maintenance Helper				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	
207	07-Jun-12	D26342-207-2012	16179	0051-12	Jimmerson, Michael	Suspension	Waters Systems Mechanic		\$384.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Jun-12	D26343-207-2012	16183	0062-12	Porter, Timi Gay	Harassment	Park Maintenance Helper				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	

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207	08-Jun-12	D26340-207-2012	16178	0048-12	Gray, Kenneth D	Harassment	General Auto Mechanic			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jun-12	D26359-207-2012	16174	0044-12	Royster, Ronald	Written Reprimand	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jun-12	D26360-207-2012	16175	0045-12	Wooten, Walter	Written Reprimand	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jun-12	D26361-207-2012	16176	0046-12	Ballard, William	Written Reprimand				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jun-12	D26362-207-2012	16169	0024-12	Scaife, Thelma	Oral Reprimand	Sewage Plant Attendant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Jun-12	D26363-207-2012	16177	0047-12	Mckinney, Donna M	Written Reprimand	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26642-207-2012		0056-12	Barnett, Charlesa	Wages			\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	12-Sep-12	D26644-207-2012	16266	0063-12	Fagan, Carolyn	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	26-Sep-12	D26713-207-2012		0342-11	AFSCME Local 207	FMLA Increments				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	07-Nov-12	D26836-207-2012		0144-12	Holts, Patricia A	Work Rules	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	03-May-13	D27420-207-2013		0059-13	Lindell, Richard	Absenteeism	Sewage Plant Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	06-Jan-10	D22291-207-2010	14866	0330-09	Duncan, Gregory	Shift and Location Preference	Service Guard PU			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
207	16-Mar-09	L2454-207-09				Employer requiring employees to have CDL, Class A with Airbrakes				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
207	18-Mar-13	L3187-207-13				Instructor for Civil Disobedience Training (Gary Spale) instructed class to decertify from AFSCME and join another Union.				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	8/2/2013	ULP
207	31-Jan-14	L3289-207-14				Employer failure to meet regarding new job classifications and to provide requested information. Employer laying off 700 people and implementing new job classifications, all without bargaining.				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
									\$50,000.00			

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229	16-Jan-09	D20443-229-2009	14173	08-23SM	Gray, Brenda D	3-Day Suspension	Street Maintenance Helper		\$333.84	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	24-Mar-09	D20995-229-2009	14421	09-05v	Lenard Shannon	Not recalled from lay off	General Auto Mech		\$150,328.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	08-Mar-07	D3333-229-2007	0	07-10F	CHAN DOWNS	29.5 DAY SUS-DOING WORK FOR MONEY WHILE ON CITY TI	SENIOR TREE ARTISAN		\$168,064.00	<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	16-May-07	D3417-229-2007	13523	06-12V	UNION POLICY	UNAUTHORIZED USE OF VACAY TIME	GENERAL AUTO MECHANICS		\$50,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	16-Apr-10	D22718-229-2010	14956	10-05S	Palmer, Dexter	Discharge	Storekeeper		\$126,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	05-Dec-08	D20299-229-2008	14114	08-14SM	Littlejohn, Terry	1-Day Suspension			\$107.20	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	05-Feb-09	D20598-229-2009	14245	08-28SM	Gray, Brenda D	5-Day Suspension Insubordination	St. Maintenance Helper		\$556.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	08-Apr-10	D22694-229-2010	15027	09-31V	Danforth, Albert	14-Day Suspension	General Auto Mechanic		\$2,335.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	08-Apr-10	D22696-229-2010	15025	10-02 SW	Macaulay, Melvin	3-Day Suspension	Transfer Station Agent		\$326.24	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	06-Oct-10	D23609-229-2010	15240	10-11SW	Macaulay, Melvin	Suspension			\$326.24	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	02-Dec-10	D23829-229-2010	15304	10-06f	Benson, Donald L	WRITTEN REPRIMAND/ POOR WORK PERFORMANCE	SENIOR TREE ARTISAN		\$2,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	02-Dec-10	D23830-229-2010	15303	10-7F	Wallace, Norman A	DENIED OVERTIME	SENIOR TREE ARTISAN		\$25,209.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	16-Dec-10	D23891-229-2010	15302	10-25-UP	Union Policy	Longevity payment	ALL		\$900,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	05-Apr-11	D24393-229-2011	15421	10-20F	Norman Wallace	Assaulted by foreman	Senior Three Artisan		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	05-Apr-11	D24394-229-2011	15420	10-23F	Jackson, Allen	Overtime	Senior Tree Artisan		\$25,209.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24889-229-2011	15592	11-01V	Richardson, Michael	Not Allowed to Return to Work After Illness	General Automovive Mechanic		\$166.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24890-229-2011	15591	10-22V	Shaffer, Gail	Not Allowed to File Incident Report	GAM		\$166.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24893-229-2011	15584	11-02V	Robillard, Janice	Not Paid for Sick Time	General Auto Mechanic		\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24895-229-2011	15586	11-04V	Smith, Tyrone D	Denied Sick Time	GMA		\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24896-229-2011	15593	11-05V	McClure, Marlando	Suspension	GAM		\$1,668.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24899-229-2011	15595	11-15SM	Gladney, William Niquel	Suspension	Laborer A		\$1,931.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24900-229-2011	15594	11-16SM	Bivens, Rodney	Discharge	Labor A		\$83,670.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	15-Jul-11	D24901-229-2011	15583	10-24V	AFSCME Local 229	Foreman Performing Bargaining Unit Work			\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	26-Sep-11	D25325-229-2011	15735	11-08V	Metivier, Mark W	Suspension	General Auto Mechanic		\$1,668.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	26-Sep-11	D25326-229-2011	15736	11-12F	AFSCME Local 229	Overtime	Senior Tree Artisan		\$25,209.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - LocalRef# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
229	26-Sep-11	D25327-229-2011	15737	11-13F	AFSCME Local 229	Overtime	Senior Tree Artisan		\$25,209.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	11-Jan-12	D25776-229-2012	15877	11-09V	Metivier, Mark W	Harassment	GAM		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	10-Sep-12	D26632-229-2012	16218	12-211R	AFSCME Local 229	Management Not Deducting Union Dues				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	14-Nov-12	D26848-229-2012	16242	11-11V	Agens, Thomas A	Suspension			\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
229	22-Dec-08	L2416-229-08		C08 G-146		Unilateral Change in healthcare for Locals 207, 214, 229, 312, 1642, and 2920				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	7/18/2008	ULP

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - LocalRef/ Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
312	18-May-83	D17585-312-2007	13263	KK-195-2006	Simpson, Gregory	reprimand: late from break	storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-04	D20220-312-2008	14124	MM 78-2008	Mansfield, Wendell	Written Reprimand	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-04	D20224-312-2008	14128	MM-86-2008	Local 312	Denied Holiday Work		DDOT	\$1,523.88	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jul-07	D17602-312-2007	13267	LL-43-2007	Simpson, Gregory	Denied Overtime work	Storekeeper	DDOT	\$378.96	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jul-07	D17583-312-2007	13259	LL-63-2007	Lile, Richard F	Suspension	GAM	DDOT	\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jul-07	D17584-312-2007	13261	LL-62-2007	Danna, Dwight F	Suspension	GAM	DDOT	\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jul-07	D17586-312-2007	13264	KK-196-2006	Mayes, William M	Reprimand: late from break	Ass. Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jul-07	D17589-312-2007	13262	KK-200-2006	McCarty, Jerald	Reprimand	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jul-07	D17590-312-2007	13266	LL-2-2007	Union Policy	Unequal distribution	N/A	DDOT	\$1,894.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	10-Jul-07	D17595-312-2007	13260	LL-90-2007	Union Policy	Transfer of Service Guards				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	07-Aug-07	D18093-312-2007	13566	KK-39-2006	Nwosu, Dennis C	Denied OT work	CSA	DDOT	\$417.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	07-Aug-07	D18094-312-2007	13532	KK-193-2006	Perrin, Eric V	Favoritism / denied seniority	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	07-Aug-07	D18097-312-2007	13529	LL-42-2007	Jackson, Jeanette	Improper admin of FMLA	Senior Typist			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	07-Aug-07	D18121-312-2007	13573	LL-79-2007	Union Policy	Allow Service Guards to make their vacation selections				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	13-Nov-07	D18128-312-2007	13569	LL-104-2007	White, Geoffrey R	Overtiem	Print Shop Asst.	DDOT	\$175.20	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	13-Nov-07	D18129-312-2007	13570	LL-113-2007	White, Geoffrey R	Denied OT	Print Shop Asst.	DDOT	\$21.90	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	13-Nov-07	D18130-312-2007	13572	LL-133-2007	Union Policy	management authority				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	13-Nov-07	D18131-312-2007	13559	LL-134-2007	Union Policy	Employer Planning on outsourcing Service Guard positions to contractors				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	13-Nov-07	D18132-312-2007	13562	LL-135-2007	Union Policy	Guards have been laid off and positions eliminated.	D-Dot Guards			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	13-Nov-07	D18133-312-2007	13563	LL-136-2007	Union Policy	Improper transfer				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18966-312-2008	13875	LL-67-2007	Union Policy	supervisor working		DDOT	\$189.48	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18967-312-2008	13874	LL-106-2007	Union Policy	supervisor working		DDOT	\$189.48	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18968-312-2008	13869	LL-131-2007	Union Policy	OT not being rotated equal		DDOT	\$4,650.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18969-312-2008	13872	LL-120-2007	Simpson, Gregory	Denied vacation time usage	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18970-312-2008	13873	LL-111-2007	Canty, Darryl	supervisor working	Storekeeper	DDOT	\$189.48	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18971-312-2008	13866	MM-42-2008	Union Policy	Improper discip for parking				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Mar-08	D18972-312-2008	13868	LL-95-2007	Walker, Sonya	Denied overtime work	Typsit	DDOT	\$288.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	23-Sep-08	D19825-312-2008	13990	MM-98-2008	Thomas, James	Termination of LTD Benefits	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		



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312	23-Sep-08	D19827-312-2008	13985	MM17-2008	Johnson, Alethea	Denied Overtime		DDOT	\$189.48	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	23-Sep-08	D19829-312-2008	13987	MM-18-2008	Johnson, Alethea	Denied Holiday Work	Assistant Storekeeper	DDOT	\$378.96	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	23-Sep-08	D19830-312-2008	13993	MM-90-2008	Craig, Larry D	Unprofessional Behavior of Supervisor	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	17-Nov-08	D20178-312-2008	14109	MM-63-2008	Bray, Kenya M	Overtime	Storekeeper	DDOT	\$757.96	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	17-Nov-08	D20180-312-2008	14107	MM-29-2008	Union	Outsourcing		DDOT	\$32,025.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	17-Nov-08	D20181-312-2008	14108	MM-46-2008	Union	Outsourcing		DDOT	\$3,679.20	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Nov-08	D20175-312-2008	14105	LL-110-2007	Union	Contracting Out		DDOT	\$32,025.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	25-Nov-08	D20179-312-2008	14106	LL-111-2007	Union	Contracting Out		DDOT	\$32,025.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20218-312-2008	14122	MM-60-2008	Thomas, Hardy R	Denied Overtime Work		DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20219-312-2008	14123	MM-72-2008	Ference, Edward	Outsourcing	GAM	DDOT	\$2,502.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20222-312-2008	14126	MM-84-2008	Ference, Edward	Denied Overtime Pay	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20225-312-2008	14129	MM-100-2008	Local 312	Outsourcing		DDOT	\$32,025.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20226-312-2008	14130	MM-101-2008	Local 312	Outsourcing/Reduced Overtime		DDOT	\$32,025.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20230-312-2008	14177	MM-113-2008	Local 312	Outsourcing Security		DDOT	\$2,128.32	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20289-312-2008	14205	MM 127 2008	Newman, Russell E	Short Vacation Time	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20290-312-2008	14206	MM 128 2008	Jones, Edward R	Short Vacation Time	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20293-312-2008	14209	MM 131 2008	Goodman, Darryl	Not Given Casual Leave Time	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20294-312-2008	14178	MM 132 2008	Nahhal, Ibrahim	Lost Comp Time	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-08	D20296-312-2008	14180	MM 134-2008	Newman, Russell E	Denied Light Duty Work	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	04-Dec-08	D20227-312-2008	14131	MM-103-2008	Local 312	Improper Job Assignment				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	04-Dec-08	D20228-312-2008	14175	MM-104-2008	Canty, Darryl	Supervisor Doing Bargaining Unit Work	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	04-Dec-08	D20229-312-2008	14176	MM-112-2008	Local 312	Properties Not Secured				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	06-Jan-09	D20359-312-2009	14181	MM-142-2008	Union	No Heat Coolidge Garage				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	18-Feb-09	D20688-312-2009	14318	MM-152-2008	Murphy, Gerry D	Suspension - Insubordination	GAM	DDOT	\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	10-Mar-09	D20984-312-2009	14400	MM-158-2008	Union Policy	merger talks: union not inc				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	16-Mar-09	D20869-312-2009	14432	NN-6-2009	UNION POLICY	unsafe work area: hoists	N/A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	16-Mar-09	D20870-312-2009	14433	NN-7-2009	Union Policy	Unsafe work area				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	16-Mar-09	D20871-312-2009	14436	NN-17-2009	UNION POLICY	no heat, cool garage				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21075-312-2009	14426	MM-140-08	AFSCME Local 312	Unsafe Working Conditions				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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312	29-Apr-09	D21077-312-2009	14434	NN-14-2009	Quates, Clayton L	Denied Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21079-312-2009	14427	MM-155-2008	Wolfe, Duncan A	Denied Overtime	GAM	DDOT	\$750.60	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21080-312-2009	14428	MM-156-2008	AFSCME Local 312	Denial of Overtime/Favoritism		DDOT	\$8,757.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21081-312-2009	14429	MM-157-2008	AFSCME Local 312	Favoritism/Denied Holiday Overtime		DDOT	\$8,006.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21082-312-2009	14437	NN-19-2009	AFSCME Local 312	Outsourcing		DDOT	\$3,892.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21084-312-2009	14466	NN-5-2009	Ross, Shawn R	Unjust Discipline Leaving Work	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21085-312-2009	14435	NN-16-2009	Davis, Darryl J	Improper DOTAMS Occurrence	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21086-312-2009	14467	NN-21-2009	Yeldon, Ramona	Oral Reprimand Insubordination	Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Apr-09	D21087-312-2009	14468	NN-22-98	Johnson, Alethea	Incorrect Appointment Date	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	01-May-09	D21073-312-2009	14431	NN-3-2009	AFSCME Local 312	Overtime Holiday Time		DDOT	\$8,006.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	01-May-09	D21074-312-2009	14430	NN-1-2009	AFSCME Local 312	Work on Christmas Holidays		DDOT	\$8,006.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	21-Sep-09	D21697-312-2009	14598	NN-65-2009	Williams, Leon	Written Reprimand	CSA			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	21-Sep-09	D21698-312-2009	14600	NN-70-09	Wolfe, Duncan A	Schedule Change	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	24-Sep-09	D21715-312-2009	14634	NN-91-2009	AFSCME Local 312	Layoffs/Outsourcing				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-Nov-09	D21997-312-2009	14668	NN-81-2009	Wolfe, Duncan A	Reprimand - AWOL				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	30-Nov-09	D22028-312-2009	14666	NN-54-2009	AFSCME Local 312	Overtime		DDOT	\$8,584.80	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	30-Nov-09	D22029-312-2009	14667	NN-71-2009	Robinson, Dwayne	Denied Seniority Rights; Overtime	Elec Equip Tech	DDOT	\$252.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	30-Nov-09	D22019-312-2009	14671	NN 64 2009	Ference, Edward	Reprimand	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	29-Nov-05	D2177-312-2005	14249	II-269-2004	Allen, Dennis L	Equalization of overtime	Service Guard	DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-05	D2179-312-2005	14250	II-271-2004	Allen, Dennis L	Denied overtime work	Service Guard	DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-05	D2180-312-2005	14251	II-280-2004	Ference, Edward	Denied overtime pay	GAM	DDOT	\$62.55	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	02-Dec-05	D2181-312-2005	14252	II-282-2004	McCarty, Jerald	Improper job assignment	Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	20-Mar-07	D3358-312-2007	12912	KK-38-2006	UNION POLICY	OUTSOURCING	N/A	DDOT	\$2,502.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	24-Apr-07	D3389-312-2007	13075	LL-1-2007	Wolfe, Duncan A	DENIED OVERTIME WORK	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	26-Apr-07	D3415-312-2007	13318	0048-07	CALVIN MORROW	MEMBER NOTIFIED MANAGEMNT OF HIS LICENSE SUSPENSIO	WATER SYS REPAIR WORKER			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3434-312-2007	13074	LL-33-2007	Fred Evans	DENIED OVERTIME PAY	GABM	DDOT	\$61,670.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3435-312-2007	13073	LL-34-2007	Griffin, Jerome C	DENIED OVERTIME PAY	GAM	DDOT	\$58,713.60	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref#/ Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
312	23-May-07	D3436-312-2007	13072	LL-35-2007	Dukes, Michelle	DENIED OVERTIME PAY	CSA	DDOT	\$39,142.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3437-312-2007	13071	II-36-2007	Reid, Sheree D	DENIED OVERTIME PAY	CSA	DDOT	\$39,142.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3438-312-2007	13070	II-37-2007	Williams, Leon	DENIED OVERTIME PAY	CSA	DDOT	\$39,142.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3439-312-2007	13058	LL-44-2007	Tillman, Renee	HARASSMENT	SENIOR TYPIST			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3445-312-2007	13059	KK-152-2006	UNION POLICY	Denied Holiday Work Opportunity	N/A	DDOT	\$1,523.88	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3446-312-2007	13069	KK-166-2006	Stewart, Kenneth	Rep, careless workmanship	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3447-312-2007	13068	KK-167-2006		Rep, careless workmanship	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3448-312-2007	13067	KK-180-2006	Anderson, Craig	Rep, careless workmanship	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3449-312-2007	13060	KK-181-2006	UNION POLICY	Favoritism in job assignment	N/A			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3450-312-2007	13066	KK-182-2006	Peete, Walter L	Rep, careless workmanship	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3451-312-2007	13065	KK-212-2006	Williamson, Edward	Rep, careless workmanship	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3452-312-2007	13064	KK-213-2006	Smith, Delvin L	Rep, careless workmanship	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3455-312-2007	13062	KK-41-2006	UNION POLICY	Improper rotation of overtime	N/A			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-May-07	D3459-312-2007	13056	KK-37-2006	UNION POLICY	Outsourcing bargaining unit work	N/A	DDOT	\$2,186.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-Sep-08	D19826-312-2008	13989	MM-87-2008	Alfred Thomas	Discharge	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-Nov-09	D21988-312-2009	14669	NN-85-2009	Brown, Anthony R	Suspension	GAM	DDOT	\$500.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-Nov-09	D21986-312-2009	14665	NN-82-2009	AFSCME Local 312	Supervisors Working		DDOT	\$2,837.76	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	07-Dec-09	D22052-312-2009	14737	NN-98-2009	AFSCME Local 312	Supervisors Doing Bargaining Unit Work		DDOT	\$2,128.32	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	01-Feb-11	D24081-312-2011	15386	PP-4-2011	Lewis, Quincy C	Discharge	Service Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	01-Feb-11	D24083-312-2011	15375	00-112-2010	Goodman, Darryl	Suspension/Discharge	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25791-312-2012	15925	PP-46-2011	AFSCME Local 312	Subcontracting		DDOT	\$4,256.64	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25793-312-2012	15986	PP-73-2011	Bolter, Charles	Overtime	Service Guard	DDOT	\$88.68	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25800-312-2012	15959	PP-62-2011	AFSCME Local 312	Overtime		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25765-312-2012	15965	PP-138-2011	AFSCME Local 312	Subcontracting		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25976-312-2012	16088	QQ-9-2012	AFSCME Local 312	Overtime		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25977-312-2012	16089	QQ-13-2012	AFSCME Local 312	Overtime		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25978-312-2012	16090	QQ-14-2012	AFSCME Local 312	Overtime		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25979-312-2012	16087	QQ-7-2012	AFSCME Local 312	Overtime		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	10-Apr-12	D26138-312-2012	16073	QQ-40-2012	AFSCME Local 312	Recall				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		

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312	20-Jul-12	D26521-312-2012	16207	QQ-51-2012	McCrae, Jewett	Denied LTD Benefits	GAM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	26-Jul-12	D26540-312-2012	16209	QQ-49-2012	AFSCME Local 312	Sub Contracting		DDOT	\$250.20			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	12-Feb-10	D22405-312-2010	14805	00-11-2010	AFSCME Local 312	Violation of Successor Clause						<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	17-Feb-10	D22452-207-2010	14857	NN-114-2009	Mayes, Charles	Denied Step Increases	GAM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	17-Feb-10	D22455-312-2010	14859	NN-120-2009	Carter, Georgette	Denied Longevity Pay	OAIII	DDOT	\$300.00			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	17-Feb-10	D22456-312-2010	14858	NN-119-2009	White, Geoffrey R	Denied Shift Premium	Service Guard	DDOT	\$22.50			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	09-Mar-10	D22534-312-2010	15013	NN-129-2009	AFSCME Local 312	Outsourcing Bargaining Unit Work		DDOT	\$11,910.60			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	09-Mar-10	D22535-312-2010	15014	NN-113-2009	Williams, Latosha	Suspension	CSA	DDOT	\$333.60			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	22-Mar-10	D22574-312-2010	14976	OO-2-2010	Union Policy	Health and Safety	N/A					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	22-Mar-10	D22576-312-2010	14977	NN-80-2009	Denham, Alice M	Discrimination in job assignments	CSA					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	22-Mar-10	D22577-312-2010	14978	NN-110-2009	Blunt, John R	Unjust discipline: rep, parking	GAM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	19-Apr-10	D22722-312-2010	14974	00-25-2010	Washington, Marvin	Suspension	CSA	DDOT	\$333.60			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	19-Apr-10	D22723-312-2010	14973	0026-2010	James, Nicole S	Suspension	CSA	DDOT	\$333.60			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	18-May-10	D22908-312-2010	15055	00-12-2010	Ransom, Andre M	Reprimand - Careless Work	GAM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	25-May-10	D22924-312-2010	15099	00-16-2010	James, Nicole S	Suspension	CSA	DDOT	\$333.60			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	25-May-10	D22926-312-2010	15100	00-15-2010	Washington, Marvin	Suspension	CSA	DDOT	\$333.60			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	01-Jul-10	D23144-312-2010	15101	00-50-2010	Perrin, Eric V	Suspension/Discharge	GAM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	01-Jul-10	D23145-312-2010	15105	00-57-2010	AFSCME Local 312	Layoffs and Outsourcing		DDOT	\$21,350.40			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23462-312-2010	15175	00-32-2010	AFSCME Local 312	Improper Supervision						<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23463-312-2010	15174	00-13-2010	Carter, Gyrome	Suspension	CSA					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23464-312-2010	15177	00-39-2010	Sparks, Giselle	Suspension	GABM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23474-312-2010	15176	00-38-2010	AFSCME Local 312	Sub-Contracting		DDOT	\$250.20			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23475-312-2010	15179	00-41-1984	Haas, Thomas K	Hours	GAM					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23476-312-2010	15180	00-56-2010	AFSCME Local 312	Layoff/Job Elimination						<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23477-312-2010	15181	00-61-2010	Robinson, Hubbard	Supervisors	Electric Equip Rep					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23478-312-2010	15182	00-67-2010	Mayes, Charles	P.A. 414 and Workers' Compensation						<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	13-Sep-10	D23512-312-2010	15178	00-40-2010	Hamden, Edward W	Employee Denied Rest-of-Shift Pay	GAM	DDOT	\$166.80			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated
312	08-Nov-10	D23834-312-2010	15282	OO-87-2010	Union Policy	UNSAFE WORKING CONDITIONS	N/A					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated

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312	08-Nov-10	D23835-312-2010	15283	OO-106-2010		OUTSOURCING/ FURLOUGHS	N/A	DDOT	\$849,293.64	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	10-Nov-10	D23845-312-2010	15280	OO-86-2010	Union Policy	Threats and unprofessional	N/A			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	10-Nov-10	D23846-312-2010	15279	OO-83-2010	Union Policy	Unannounced sched change	n/a			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	14-Feb-11	D24142-312-2011	15398	OO-115-2010	AFSCME Local 312	Sixth Day Pay		DDOT	\$849,293.64	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	14-Feb-11	D24145-312-2011	15400	OO-114-2010	AFSCME Local 312	Non-Consecutive Days Off				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	14-Feb-11	D24146-312-2011	15401	OO-124-2010	AFSCME Local 312	Non Consecutive Days Off				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	14-Feb-11	D24147-312-2011	15402	00127-2010	AFSCME Local 312	Non Consecutive Days Off				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	14-Feb-11	D24153-312-2011	15404	OO-179-2010	AFSCME Local 312	Non Consecutive Days Off				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	14-Feb-11	D24155-312-2011	15405	PP-6-2011	AFSCME Local 312	Non Consecutive Days Off				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	15-Feb-11	D24148-312-2011	15403	OO-132-2010	Coleman, Joe D	Non Consecutive Off Days	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	18-Feb-11	D24181-312-2011	15399	PP-1-2011	Bolter, Charles	Suspension	Service Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	23-Feb-11	D24188-312-2011	15397	PP-2-2011	Brooks, Clarence	Suspension	Service Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	06-Apr-11	D24414-312-2011	15436	OO-70-2011	Haas, Thomas K	Short OT Pay	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	06-Apr-11	D24415-312-2011	15460	OO-176-2010	Williams-Gilson, Ramona	Denied Holiday Work	Service Guard	DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	06-Apr-11	D24417-312-2011	15461	OO-177-2010	Williams-Gilson, Ramona	Improper notice of schedule change	Service Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	06-Apr-11	D24421-312-2011	15521	OO-31-2010	Korona, David S	Denied Union Representation	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	06-Apr-11	D24427-312-2011	15522	OO-162-2010	Local 312	Outsourcing		DDOT	\$2,502.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	06-Apr-11	D24436-312-2011	15523	OO-163-2010	Local 312	Unprofessional management behavior				<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25790-312-2012	15996	PP-40-2011	Davis, Darryl J	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25796-312-2012	15997	PP-52-2011	Williams, Latosha	Overtime	CSA	DDOT	\$83.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25797-312-2012	15998	PP-53-2011	Latoyia Stewart	Overtime	CSA	DDOT	\$83.40	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25801-312-2012	15926	PP-63-2011	AFSCME Local 312	Subcontracting		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25804-312-2012	15999	PP-74-2011	AFSCME Local 312	Overtime		DDOT	\$8,631.90	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25805-312-2012	15961	PP-83-2011	AFSCME Local 312	Overtime		DDOT	\$8,631.90	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25809-312-2012	16000	PP-76-2011	Pierce, Steven	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25810-312-2012	16001	PP-77-2011	Lefevre, John C	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25739-312-2012	16005	PP-82-2011	Waligora, Raymond	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25740-312-2012	16004	PP-81-2011	Murphy, Gerry D	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25741-312-2012	16003	PP-80-2011	Jennings, Christopher	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25742-312-2012	16002	PP-78-2011	Smith, Charles T	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		

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312	09-Jan-12	D25744-312-2012	16006	PP-86-2011	Robinson, John A	Overtime	GAM	DDOT	\$125.10	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25750-312-2012	16007	PP-99-2011	Washington, Marvin	Overtime	CSA	DDOT	\$83.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	09-Jan-12	D25758-312-2012	16008	PP-117-2011	Washington, Marvin	Overtime	CSA	DDOT	\$83.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25974-312-2012	16093	QQ-27-2012	AFSCME Local 312	Overtime		DDOT	\$177.36	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25980-312-2012	16086	QQ-6-2012	AFSCME Local 312	Seniority				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25981-312-2012	16085	QQ-5-2012	AFSCME Local 312	Work Assignment				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25982-312-2012	16085	QQ-5-2012	AFSCME Local 312	Sub Contracting		DDOT	\$2,128.32	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25983-312-2012	16083	QQ-3-2012	AFSCME Local 312	Discrimination-Union Activity				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D25984-312-2012	16063	PP-146-2011	AFSCME Local 312	Layoff/Job Elimination				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Mar-12	D26005-312-2012	16060	PP-130-2011	Johnson, Matthew	Overtime	Ele Equip Tech	DDOT	\$175.20	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	06-Mar-12	D25975-312-2012	16065	QQ-20-2012	AFSCME Local 312	Leaves				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	05-Jun-12	D25988-312-2012	16092	QQ-26-2912	Glover, Lodiska	Suspension	CSA	DDOT	\$333.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	26-Jul-12	D26538-312-2012	16211	PP-129-2011	Jennings, Dora J	Overtime	GAM	DDOT	\$333.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	26-Jul-12	D26541-312-2012	16208	QQ-47-2012	AFSCME Local 312	Stewards Placed on Weekend Schedule				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	22-Oct-12	D26787-312-2012	16223	QQ-53-2012	Local 312	Seniority				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	22-Oct-12	D26788-312-2012	16234	QQ-61-2012	AFSCME Local 312	Seniority				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	30-Oct-12	D26798-312-2012	16232	QQ-67-2012	Dukes, Michelle	Denied LTD benefits	CSA			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	31-Oct-12	D26797-312-2012	16233	QQ-80-2012	Spragins, Eric M	Denied LTD benefit	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	09-Nov-12	D26846-312-2012	16230	QQ 73-2012	AFSCME Local 312	Job Vacancy/Posting				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	21-Nov-12	D26888-312-2012	16228	QQ-74-2012	AFSCME Local 312	Sub Contracting		DDOT	\$5,838.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	21-Nov-12	D26889-312-2012	16229	QQ-64-2101	Ross, Shawn R	Discharge	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	22-Jan-13	D27025-312-2013	16225	QQ-79-2012	AFSCME Local 312	Overtime		DDOT	\$2,128.32	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	22-Jan-13	D27026-312-2013	16224	QQ-93-2012	Price, Don A	Harassment	Print Shop Assistant			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	04-Mar-13	D27194-312-2013	16300	QQ 104-2012	Pugh, Squire	S and A Benefit Period	GAM			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	04-Mar-13	D27195-312-2013	16302	QQ 110-2013	Smith, Derrick	Denied LTD Benefits	CSA			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	04-Mar-13	D27196-312-2013	16303	RR 1-2013	AFSCME Local 312	Faulty Punch Cards				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
312	5-Dec-13	L3271-312-13				Fact Finding - City of Detroit pursuing Fact Finding over our objection				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	11/1/2013	Factfind
312	16-Jun-11	L2925-312-11		C10 L-295		MERC ULP Charge - we are an Interested Party - filed by Local 312 and George B. Washington				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	12/7/2010	ULP

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
457	06-Oct-08	D19888-457-2008	14025	08-05	Union	Contracting Out Violation	OA I, II, III, Clerk	Health	\$300,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	06-Oct-08	D19889-457-2008	14026	08-04	Union	Contracting Out	CHA, OA I, II, III	Health	\$300,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	22-Oct-08	D19958-457-2008	14058	08-02		Involuntary Transfer	Office Assistant II	Health	\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	06-Apr-11	D24395-457-2011	15442	10-13	McAdory, Tammy W	Suspension	Pharmacy Tech	Health	\$1,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	06-Apr-11	D24410-457-2011	15443	10-14	Local 457	Contracting out OA Lab	OAI, OAIL	Health Clinic	\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	06-Apr-11	D24411-457-2011	15446	10-18	Evans, Linda J	Suspension - 5 Day	OA II	Health	\$1,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	06-Apr-11	D24412-457-2011	15444	10-15	Evans, Linda J	Involuntary Transfer	Office Assistant II	Health	\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	06-Apr-11	D24403-457-2011	15445	10-16	Local 457	Contracting out	OAIL	Health-Lab	\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	9-Dec-05	L1856-457-05		C05 H-194 & C06 E-11		RE: AFSCME v City of Detroit Health Department 05-525710-CL - SEMHA / MERC #C05 H-194 & UC06 E-013 and Perhaps #09-267634-CL			See R.Mack	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	1/18/2006	ULP
457	6-Mar-12			12-06	Butler, Fay	Susp-1 Day	Teller	Health Vital Record	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	28-Jun-05			04-39	Scott, Valenza	Susp 5 Days	Bldg Atten	Health	\$1,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	12-Apr-05			04-36	Parnell, Joanne	Susp 10 Days	OAI	Health	\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	23-Nov-08			08-12	McAdory, Tammy	Susp 5 Days	Pharmacy Tech	Health	\$1,260.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
457	9-Sep-12			12-12	Butler, Fay	Susp 5 Days	Teller	Health	\$1,260.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	18-Jan-06	D2373-542-2006	12071	1010-AUG.05	James, Jomo	Restore lay-off	Life Guard	Recreation	\$167,440.00	<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jan-08	D20419-542-2009	14162	1007APR08	Williams, Ahmed	Voluntary Quit	Locker Facility Attendant	Recreation	\$14,504.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Feb-08	D18904-542-2008	13799	1023Sep.07	Burnley, Damian	Discharged	Lifeguard	Recreation	\$119,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Feb-08	D18905-542-2008	13793	1018Aug.07	Seay, Alton	Return to work	Lifeguard	Recreation	\$119,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	07-May-08	D21104-542-2009	14451	10002MAR.09	Roundtree, Jason	3-Day Suspension	Play Lealder	Recreation	\$240.96	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	07-May-08	D21106-542-2009	14453	1008APR.09	AFSCME Local 542	Stipulation to Grievance	LFA/Lifeguard	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	17-Jun-08	D19265-542-2008	13886	745 Jun 086/21/	Bailey, Ladenna	Transfer	PMH/PMW	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jun-08	D19296-542-2008	13925	751JUN08	Union Policy	Outsourcing Work	Sr. Tree Artisan	GSD	\$2,474.82	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Jul-08	D19486-542-2008	13924	738may.08	Union	Non Bargaining Unit Members doing BU Work		GSD	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Jul-08	D19488-542-2008	13888	750jun.08	Willie Jackson	Refused Drug Test		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Sep-08	D19697-542-2008	14009	1026JUL08	Drumgoole, Doris	Poor Work Performance	PSA	Recreation	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Sep-08	D19734-542-2008	14008	762AUG.08	Chamberlain, Johnny (Deceased)	Unfair Treatment	PMH/PMW	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Sep-08	D19736-542-2008	14015	767AUG.08	Union	Overtime		GSD	\$21,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	17-Sep-08	D19851-207-2008	14078	1011MAY.08	Buggs, Antonn	30-Day Suspension	LFA	Recreation	\$1,785.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19812-542-2008	14011	1019JUN08	Lance Martin	Work Schedule		Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19816-542-2008	14052	1022JUL08	Walker, Justin V	Holiday	Lifeguard	Recreation		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19817-542-2008	14056	1018JUL08	Garrett, Yaleta	Assignment	Lifeguard	Recreation		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19818-542-2008	14055	1025JUL08	Alston, Marcus	Summer Assignment	Lifeguard	Recreation		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19819-542-2008	14054	1023JUL08	Justin Cotton	Summer Assignment		Recreation		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19820-542-2008	14053	1020JUL08	Blount, Christopher	Assignment	LifeGuard	Recreation		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19821-542-2008	14051	1021JUL08	Sigler, Kareem	Overtime	Lifeguard	Recreation		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Sep-08	D19811-542-2008	14005	1024JUL06	Tyler, Sheming	Overtime	Play Leader	Recreation	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Oct-08	C19884-542-2008	14029	1017JUL.08	Jackson, Lenetta	3-Day Suspension	Life Guard	Recreation	\$276.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Oct-08	D19885-542-2008	14028	1010MAY08	Rafael Quintanilla	Recall	Life Guard	Recreation	\$119,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Oct-08	C19886-542-2008	14027	1008MAY.08	Buggs, Antonn	Suspension		Recreation	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Oct-08	D19932-542-2008	14030	772SEPT.08	Union	Overtime		GSD	\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Oct-08	D19934-542-2008	14050	777Sept.08	Jeffrey Rozier	Wages	Laborer A/PMH	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Oct-08	D19935-542-2008	14032	710APR.13	Patrick Nolden	Wages	Laborer A/PMH	GSD	\$800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20013-542-2008	14070	784SEP 08	David Gordon	29 1/2 Day Suspension	Tree Artesian Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20014-542-2008	14065	779 Sep.08	Dupree, Mario L	29 1/2 Day Suspension	Tree Artesian Helper	GSD		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	27-Oct-08	D20019-542-2008	14073	788SEP.08	Greg Nolden	29 1/2 Day Suspension	Tree Artisan	GSD	\$3,652.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20020-542-2008	14071	786SEP08	Daryl Buchanan, Jr.	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20021-542-2008	14074	789SEP.08	Dale Green	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20022-542-2008	14068	782SEP.08	Lisa Downey	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20024-542-2008	14066	780SEP.08	Jerome Goodloe	29 1/2 Day Suspension		GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20026-542-2008	14072	787SEP.08	Hayward Prather	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20027-542-2008	14067	781SEP.08	Catherine Miller	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-08	D20033-542-2008	14069	783SEPT.08	Rodney Colston	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Oct-08	D20025-542-2008	14075	790SEP.08	Dyson, Charmaine L	29 1/2 Day Suspension	Tree Artisan Helper	GSD	\$3,230.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Oct-08	D20028-542-2008	14077	1032OCT.08	Veronica Ruff	Recall	Play Leader	Recreation	\$108,160.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Oct-08	D20032-542-2008	14079	776SEPT.08	Terry Jackson		Laborer A/PMH	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Dec-08	D20260-542-2008	14118	757JUL08	Nolan, Julita	Overtime	Laborer A/PMH	GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Dec-08	D20261-542-2008	14119	802NOV08	Union	Contracted Work	PMH/PMW	GSD	\$113,703.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Dec-08	D20286-542-2008	14120	797OCT08	McCrary, Elvin D		Laborer A/PMH		\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jan-09	D20361-542-2009	14166	799OCT.08	Watson, Anthony			GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jan-09	D20362-542-2009	14164	794OCT.08	Union	Discharge		GSD	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jan-09	D20363-542-2009	14165	798OCT.08	Earley, Justin R	2-Day Suspension	Laborer A/PMH	GSD	\$214.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	07-Jan-09	D20364-542-2009	14167	700JAN.09	Union	Outsourcing Work		GSD	\$150,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jan-09	D20417-542-2009	14161	1006APR08	James, Jomo	3-Day Suspension	Lifeguard	Recreation	\$276.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jan-09	D20418-542-2009	14192	1027JUL08	Nunnery, Larry	Promotion	Lifeguard	Recreation	\$95,680.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jan-09	D20421-542-2009	14159	1000JAN08	Gabriel, Marianna	Layoff	Junior Lifeguard	Recreation	\$71,884.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jan-09	D20423-542-2009	14168	713MAR08	Glover, Maletus (Deceased)	Performing Building Attendant Work	PMH/PMW		\$115,398.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	11-Feb-09	D20690-542-2009	14289	1034OCT.08	Guy, Randall C	Written Reprimand	Playleader	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	11-Feb-09	D20692-542-2009	14290	1038DEC.08	Dunson, Edwina	Written Reprimand	Lifeguard	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	11-Feb-09	D20696-542-2009	14294	1000JAN.00	Gentry, Leonard	Suspension	Life Guard	Recreation	\$57,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Feb-09	D20694-542-2009	14292	1039DEC.08	Jackson, Lenetta	Written Reprimand	Life Guard	Recreation	\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Mar-09	D20756-542-2009	14299	701JAN.09	AFSCME Local 542	Wages		GSD	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Mar-09	D20757-542-2009	14298	704JAN.09	AFSCME Local 542	Wages		GSD	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Mar-09	D20760-542-2009	14296	703JAN.09	MCMILLON, PHYLLIS	Wages		GSD	\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	07-May-09	D21105-542-2009	14452	1004MAR.09	Pickens, Taylor	1-Day Suspension	LFA	GSD	\$72.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref#/ Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
542	09-Sep-09	D21648-542-2009	14678	1027JUL.01	Booth, Coy E	Wages	Life Guard	Recreation	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Sep-09	D21649-542-2009	14709	1025JUL.09	Freeman, Arnold	Availability to Work	Senior Guard	Recreation	\$136,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Sep-09	D21654-542-2009	14681	1033AUG.09	Weaver, Bernadine	30 Day Suspension	LFA	Recreation	\$37,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Sep-09	D21655-542-2009	14710	1020JUL.09	Waters, Javon	Availability for Employment	Senior Guard	Recreation	\$136,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Sep-09	D21656-542-2009	14708	1017JUL.09	Williams, Steven	Availability for Employment	Senior Guard	Recreation	\$136,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Sep-09	D21641-542-2009	14593	732AUG.09	Stafford, Kim	29 1/2 Day Suspension	LA/PMW	Recreation	\$1,785.06	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Oct-09	D21753-542-2009	14692	738SEP.09	Colbert, Calvin E	ADA	Security Officer	GSD	\$136,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Oct-09	D21795-542-2009	14711	1038OCT.09	AFSCME Local 542	Operational Hours	All	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Nov-09	D21903-542-2009	14696	748OCT.09	MCMILLON, PHYLLIS	Denied Vacation Time	PMH/PMW	GSD	\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Dec-09	D22049-542-2009	14697	750NOV.05	Jones, Clementine	Voluntary Quit	PMH	ESO	\$420,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Mar-07	D3310-542-2007	12786	761sept.06	Rieves, Edwin	Contracted Out Work	Service Guard	GSD	\$184,454.04	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Mar-07	D3372-542-2007	0	765OCT.06	Dyer, Linda J	3 DAY SUSPENSION	BUILDING ATTENDANT	GSD	\$332.88	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Sep-08	D19730-542-2008	14018	2AUG.08	Bell, Harold F	Out of Class Pay	GAM	GSD	\$216,840.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Apr-09	D21013-542-2009	14413	708FEB.09	Belloni, Richard	Vacation Hours	GAM	Fire	\$26,688.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Apr-09	D21016-542-2009	14416	795Oct.08	AFSCME Local 542	Uniform Allowance		GSD	\$21,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Jul-09	D21392-542-2009	14542	3MAY.09	Local 542 AFSCME	Contractual Work	GAM	Fire		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Sep-09	D21658-542-2009	14675	1018JUL.09	Matthews, Wardell	Wages	LFA	Recreation	\$250.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-09	D21833-542-2009	14705	742SEP.09	AFSCME Local 542	Overtime		GSD	\$7,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Apr-10	D22703-542-2010	15021	707MAR.10	Bailey, Ladenna	Attendance Control	PMH/PMW	GSD	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jul-10	D23224-542-2010	15146	740JUL.10	AFSCME Local 542	Layoff/Vacant Positions			\$135,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Jul-12	D26535-542-2012	16282	1003JUL.12	Ratliff, James	Suspension	Lifeguard		\$23,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	08-Aug-12	D26562-542-2012	16285	718JUL.12	Wheatley, Oscar	Overtime	PMH/PMW	GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	08-Aug-12	D26563-542-2012	16286	1004JUL.12	AFSCME Local 542	Non BU Employee doing BU Work		Recreation	\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	08-Aug-12	D26564-542-2012	16284	714JUN.12	McBrayer, Robert	Suspension	Laborer A/PMH	GSD	\$27,892.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Sep-12	D26624-542-2012	16278	1005JUL.12	AFSCME Local 542	Safety		GSD	\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	13-Sep-12	D26656-542-2012	16297	1006AUG.12	Snowden, Thomas	Suspension	Lifeguard	Recreation	\$23,920.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	13-Sep-12	D26656-542-2012	16296	721AUG.12	Patterson, Eleanor	Layoff	Laborer PMH	GSD	\$27,892.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	13-Sep-12	D26657-542-2012	16295	719AUG.12	AFSCME Local 542	Seniority		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	13-Sep-12	D26658-542-2012	16294	720AUG.12	AFSCME Local 542	Seniority		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	13-Sep-12	D26659-542-2012	16293	722AUG.12	MCMILLON, PHYLLIS	Suspension		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	13-Sep-12	D26660-542-2012	16275	719AUG.12	MCMILLON, PHYLLIS	Suspension	PMH/PMW	GSD	\$28,308.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Sep-12	D26668-542-2012	16273	1006SEPT.12	Local 542 AFSCME	Lay Off; Sub-Contracting	OAll	Recreation	\$25,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Sep-12	D26669-542-2012	16274	18SEPT.12	Local 542 AFSCME	Sub Contracting	Store Keeper	Fire	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Feb-13	D27125-542-2013	16299	701FEB.13	AFSCME Local 542	Overtime		GSD	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Jul-09	D21397-542-2009	14543	721JUN.09	Booker, Anesia	29 1/2 Day Suspension	PMH/PMW	GSD	\$3,266.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Aug-10	D23354-542-2010	15161	1016JUL.10	Enabulele, Shareese	Recall	Life Guard	Recreation	\$71,760.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Aug-10	D23355-542-2010	15162	1017JUL.10	Dawson, De'Nekra	Suspension	LFA	Recreation	\$46,425.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	17-Sep-10	D23503-542-2010	15168	1021AUG.10	Yelder, Crystal	Discharge	LFA	Recreation	\$46,425.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Nov-10	D23808-542-2010	15309	1031Oct.10	Simes, Jenelle	3 day suspension	Building Attendant	Recreation	\$332.88	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Jan-11	D24046-542-2011	15356	701JAN.11	Wilcoxson-Pickens, Leslie	5-Day Suspension	PMM/PMW	GSD	\$596.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Feb-11	D24209-542-2011	15395	705FEB.11	Wilson, Rona A	10-Day Suspension	PMH	GSD	\$1,088.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Mar-11	D24310-542-2011	15416	1000Mar.11	Deron Wood	Suspension	Locker Facility Attendant	Recreation	\$46,425.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Jun-11	D24668-542-2011	15535	717MAY.11	Wilson, Rona A	29 1/2 Day Suspension	PMH/PMW	GSD	\$3,266.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25040-542-2011	15714	720JUL.11	Favors, Robert D	Voluntary Quit	Laborer/PMH	GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Aug-11	D25126-542-2011	15658	1004JUL.11	Ratliff, James	3-Day Suspension	Lifeguard	Recreation	\$276.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-11	D25451-542-2011	15775	730OCT.11	Brown, Richard	Suspension	PMH/Laborer A	GSD	\$56,617.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Feb-12	D25937-542-2012	15977	705FEB.12	Sheard, Daniel	3-Day Suspension	PMW	GSD	\$357.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Sep-08	D19733-542-2008	14014	737MAY.08	Union Policy	Classifications/Seniority		GSD	?	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Sep-08	D19822-542-2008	14013	770AUG.08	Union	Contracting Out		GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Mar-11	D24221-542-2011	15396	706.FEB.01	AFSCME Local 542	Sub-Contracting		GSD	\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jan-09	D20416-542-2009	14160	1005APR08	Brown, Alvin	Threatening Physical Violence	Locker Facility Attendant	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-09	D21835-542-2009	14786	740SEP.09	AFSCME Local 542	Overtime		GSD	\$575.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Oct-09	D21831-542-2009	14682	1035SEP.09	Thompson, Cristal	Wages	Playleader	Recreation	\$250.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Jan-10	D22366-542-2010	14787	703JAN.10	AFSCME Local 542	Shift and Location		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Feb-10	D22406-542-2010	14821	700JAN.10	Chamberlain, Johnny (Deceased)	Pay Late	PMH/PMW	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	19-Mar-10	D22563-542-2010	14987	708 Mar.10	UNION POLICY	Transfer	Office Assistant II	GSD	\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Mar-10	D22588-542-2010	14985	754Dec.09	Union Policy	Non-bargaining member performing bargaining member work	ALL	GSD	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Apr-10	D22721-542-2010	14983	751DEC.09	Bailey, Ladenna	3-Day Suspension	PMH/PMW	GSD	\$326.64	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	20-Apr-10	D22716-542-2010	14980	1040OCT.09	Drumgoole, Doris	Shift Premium	PSA	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Apr-10	D22717-542-2010	14979	1043NOV.09	Boyd-Nails, Bobbie		Playleader	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-May-10	D22823-542-2010	15044	716APR.10		Shift and Location	PM Helper/Worker	GSD		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	11-May-10	D22877-542-2010	15043	713APR.10	Miller, Catherine	Transfer and Promotion	Tree Artesian Helper	GSD		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-May-10	D22873-542-2010	15084	710APR.10	AFSCME Local 542	Health Hazards		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	01-Jun-10	D22974-542-2010	15086	717APR.10	Moore, Derrick	Overtime	Building Attendant	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	24-Jun-10	D23133-542-2010	15106	1004JUN.10	Todd, Adrienne M	Attendance Review	Lifeguard	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	24-Jun-10	D23134-542-2010	15108	1006JUN.10	Wright, Terrance A	Attendance Review	Lifeguard	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	08-Jul-10	D23199-542-2010	15117	732JUN.10	Reed, Richard E	Pay Rate	Sub-Foreman	GSD	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Jul-10	D23226-542-2010	15126	735JUN.10	AFSCME Local 542	Contracting Out		GSD	\$20,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	19-Jul-10	D23263-542-2010	15124	736JUL.10	AFSCME Local 542	Transfer and Promotion		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	19-Jul-10	D23265-542-2010	15123	737JUL.10	AFSCME Local 542	Violation of Grievance Procedure		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Jul-10	D23296-542-2010	15128	743JUL.10	May Harry, Jr.	Reprimand	Laborer A PMH	GSD	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	31-Aug-10	D23429-542-2010	15167	1020AUG.10	Hayes, Clara R	30-Day Suspension	PSA	Recreation	\$46,425.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	31-Aug-10	D23430-542-2010	15200	751AUG.10	AFSCME Local 542	Overtime		GSD		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Sep-10	D23556-542-2010	15170	1023SEPT.10	Williams, Steven	Wages	Life Guard	Recreation	\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	24-Sep-10	D23567-542-2010	15203	755SEPT.10	May, Harry	Overtime	Laborer A/PMH		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	24-Sep-10	D23568-542-2010	15126	736JUN.10	AFSCME Local 542	Contracting Out	PMW	GSD	\$1,190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	24-Sep-10	D23570-542-2010	15204	1028SEPT.10	AFSCME Local 542	Violation of Grievance Procedure				<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Sep-10	D23569-542-2010	15126	735JUN.10	AFSCME Local 542	Sub-Contracting		GSD	\$126,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Oct-10	D23610-542-2010	15238	757SEPT.10	MCMILLON, PHYLLIS	Violation of Grievance Procedure	PMH/PMW	GSD	\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-10	D23661-542-2010	15259	1027SEPT.10	Brown, Darryl E	Suspension	Play Leader	Recreation	\$64,896.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-10	D23663-542-2010	15239	756SEPT.10	Wilkerson, Alvin	Overtime	PMH/PMW	Recreation	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-10	D23664-542-2010	15261	761OCT.10	Smith, Bradley	3-Day Suspension	3-Day Suspension	GSD	\$341.52	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Nov-10	D23777-542-2010	15292	769OCT.10	Thomasetta McClendon	recall	PMH/ PMW	GSD	\$84,926.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Nov-10	D23779-542-2010	15286	760OCT.10	Wilcoxson-Pickens, Leslie	overtime	PMH/PMW	GSD	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Nov-10	D23774-542-2010	15307	1033OCT.10	Johnson, Angela R	Inaductently laid off	LFA	GSD	\$46,425.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Nov-10	D23810-542-2010	15310	1032OCT.10	Union Policy	Lay-off		Recreation		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Nov-10	D23807-542-2010	15308	1020OCT.10	THOMPSON, TERSHELL	wages	play leader	Recreation	\$22,880.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	20-Jan-11	D24044-542-2011	15358	702JAN.11	Haynesworth, Rosemary	3-Day Suspension	PMM/PMW	Recreation	\$357.60	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Feb-11	D24115-542-2011	15391	795DEC.10	Williams, Julius	Violation of Grievance Grievance	Building Attendant	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Feb-11	D24116-542-2011	15392	1JAN.11	AFSCME Local 542	Non Bargaining Unit Member Performing Bargaining Unit Work		Fire	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Feb-11	D24118-542-2011	15373	1000JAN.11	Patton, Jonathan	Suspension	Life Guard	Recreation	\$47,840.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Feb-11	D24210-542-2011	15394	704FEB.11	Johnson, James	Suspension	Laborer A	GSD	\$748,084.90	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	09-Mar-11	D24248-542-2011	15407	708FEB.11	Johnson, Angelo	Written Reprimand-Tardiness		GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Jun-11	D24665-542-2011	15512	21MAY.11	AFSCME Local 542	Non Bargaining Members		Fire	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Jun-11	D24666-542-2011	15550	714MAY.11	AFSCME Local 542	Contracting Out Work		GSD	\$126,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Jun-11	D24667-542-2011	15551	715.MAY.11	AFSCME Local 542	Contracting Out Work		GSD	\$126,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jul-11	D24832-542-2011	15570	24MAY.11	AFSCME Local 542	Violation of Grievance Procedure	GAM	Fire	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jul-11	D24833-542-2011	15571	25MAY.11	AFSCME Local 542	Violation of Grievance Procedure	GAM	Fire	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jul-11	D24834-542-2011	15569	23MAY.11	AFSCME Local 542	Violation of Grievance Procedure	GAM	Fire	\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	19-Jul-11	D24930-542-2011	15597	1001MAY.11	Walker, Jonathan	No Work Status	Life Guard			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25042-542-2011	15713	719JUL.11	Simpson, Garrick	3-Day Suspension	PMH/PMW	GSD	\$380.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25044-542-2011	15743	6JULY.11	Powell, David A	Overtime	GAM	Fire	\$1,750.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25045-542-2011	15741	3JUL.11	AFSCME Local 542	Violation of Grievance Procedure		Fire	\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25046-542-2011	15742	5JUL.11	AFSCME Local 542	Violation of Grievance Procedure		Fire	\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25047-542-2011	15744	7JUL.11	AFSCME Local 542	Violation of Grievance Procedure		Fire	\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Aug-11	D25048-542-2011	15740	2JUL.2011	Powell, David A	Overtime	GAM	Fire	\$245.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Aug-11	D25127-542-2011	15661	1006AUG.11	AFSCME Local 542	Wages		Recreation	\$115,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Aug-11	D25128-542-2011	15745	8JUL.11	AFSCME Local 542	Overtime	GAM	Fire	\$380.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Aug-11	D25129-542-2011	15746	9JUL.11	Powell, David A	Overtime	GAM	Fire	\$380.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Sep-11	D25209-542-2011	15716	722JUL.11	Lytle, Lori Ann	Overtime	Laborer PMH	GSD	\$386.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Sep-11	D25210-542-2011	15715	721JUL.11	Lytle, Lori Ann	Overtime	Laborer A/PMH	GSD	\$380.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Sep-11	D25211-542-2011	15712	718JUL.11	Saxton, Thomasetta	Overtime	Laborer A/PMH	GSD	\$380.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	08-Sep-11	D25237-542-2011	15718	724AUG.11	Robinson, Lucreasia	Suspension	Laborer A/PMH	GSD	\$1,100.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
542	08-Sep-11	D25238-542-542	15700	1012SEP.11	AFSCME Local 542	Violation of Grievance Procedure		Recreation	\$150.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	12-Sep-11	D25245-542-2011	15720	727SEP11	AFSCME Local 542	Violation of Grievance	Bldg. Attendant	GSD	\$106.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Sep-11	D25267-542-2011	15701	1015SEP.11	Sims, Howard	Promotion	Lifeguard	Recreation	\$5,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Sep-11	D25269-542-2011	15699	1010AUG.11	Titus, Kiandra	Overtime	Play Leader	Recreation	\$120.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Sep-11	D25323-542-2011	15719	726AUG.11	AFSCME Local 542	Contracting Out	Building Attendants	GSD	\$3,000,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Oct-11	D25407-542-2011	15750	4SEPT.11	Powell, David A	Overtime	GAM	Fire	\$960.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Oct-11	D25408-542-2011	15748	2SEPT.11	AFSCME Local 542	Contracting Out	GAM	Fire	\$650,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Oct-11	D25409-542-2011	15747	13SEPT.11	AFSCME Local 542	Sub-Contracting	GAM	Fire	\$3,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	04-Oct-11	D25410-542-2011	15749	3SEPT.11	AFSCME Local 542	Sub Contracting		Fire	\$3,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Oct-11	D25450-542-2011	15774	729SEPT.11	AFSCME Local 542	Vacation		GSD	\$4,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Oct-11	D25481-542-2011	15788	1021SEP.11	Quintanilla, Rafael	Layoff	Life Guard	Recreation	\$78,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Oct-11	D25482-542-2011	15782	733OCT.11	AFSCME Local 542	City Violated BFR Policy		GSD	\$3,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Oct-11	D25484-542-2011	15785	1016SEPT.11	Austin, Brandi	Wages	1016sept.11	Recreation	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Oct-11	D25485-542-2011	15786	1018SEPT.11	Holmes, Dennis L	Wages	Life Guard	Recreation	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Oct-11	D25486-542-2011	15784	1014SEPT.11	Guy, Starr	Wages	Play Leader	Recreation	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	26-Oct-11	D25487-542-2011	15787	1019SEPT.11	Stovall, Patricia	Overtime	Play Leader	Recreation	\$120.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Oct-11	D25483-542-2011	15783	1013SEPT.11	Weems, Tiffani	Written Reprimand	Life Guard	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	01-Nov-11	D25512-542-2011	15842	732OCT.11	Ford, Keshia J	Attendance Monitoring	PMH/PMW	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	01-Nov-11	D25513-542-2011	15840	731OCT.11	Mack, Rodney	Attendance Monitoring	PMH/PMW	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	08-Nov-11	D25545-542-2011	15841	735NOV.11	AFSCME Local 542	Violation of Grievance Procedure		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Apr-12	D26121-542-2012	16097	706APR12	AFSCME Local 542	Other	Mechanics	GSD	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Apr-12	D26206-542-2012	16098	708APR.12	AFSCME Local 542	Violation of Grievance Procedure	Tree Artisan & Helper	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Apr-12	D26203-542-2012	16100	9 MAR.12	AFSCME Local 542	Sub Contracting		Fire	\$40,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-May-12	D26277-542-2012	16127	1002APR.12	Brown, Cassandra	Layoff		Recreation	\$34,320.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-May-12	D26278-542-2012	16131	709APRI.12	Smith, Bradley	Written Reprimand	Assistant Storekeeper	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-May-12	D26279-542-2012	16132	710APR.12	AFSCME Local 542	Sub-Contracting/Staffing		GSD	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Oct-12	D26774-542-2012	16253	1008OCT.12	Benson, Marico	Layoff	Play Leader	Recreation	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	07-Dec-12	D26913-542-2012	16243	727DEC.12	AFSCME Local 542	Violation of Grievance Procedure		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	07-Dec-12	D26915-542-2012	16245	726NOV.12	Hobbs, Mark L	Suspension	Laboer A PMH	GSD	\$250.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	21-Dec-12	D26946-542-2012	16254	1010DEC.12	AFSCME Local 542	Other		Recreation	\$120,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26947-542-2012	16238	730DEC.12	AFSCME Local 542	Other		Recreation	\$100,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26948-542-2012	16252	1009DEC.12	AFSCME Local 542	Other		Recreation	\$100,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26949-542-2012	16239	729DEC.12	Rogers, Curtis	Suspension	Tree Artisan	GSD	\$4,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26950-542-2012	16240	728DEC.12	AFSCME Local 542	Other		GSD	\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26951-542-2012	16241	729DEC.12	AFSCME Local 542	Other		GSD	\$4,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	01-Feb-13	D27068-542-2013	16237	700Jan.13	AFSCME Local 542	Wages		GSD	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	17-Sep-09	D21687-542-2009	14785	1SEPT.09	Vinson, Zaphilia	Layoff Notification	Office Assistant II	Fire	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-May-11	D24628-542-2011	15534	716MAY11	Alvon Vaughn	Substance Abuse	Laborer A/PMH	GSD	\$123,968.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	17-Apr-08	D19120-542-2008	13798	1mar.08	Union Policy	Position Recall	Sr. Clerk		\$158,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jan-10	D22156-542-2010	14757	10NOV.09	Gajewski, Sandra A	Overtime	Painter/Striper		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Dec-10	D23892-542-2010	15305	5Dec.10		special conference			\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Mar-11	D24311-542-2011	15419	5Mar.11	Union Policy		GAM		\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Mar-11	D24321-542-2011	15418	6Mar.11	Union Policy	Non Bargaining Unit Members Performing BU Work	GAM		\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Mar-11	D24322-542-2011	15417	7mar.11	Union Policy	Non B.U. performing B.U. work	GAM		\$33,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-May-11	D24625-542-2011	15510	19APR11	Union Policy	Non-bargaining unit members doing BU work.			\$35,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-May-11	D24626-542-2011	15509	16APR11	Union Policy	Non BU members doing BU work			\$35,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-May-11	D24627-542-2011	15508	15APR11	Union Policy	Non BU members doing BU work.			\$35,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-May-11	D24629-542-2011	15548	712MAY11	Scott, James M	Wages	PMH/PMW		\$15,496.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24978-542-2011	15626	30JUN.11	AFSCME Local 542	Violation of Contract			\$300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24979-542-2011	15623	27JUN.11	AFSCME Local 542	Violation of Contract			\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24980-542-2011	15624	28JUN.11	AFSCME Local 542	Violation of Contract			\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24982-542-2011	15622	26JUN.11	AFSCME Local 542	Overtime			\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24983-542-2011	15621	25JUN.11	AFSCME Local 542	Overtime			\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24984-542-2011	15628	4JUL.11	AFSCME Local 542	Violation of Contract			\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	25-Jul-11	D24985-542-2011	15627	15JUL.11	Gajewski, Sandra A	Violation of Contract	Painter Letterer		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Sep-11	D25322-542-2011	15738	11AUG.11	McGhee, Darrol	Overtime	GAM		\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Sep-11	D25324-542-2011	15739	10AUG.11	AFSCME Local 542	Non-Bargaining Members Doing Bargaining Unit Work	GAM		\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	01-Nov-11	D25511-542-2011	15839	11SEPT.11	AFSCME Local 542	Violation of Grievance Procedure			\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Nov-11	D25630-542-2011	15856	734OCT.11	Clark, Gregory	Wages	Laborer A/ PMH		\$15,496.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Mar-12	D26034-542-2012	16013	4FEB.12	AFSCME Local 542	Sub Contracting			\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Mar-12	D26035-542-2012	16014	5FEB.12	AFSCME Local 542	Sub Contracting			\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Mar-12	D26036-542-2012	16010	1FEB.12	AFSCME Local 542	Sub Contracting/Work Transfer			\$400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Mar-12	D26037-542-2012	16012	3FEB.12	AFSCME Local 542	Sub Contracting			\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	16-Mar-12	D26038-542-2012	16011	2FEB.12	AFSCME Local 542	Sub Contracting/Work Transfer		Fire	\$1,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Apr-12	D26205-542-2012	16101	14AUG.11	McGhee, Darrol	Overtime	GAM	Fire	\$280.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Apr-12	D26201-542-2012	16099	6MAR.12	AFSCME Local 542	Sub Contracting		Fire	\$1,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-May-12	D26258-542-2012	16128	8MAR.12	AFSCME Local 542	Sub-Contracting	GABM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-May-12	D26274-542-2012	16129	10APR.12	AFSCME Local 542	Sub-Contracting	GABM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-May-12	D26275-542-2012	16130	11APR.12	AFSCME Local 542	Sub-Contracting	GABM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jul-12	D26485-542-2012	16204	12JUN.12	AFSCME Local 542	Sub Contracting		Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jul-12	D26486-542-2012	16202	13JUN.12	AFSCME Local 542	Sub Contracting	GAM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jul-12	D26487-542-2012	16203	14JUN.12	AFSCME Local 542	Sub Contracting	GAM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jul-12	D26488-542-2012	16204	15JUN.12	AFSCME Local 542	Sub-Contracting	GAM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	06-Jul-12	D26489-542-2012	16205	16JUN.12	AFSCME Local 542	Sub-Contracting	GAM	Fire	\$2,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26944-542-2012	16250	19DEC.12	AFSCME Local 542	Other		Fire	\$15,550.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	21-Dec-12	D26945-542-2012	16251	20DEC.12	AFSCME Local 542	Other		Fire	\$821,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Dec-12	D26982-542-2012	16247	21 Dec.12	UNION POLICY	Rec. of Union, Union Rights, Contract Work, Maintenance of Condition and all other Contracts	ALL	Fire	\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Dec-12	D26983-542-2012	16246	22 Dec.12	UNION POLICY	Longevity pay, Management Rights & Responsibilities and Unfair Treatment	ALL	Fire	\$240,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Feb-13	D27089-542-2013	16248	1JAN.13	AFSCME Local 542	Promotion		Fire	\$15,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Feb-13	D27090-542-2013	16249	2JAN.13	Mahone, Reginald	Insurance Coverage	GAM	Fire	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	30-Jul-07	D17743-542-2007	13364	708Apr.07	Union Policy	Contractual Work		GSD	\$600,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-Aug-07	D17754-542-2007	13361	721Jun.07	Dalton, Willie	Crew leader	PMH/Worker	GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-Aug-07	D17764-542-2007	13360	736July.07	Union Policy	Sub Assignment		GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	15-Aug-07	D17766-542-2007	13385	1012July.07	McGowan, Florette	Wages	Playleader	Recreation	\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-Aug-07	D17767-542-2007	13384	1011July.07	Asberry, Lorraine	Wages	Playleader	Recreation	\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Aug-07	D17748-542-2007	13387	1013Aug.07	James, Jomo	Promotion	Lifeguard	Recreation		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Nov-07	D18079-542-2007	13447	759Sept.07	Booker, Anesia	Wages	PMH		\$3,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Mar-08	D18981-542-2008	13801	705Jan.08	McKinley Suell	29 1/2 day suspension	PMH	GSD	\$3,266.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	01-Jul-08	D19312-542-2008	13841	727May.08	Union	Conditions of Work/Pesticide License		GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Jul-08	D19347-542-2008	13840	752Jul.08	Union Policy	Outsourcing Meyer Nursey		GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Aug-08	D19644-542-2008		717Mar.08	MCMILLON, PHYLLIS	wages	PMH/PMW	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Aug-08	D19634-542-2008	13915	754Jul.08	Hobbs, Mark L	7 day suspension	PMH/PMW	GSD	\$953.33	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Aug-08	D19635-542-2008	13914	755Jul.08	Reed, Richard E	3 day suspension	PMW	GSD	\$326.64	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Aug-08	D19652-542-2008	13949	746JUN.08	Union	Non-Bargaining Unit Work		GSD	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Aug-08	D19654-542-2008	13948	747JUN.08	Union	Breaks		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-May-09	D21242-542-2009	14471	715Apr.09	WILCOXSON PICKENS, LESLIE	attendance control	pmh/pmhw	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-May-09	D21243-542-2009	14469	712Feb.09	Union Policy	non-bargaining members performing bargaining members work.	ALL	GSD	\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-May-09	D21244-542-2009	14470	714Apr.09	Union Policy	overtime		GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	22-Jun-09	D21330-542-2009	14521	718May.09	Union Policy	overtime	ALL	GSD		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	10-Sep-09	D21643-542-2009	14592	730AUG.09	AFSCME Local 542	Refuse to Bargain	All	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	02-Nov-05	D2102-542-2005	11933	719May.05	Willie Jackson	Out of class	Laborer A	GSD	\$223,142.40	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Jan-07	D3243-542-2007	12791	738JUN.06	ADRIANNE CADWELL	DISCIPLINE NO UNION REP.	BUILDING ATTENDANT		\$332.88	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Mar-07	D3367-542-2007	0	766OCT.06	Watson, Anthony			GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Mar-07	D3373-542-2007	0	771OCT.06	LAWANDA SALISBURY	ATTENDANCE		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-May-07	D3456-542-2007	13036	1001Jan. 2007	Donnel Roberson		LFA	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Nov-10	D23809-542-2010	15293	770Oct.10	Bradley Smith	assistant storekeeper		GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	14-Oct-09	D21790-542-2009	14698	745OCT.09	AFSCME Local 542	Unilateral Change to Contract	Building Attendant Series	GSD	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jan-10	D22161-542-2010	14753	12DEC.09	AFSCME Local 542	Non-BU Members Doing BU Work		Fire	\$25,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jan-10	D22162-542-2010	14752	7NOV.09	AFSCME Local 542	Non BU Members Performing BU Work		Fire		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Jan-10	D22163-542-2010	14751	11NOV.09	AFSCME Local 542	Overtime		Fire	\$5,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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542	28-Jan-10	D22367-542-2010	14788	701JAN.10	Rieves, Edwin	Vacation Pay	Service Guard General		\$14,188.80	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Jan-10	D22368-542-2010	14789	702JAN.10	Rieves, Edwin	Uniform Allowance	Service Guard General		\$1,050.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Nov-10	D23790-542-2010	15286	760Oct.10	Wilcoxson-Pickens, Leslie	overtime	PMH/PMW	GSD	\$200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	05-Nov-10	D23791-542-2010	15289	766Oct.10	Union Policy	Vehicle Safety	Blg Att	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	15-Nov-10	D23775-542-2010	15294	771Nov.10	Union Policy	Special Conference	PMH	GSD	\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	18-Nov-10	D23811-542-2010	15291	768Oct.10	Union Policy	Layoff	ALL	GSD	\$3,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	23-Nov-10	D23816-542-2010	15295	772Nov.10	MCMILLON, PHYLLIS	Wages	Wages	GSD	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Dec-10	D23908-542-2010	15547	16Dec.10	Union Policy	Special Conference	ALL	Fire	\$1,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	20-Dec-10	D23909-542-2010	15529	17Dec.10	Union Policy	Special Conference		Fire	\$18,720.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Dec-10	D24010-542-2010	15322	1036Dec.10	Hunter, Senoj	Oral Reprimand	Play Leaders	Recreation	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Jan-11	D24011-542-2011	15321	774Dec.10	Olivia Hubert		Floriculturist	GSD	\$18,720.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Jan-11	D24013-542-2011	15319	15Dec.10	Union Policy		Store Keeper	Fire	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Apr-11	D24701-542-2011	15530	11April1	Union Policy	NB-Member performing bargaining member work.		Fire	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Apr-11	D24702-542-2011	15533	14Apr.11	Union Policy	Non-bargaining members working b.work		Fire	\$500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Apr-11	D24703-542-2011	15532	13Apr.11	Union Policy	Non bargaining member performing bargaining member work.		Fire	\$350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	28-Apr-11	D24704-542-2011	15531	12Apr.11	Union Policy	Non-bargaining member performing bargaining member work.		Fire	\$1,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	03-Jan-13	D26994-542-2013	16235	724Oct.12	UNION POLICY	Clothing and Uniform Allowances, Purpose and Intent	ALL	GSD	\$42,350.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	27-Nov-07	L2234-542-07		C07 H-187 & 774DEC.07		ULP on Subcontracting of work done by AFSCME building grounds and maintenance			See R.Mack	<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	8/14/2007	ULP
542	26-Sep-08	L2390-542-08				Supplemental ULP - unilateral changes in General Services department without bargaining			See R.Mack	<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
542	15-Jan-09	L2426-542-09		C09 E-078		ULP Request for failure to respond to requests for information			See R.Mack	<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	5/22/2009	ULP

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542	8/12/2011 12-Aug-05	L2952-542-11 D-2049-542-01-05		C11 K-201	Union Policy	Use of Apparatus Emergency Mechanic who are not members of Local 542 (DFFA) 05/21/12: Appearance for Teri L. Dennings at Miller Cohen PLC 3/12/12: APPEARANCE FOR RICHARD MACK AND BRUCE MILLER		Fire		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	11/22/2011 6/27/06	ULP Arb Award
542	6-Oct-11	L2964-542-11		7-CA-068815		ULP - Improper Layoff Notification				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	11/8/2011	ULP
542	30-Jan-13	L3173-542-13		7-CA-108203		Employer closed then Reopened, failing to recognize the Successor Clause and to recognize the Union	Not a City of Detroit Case	Science Center		<input checked="" type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	6/27/2013	ULP
542	2-Apr-13	L3195-542-13				Employer refused to hear 2 grievances				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	9/26/2013	ULP
542	718May.05		11671		See Supporting Documents					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542	1031Sep.98		8408		See Supporting Documents					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
542					Smith, Charles	See Supporting Documents			\$15,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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836	24-Apr-07	D3382-836-2007	13038	02-100-07	UNION POLICY	SHIFT & LOCATION	ALL	Recreation	\$10,452,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	21-Sep-11	D25319-836-2011	15695	07-100-11	Lawrence, Russell	Discharge	Recreation Leader	Recreation	\$86,905.93	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	05-May-03	D461-836-2003	10373	03-30	Union Policy	Suspension	All	Recreation	\$22,000,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	01-Jul-05	D1939-836-2005	11835	2005-06-200	Kokoszka, Valerie	Out of Class Promotion	Rec. Inst.	Recreation	\$6,700.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	01-Jul-05	D1940-836-2005	11834	2005-06-300	Kokoszka, Valerie	Overtime	Rec. Inst.	Recreation	\$1,451.68	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	19-Jul-10	D23250-836-2010	15147	10-100-05-08	Williams, Michael	Vacation Time	Swim Instructor	Recreation	\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	28-Mar-11	D24323-542-2011	15415	3-600-2011	Union Policy	Shift premium	ALL	Recreation	\$900,000.43	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	26-Apr-11	D24491-836-2011	15431	3-400-2011	Jones, Kim	Denial of Sick time	Swim Isnt.	Recreation	\$600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	26-Apr-11	D24493-836-2011	15430	3-300-2011	Union Policy	Release time	ALL	Recreation	\$23,796.23	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836	26-Apr-11	D24494-836-2011	15429	3-200-2011	Wolfe, Henry	Out of class payment	Rec. Inst.	Recreation	\$5,520.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836					Hardiman, Loretta	Denial Health Coverage	Rec. Inst.	Recreation	\$14,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836					Wolfe, Henry	Out of Class Payment	Rec. Inst.	Recreation	\$36,607.05	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
836				2012	Donald, Robert		Discharge	Recreation	\$43,334.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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917	3-Oct-13	L3258-917-13		D13 J-0818		Outstanding Issues in Negotiations				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		Fact/Find
917	6-Mar-13	L3183-917-13		C13 C-045		Employer unilaterally implemented changes in the reappointment application for the bailiffs and court officers in violation of the Local's Collective Bargaining Agreement.				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP

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1023	12-Jan-08	D18935-1023-2008	13776	DPD27-07	Sullivan, Shavon R	30 day suspension			\$3,472.08	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	24-Apr-08	D19138-1023-2008	13809	ESO#30-07	Williams, Kim	Oral Reprimand	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	03-Jul-08	D19290-1023-2008	13816	DPD 16-08	Janice Richardson	30-Day Suspension - Discharge			\$140,665.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	26-Aug-08	D19663-1023-2008	13926	ESO 04-08	Anderson, Bette K	Oral Reprimand				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	05-Sep-08	D19700-1023-2008	13970	DPD 20-08	Buford, Darlena D.	10-Day Suspension	P/P Clerk		\$1,157.06	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	05-Sep-08	D19701-1023-2008	13971	DPD 19-08	Bridget Murriel	Reversion	Sr. P/P Clerk		\$21,120.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	05-Sep-08	D19704-1023-2008	14019	ESO 11-08	Pennington, Sheila	Unfair Treatment	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	12-Sep-08	C19737-1023-2008	14023	DPD 21-08	Robinson, Patricia	Overtime	Identification Tech.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	22-Jun-09	D21328-1023-2009	14545	ESO 09-09	Myles, Marquita	attendance - unjust 1 day susp	ESO		\$180.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	28-Oct-09	D21874-1023-2009	14614	DPD 15-09	AFSCME Local 1023	Vendor Service			\$93,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	23-May-07	D3458-1023-2007	13057	LL-28-2007		Denied out-of-class pay	Assistant Storekeeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	14-Oct-09	D21798-1023-2009	14633	22-09	AFSCME Local 1023	Change of Working Conditions	Building Attendant A			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	21-Oct-09	D21820-1023-2009	14632	27-09	AFSCME Local 1023	Managent not giving proper layoff notice.	Building Attendant A	2 wks pay was remedy - asked for unk #laid off @unk rate	\$6,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	28-Apr-10	D22749-1023-2010	15056	SPJ 32-09	Ayers-Johnson, Lolita	Status Change	Clerk		\$6,988.08	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	08-Sep-10	D23457-1023-2010	15164	08-10	Coss, Pedro D	Improper Layoff Notice	Radio Maintenance Technician			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	08-Sep-10	D23459-1023-2010	15165	DPD 09-10	AFSCME Local 1023	Layoffs/Outsourcing	Radio Maintenance Technicians		\$1,368,432.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	08-Sep-10	D23460-1023-2010	15166	DPD 10-10	Hall, Charnell T	1-Day Suspension	Office Assistant III		\$116.88	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	02-Mar-11	D24220-1023-2011	15387	DPD 03-10	Woods, Lillian D	Possible Threat	Ident Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	14-Apr-11	D24446-1023-2011	15469	ESO 11-11	Cunningham, Adrienne	Medical Insurance	ESO		\$250.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	21-Apr-11	D24489-1023-2011	15464	DPD01-11	Jenkins, Brandi L	Denied C-time usage	Sr. Clerk		\$104.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	21-Apr-11	D24490-1023-2011	15514	DPD03-11	Johnson, Iva Dale	Pay shortage - 5 hours	Ident Tech		\$95.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	25-Jul-11	D24965-1023-2011	15590	07-11	AFSCME Local 1023	Layoffs	Building Attendants		\$145,600.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	04-Oct-11	D25406-1023-2011	15732	DPD 05-11	Treadwell, Tracy	Suspension	Telecommunication Operator		\$312.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	10-Nov-11	D25564-1023-2011	15843	DPD 10-11	AFSCME Local 1023	Shift and Location				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	14-Oct-08	D19929-1023-2008	14049	13-08	Young, Gwendolyn	Payroll Errors	ESO		\$12,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	02-Dec-08	D20210-1023-2008	14135	16-08	Hayes, Bettye G	Seniority	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	22-Dec-08	D20366-1023-2009	14158	ESO 32-08	Johnson, Jerel	Attendance Control Policy	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	26-Dec-08	D20368-1023-2009	14155	ESO 19-08	Tate, Angela R	Unfair Treatment Regarding Message Center Assignment	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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1023	23-Jan-09	D20496-1023-2009	14212	ESO 37-08	Marzett, Elizabeth	10-Day Suspension	ESO		\$1,900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	23-Jan-09	D20497-1023-2009	14213	ESO 36-08	Marzett, Elizabeth	1-Day Suspension	eso		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	23-Jan-09	D20499-1023-2009	14215	ESO 35-08	Sutton, Terri C	1-Day Suspension			\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	23-Jan-09	D20500-1023-2009	14216	ESO 33-08	Local 1023	Holiday Work				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	06-Feb-09	D20595-1023-2009	14231	ESO 01-09	Ralie, Nkng A	1-Day Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	18-Feb-09	D20698-1023-2009	14284	ESO 05-09	Local 1023	Workplace Violence Prevention				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	18-Feb-09	D20699-1023-2009	14285	ESO 04-09	Local 1023	Health and Safety Meetings	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	18-Feb-09	D20700-1023-2009	14286	ESO 03-09	Local 1023	Air Filters and Sharps Containers				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	27-Apr-09	D21004-1023-2009	14399	ESO 07-09	Parker, Toni L	1-Day Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	16-Jul-09	D21442-1023-2009	14574	ESO 12-09	Ralls, N Kng A	Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Jul-09	D21487-1023-2009	14577	ESO 15-09	Henderson, Lisa	1-Day Suspension			\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Jul-09	D21488-1023-2009	14573	U.P. ESO 11-09	AFSCME Local 1023	Violation of Long-Standing Written Agreement				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	24-Sep-09	D21721-1023-2009	14616	ESO 17-09	Reynolds, Juanita	One Day Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	15-Oct-09	D21796-1023-2009	14618	ESO 22-09	Sutton, Terri C	10 Day Suspension	ESO		\$1,900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	15-Oct-09	D21797-1023-2009	14617	ESO 19-09	Kim Wilson	Written Reprimand	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	30-Nov-09	D22018-1023-2009	14687	ESO 25-09	AFSCME Local 1023	Termination of Dues Deduction	ESO		\$2,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	12-Feb-10	D22429-1023-2009	14855	ESO 23-09	Leonard, Deborah	One-Day Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	19-Jan-07	D3175-1023-2007	12994	ESO-31-06	Hayes, Bettye G	INSUBORDINATION	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	26-Apr-07	D3413-1023-2007	13000	ESO 51-06	Craig, Gary	UNFAIR TREATMENT/REPREMAND	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	26-Apr-07	D3414-1023-2007	12999	ESO 50-88	Armour, Marvane	ORAL REPREMAND/UNFAIR TREATMENT	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-May-07	D3469-1023-2007	13049	46-06	Leonard, Deborah	1 DAY SUSPENSION	E.S.O		\$176.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	16-Jul-09	D21441-1023-2009	14575	ESO 13-09	Black, Brenda J	1-Day Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	01-Mar-11	D24211-1023-2011	15390	ESO 20-10	Cross, Robin R.	Intimidation	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	01-Mar-11	D24212-1023-2011	15390	ESO 22-10	King, Katherine E	10-Day Suspension	ESO		\$1,900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	19-Aug-11	D25122-1023-2011	15697	ESO 22-11	Williams, Lisa R	Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	26-Sep-11	D25348-1023-2011	15733	ESO 20-11	Nichols, Sharon J	Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	06-Oct-11	D25417-1023-2011	15734	21-11	Hutcherson, Antoinette M	Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	08-Nov-11	D25546-1023-2011	15846	31-11	AFSCME Local 1023	Sick Time Procedure				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - LocalRef#/ Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
1023	15-Nov-11	D25577-1023-2011	15845	ESO 13-11	Jackson, Altrosius	Discharge	ESO		\$72,172.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	29-Nov-11	D25627-1023-2011	15899	30-11	King, Katherine E	Suspension	ESO		\$950.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	29-Nov-11	D25628-1023-2011	15898	29-11	Ralls, N Kng A	Suspension	ESO		\$190.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	24-Apr-08	D19211-1023-2008	13817	ESO-40-07	Pinkett, Anitra D.	Life Ins./Unfair Treatment	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	07-Jul-09	D21429-207-2009	14576	ESO 14-09	Union Policy	Dress code	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	07-Jul-09	D21430-1023-2009	14580	DPD 14-09	Gillis, Joseph G	Layoff notice	Radio Maint. Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	15-Oct-09	D21799-1023-2009	14630	311/05-09	AFSCME Local 1023	Improper Layoff Notification	CSR			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	23-Aug-12	D26597-1023-2012	16277	NCH/03-12	AFSCME Local 1023	Sub Contracting				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	20-May-09	D21197-1023-2009	14448	3IINCH/03-09	AFSCME Local 1023	C.A.Y.M.C. Evacuation	CSR/NSR			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	25-Jul-11	D24966-1023-2011	15589	01-11	AFSCME Local 1023	Layoffs	NSR	ULP listed & same amt.	\$46,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	02-Nov-07	D18022-1023-2007	13543	DPD 30-07	Mathews, Cassell	Improper Transfer	Sr. Store Keeper			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	12-Jan-08	D18937-1023-2008	13786	33-07	Robinson, Patricia	Career Deve./Training	TD Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	12-Jan-08	D18938-1023-2008	13787	16-07	UNION POLICY	Transters & Promotions				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	12-Jan-08	D18940-1023-2008	13777	28-07	Snelling, Florence		Social Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	07-Apr-08	D18886-1023-2008	13762	DPD 11-08	Union Policy	Changing Past Practice	Telecommunications Operator			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	07-Apr-08	D18890-1023-2008	13761	09-08	Janice Richardson	Article 11 (Disciplinary Procedure)	TCO		\$540.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	07-Apr-08	D18891-1023-2008	13766	05-08	Coats, Rita	Out of Class Pay	Sr. Stenographer			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	24-Apr-08	D19139-1023-2008	13807	ESO-34-07	Harris, Kimberly	Workers Comp./Unfair treatment	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	21-Aug-09	D21561-1023-2009	14579	17-09	AFSCME Local 1023	Improper Layoff Notice				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	01-Oct-09	D21734-1023-2009	14631	311/NCH 04-09	AFSCME Local 1023	C.A.Y.M.C. CLOSURE				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	23-Jan-07	D3215-1023-2007	12995	ESO 36-06	Laster, Veronica	INSUBORDINATION	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	24-Apr-08	D19208-1023-2008	13818	ESO-38-07	Black, Brenda J	Explanation of wages/unfair treatment	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	02-Mar-11	D24219-1023-2011	15388	DPD 15-10	AFSCME Local 1023	Out-of-Class	TCO's			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Mar-11	D24366-1023-2011	15482	09-11	Owens, Ebony N	5 day suspension	E.S.O.		\$900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Mar-11	D24378-1023-2011	15465	11-10	Marzett, Elizabeth	Unfair Treatment	E.S.O.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Mar-11	D24379-1023-2011	15466	26-10	King, Katherine E	30 day suspension	E.S.O.		\$5,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Mar-11	D24381-1023-2011	15515	ESO 06-11	Black, Brenda J	Duty Disability	E.S.O.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	31-Mar-11	D24382-1023-2011	15467	05-11	Black, Brenda J	L.O.A.	E.S.O.			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	14-Apr-11	D24448-1023-2011	15517	17-11	Laster, Veronica	Incorrect Pay Rate	ESO		\$1,518.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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1023	14-Apr-11	D24441-1023-2011	15471	18-11	Nealy, Janiss	overtime	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	14-Apr-11	D24442-1023-2011	15525	ESO 16-11	Williams, Lisa R	Incorrect Pay Rate	ESO		\$12,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	14-Apr-11	D24445-1023-2011	15470	14-11	Myles, Marquita	Voluntary quit	ESO		\$127,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	24-May-11	D24624-1023-2011	15516	ESO 15-11	Black, Brenda J	LOA	ESO			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	22-Aug-12	L3110-1023-12				The City laid off all of the Neighborhood Services Representative that were currently employed.			\$46,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	1/16/2013	ULP
1023	29-Apr-13	L3209-1023-13				MERC ULP Charge Request				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
1023	14-May-13	L3216-1023-13				Telephone Crime Reporting Operator work being done by "light duty" officers - TIMELINESS ISSUE			\$98,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
1023	14-May-13	L3217-1023-13			All 1023 DPD	ESO's - Employer not properly giving step increases per the contract. POSS. TIMELINESS ISSUE			\$80,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
1023	15-Jul-13			1-13	Bell, Mike	Unfair Testing impacted Fire Disp Exam	DPD		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	15-Jul-13			2-13	Duggan, Dennis	Unfair Testing impacted Fire Disp Exam	DPD		\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	15-Jul-13			08-13	Hutcherson, Antoinette	5 Day Susp	ESO		\$760.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023	15-Jul-13			04-13	Muriel, Bridget	5 Day Susp	DPD		\$580.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1023		D24705-1023-2011	15546	02-11	Constance, Hopson	TCO	DPD		\$104.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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1220	24-Jun-08	D19291-1220-2008	13846	375	Orlando Ramsey	Suspension/Discharge			\$144,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1220	27-Apr-09	D21007-1220-2009	14443	241	Brooks, Clarence	Out-of-Class Pay	Service Guar General		\$122,969.06	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	Awarded 3 days pay	

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1227	20-Jul-07	D18125-1227-2007	13591	JW478	Sloane, Bennie	less senior employee allowed to work ot and grievant wasn't given same opportunity to work ot	Mech Inspector	BSEE	\$3,696.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	20-Jul-07	D18126-1227-2007	13590	JW479	Samaan, Neil J	Steward denied seniority	Mech Insp	BSEE		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	17-Oct-08	C19956-1227-2008	14062	JW 506	Neville, Joseph	22-Day Suspension	Building Inspector	BSEE	\$4,620.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	05-Nov-08	D20190-1227-2008	14098	JW 510	Joshua, Lamaar	Work Selection	Elevator Inspector	BSE		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	24-Feb-09	D20703-1227-2009	14324	JW514	Boyd, James C	3-Day Suspension	Elevator Inspector	BSE	\$999.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	24-Feb-09	D20704-1227-2009	14323	JW13	Samaan, Neil J	Written Reprimand	Mechanical	BSE		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	20-Mar-09	D20930-1227-2009	14441	JW515	UNION POLICY	Relocating BU Members		BSE		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	02-Sep-09	D21619-1227-2009	14561	JW 517	Solomon, Joseph	Denied Seniority Overtime	Building Inspector	BSE	\$3,696.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	09-Dec-09	D22090-1227-2009	14703	JW 522	Reilly, David W	Denied Overtime	Building Inspector	BSE	\$3,696.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	10-Dec-09	D22093-1227-2009	14701	JW 523	Samaan, Neil J	Denied Seniority	Mechanical Inspection	BSE	\$3,696.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	10-Dec-09	D22094-1227-2009	14700	JW 521	Solomon, Joseph	Overtime	Building Inspector	BSE	\$2,984.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	27-Feb-07	D3296-1227-2007	12811	JW 463	Stokes, Harold	30 DAY SUS - DR. LIC	BLDG INSP	BSE	\$6,300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	27-Feb-07	D3297-1227-2007	12815	JW 462	Doonan, Christopher	30 DAYS SUS - DR. LIC	BLDG INSP	BSE	\$6,300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	27-Feb-07	D3298-1227-2007	12813	JW 461	Lockhart, Phillip	30 DAY SUS. DR LIC	BUILDING INSP	BSE	\$6,300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	27-Feb-07	D3299-1227-2007	12814	JW 460	Williams, Darrin	30 DAY SUS - DRIVER LIC	BUILDING INSP	BSE	\$6,300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	08-Mar-07	D3320-1227-2007	12866	JW459	Martin, Terrance	30 DAY-VALID DRIVER LIC.	building insp	BSE	\$6,300.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	24-Apr-07	D3381-1227-2007	13018	JW466	UNION POLICY	SP. WAGE ADJ.	UNION POLICY	BSE	\$40,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	09-Jun-08	D19195-1227-2008	13789	JW500	B.J. Sloane	3 Days Suspension	Mechanical Inspector	BSE	\$999.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	10-Dec-09	D22096-1227-2009	14700	JW 521	Solomon, Joseph	Overtime	Building Inspector	BSE	\$2,984.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	16-Dec-10	D23896-1227-2010	15301	JW531A	Sharpe, Anthony	Termination	Building Inspector	BSE		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	16-Dec-10	D23897-1227-2010	15300	JW530	Union Policy	Out of class		BSE	\$14,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	28-Mar-11	D24325-1227-2011	15413	jw535	Reilly, David W	Suspension	Building Inspector	BSE	\$999.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227	(Attachments forthcoming)				90 (Everyone)	Mileage reimbursement from 7:19 to 3:00 a day		BSE	\$5,200.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227					Everyone	\$3.00 reimbursement mileage		BSE	\$72,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227					Everyone	Field start mileage		BSE	\$366,400.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227					Everyone	Longevity		BSE	\$400,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227					Everyone	Bonus vacation days		BSE	\$270,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1227					Everyone	Swing holidays		BSE	\$64,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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1642	14-Oct-08	D19931-1642-2008	14043	UP-9DI-2008	Union	No Answer from Special Conference				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	20-Mar-09	D20935-1642-2009	14378	01-GMI-BMQ- 0209	Beatrice McQueen	wrongful revocation	Comm. Svcs Asst.	HR	\$12,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	21-Sep-09	D21686-1642-2009	14588	002-GB-MP0609	Bryant, Gwendolyn	5 Day Suspension (AWOL)	OA III			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	18-May-10	D22889-1642-2010	10572	03-17-03	Miller, Shirley R	Union Business - No Pay	OAll		\$13,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	18-Nov-10	D23815-1642-2010	15298	001-JL-06-10TT	Turner, Terrace	5 day suspension	clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	08-Sep-11	D25235-1642-2011	15782	UP-0811-GMT	AFSCME Local 1642	Layoff	All Clerical		See R.Mack	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	7-May-12	L3058-1642-12		314519 (COA) & 12-007708-CL		Arbitration - Employer closed Workforce Development and Human Services Departments, allowing outside entities to use the facilities and perform the work done by AFSCME members.			See R.Mack	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		Lawsuit
1642	1-Sep-10			01-GMT-2H	Hankins, Zetha	No Pay / OT	Delivery Driver	HR	\$10,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
1642	3-Dec-10			UP2-1210 GMT		Longevity / No Pay	All		\$320,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

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2394	28-Jul-08	D19490-2394-2008	13885	08-11B	AFSCME Local 2394	Out of Class	STC R	Police	\$30,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	26-Feb-09	D20728-2394-2009	14321	09-02	AFSCME Local 2394	Wages/Overtime	*			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	26-Feb-09	D20730-2394-2009	14322	09-06A	Muir, Ronald D	Temporary Assignment	Sup Building Ins	B&E		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	21-Jun-07	D3492-2394-2007	13179	054-88	Reyes, Ricardo	TUITION REEMBURSEMENT	SUPERVISOR BD. INS.	B&E	\$850.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	05-Dec-08	D20297-2394-2008		12-16-84	Richardson, Gail	Promotional List		Recreation (Settled)		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	26-Feb-09	D20729-2394-2009	14320	09-04	Richardson, Gail	Temporary Assignment		Recreation	\$4,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	07-Jan-10	D22173-2394-2010	14747	09-24	Muir, Ronald D	3-Day Suspension	Sup Building Insp.	B&E	\$677.28	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	14-May-10	D22883-2394-2010	15058	10-06A	AFSCME Local 2394	Video Arrangement		Police	\$15,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	16-Dec-10	D23893-2394-2010	15296	10-99B		Longevity	ALL	All Dept	\$360,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	15-Mar-11	D24266-2394-2011	15408	11-02	Stanley, Dawnzella	3-Day Suspension	STCO	Police	\$438.46	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	02-Sep-11	D25186-2394-2011	15711	11-07-B	Woods, Archie	Suspension/Discharge	Supv Rec Cen Sup	Recreation	\$755.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	13-Dec-12	D26932-2394-2012	16220	12-215	King, Yolanda	Veterans and Military Service	SDFO	Police		<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	19-Dec-12	D26938-2394-2012	16219	12-24A	AFSCME Local 2394	Full Contract Violation	Police	Police	\$41,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394	5-Nov-08	L2400-2394-08		C08 J-226		ULP Charge			See R Mack	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
2394		D2897-2394-2006		06-24	Muir, Rond	5 Day Susp	Supv Bld Ins	B&S	\$4,128.00	<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2394					All	Parking	Supv Bld Ins			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

Local Cases  
Before 7/18/13  
Still Outstanding

Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
2799	30-Jul-07	D17662-2799-2007	13478	Health-Con.01/07	Hunter, Markeda D	Neglect of Duty	Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	14-Apr-08	D19011-2799-2008	13831	Fin-Tres-01-08	Grant, Danielle	dress code	clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	17-Nov-08	D20187-2799-2008	14095	01-09	Rogers, Melvin K	5-Day Suspension	Office Assistant III			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	07-Aug-06	D2782-2799-2006	11911	EL-REG-04-05	Edwards, Sharyce	30 Day Suspension	Office Asst. II			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	01-Feb-13	D27069-542-2013	16258	FIN PA 06-2012	Jones, Sharnise	Discharge	Sr. Payroll Audit Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	01-Feb-13	D27070-2799-2013	16257	FIN PA 05-2012	Ahmad, Khadijah	Discharge	Sr. Payroll Audit clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	16-Sep-10	D23501-2799-2010	15217	FIN ITT 10-09	Fowler, Gloria J.	Suspension/Discharge	OA II			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	25-Jan-11	D24058-2799-2011	15328	FIN.PA 05-2010	Toles, Janetta	Discharge	Sr. Payroll Audit Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	30-Mar-11	D24365-2799-2011	15441	FinIT11-09	Ortiz, Tanya D.	Discharge/Fighting	OAll			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	14-May-10	D22880-2799-2010	15073	PA-13-2010	Toles, Janetta	Harassment	Sr. Payroll Audit Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	02-Dec-10	D23827-2799-2010	15297	FIN.INT03-2010	Woods, Tanya R	3-Days Suspension	Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	25-Jan-11	D24057-2799-2011	15329	2799Group 01-10	AFSCME Local 2799	Longevity				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
2799	09-Nov-11	D25557-2799-2011	15838	2-28-2000	Foster, Gemma Y	Demotion	Worker's Comp Specialist			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		

Local Cases  
Before 7/18/13  
Still Outstanding

Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - LocalRef# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
2920	17-Jan-08	D18954-2920-2008	13864	EK 24 07	UNION POLICY	FAILURE TO PAY 2007 UNIFORM ALLOWANCE OR PROVIDE UNIFORMS	SR WATER METER READERS	Water	\$87,500.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	08-Jun-06	D2562-2920-2006	12423	EK-58-06	Walker, Deborah A	Unfair Treatment: Reduction	Clerk	Water	\$196,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	12-Mar-13	D27241-2920-2013		DC 02-12	Green, Aquanda	Discharge	Customer Service Rep II	Water	\$38,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	12-Mar-13	D27243-2920-2013		DC 07-12	Tunisia Myers	7-Day Suspension	Customer Service Rep III	Water	\$464.88	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	13-Mar-13	D27242-2920-2013		DH 25-12	Carson, Cynthia	Discharge	Customer Service Rep II	Water	\$38,900.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	13-Mar-13	D27244-2920-2013		DC 01-12	Tunisia Myers	3- Day Suspension1	Customer Service Rep III	Water	\$1,084.71	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	16-Jul-10	D23254-2920-2010	15140	DC 18-09	Butler, Doris E	3-Day Suspension	CSR II	Water	\$448.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	16-Jul-10	D23255-2920-2010	15136	IA 03-01-10	Carmichael, Stephanie	3-Day Suspension	Sr. Voucher Audit Clerk	Water	\$365.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	16-Jul-10	D23257-2920-2010	15135	FJ 01-10	Bryant, Regina G	Discharge	Permit Investigator	Water	\$160,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	04-Nov-11	D25536-2920-2011	15849	DC-02-11	Hardrick, Tiffany	3-Day Suspension	Messenger	Water	\$360.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	04-Nov-11	D25538-2920-2011	15847	TJ 01-11	Ridley, Cynthia	Discharge	Permits Investigator	Water	\$123,000.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	04-Nov-11	D25540-2920-2011	15852	DC-3-11	Bowerman-Jackson, Patricia	3-Day Suspension	Customer Srv Rep II	Water	\$448.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	04-Nov-11	D25541-2920-2011	15853	DC-3-11	Barnett, Carolyn G	3-Day Suspension	Customer Serv Rep II	Water	\$448.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	04-Nov-11	D25544-2920-2011	15854	DC 3-11	Dejarnette, Christine	3-Day Suspension	Custoer Svs. Rep III	Water	\$464.88	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	07-Nov-11	D25542-2920-2011	15851	DC 3-11	Monroe, Tonya L	3-Day Suspension	Customer Svs Rep II	Water	\$448.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	28-Dec-10	D23992-2920-2011	15409	DC-25-10	Bishop, Claudia	29 day suspension/ Discharge (poor work performance)	Customer Service Rep II	Water	\$116,700.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	28-Dec-10	D23994-2920-2011	15610	TT-01-10	Campbell, Alicia	29 Day Suspension/ Discharge (Use of abusive language)	Senior Clerk	Water	\$126,800.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		
2920	04-Nov-11	D25537-2920-2011	15848	DK 02-11	Pippen, Yolanda	Promotion	OA II	Water	\$95,100.00	<input type="checkbox"/> Y-Supporting Docs Attached <input checked="" type="checkbox"/> N-Not Yet Litigated		

**Local Cases  
Before 7/18/13  
Still Outstanding**

Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
3308	27-Dec-05	D2247-3308-2005	13399	MRM-260-05	Walker, Sonya	Unsafe job assignment	Water Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	22-Jul-04	D1203-3308-2004	11184	JD-01-02	Walker, Sonya	Unfair treatment	Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	08-Jul-05	D1960-3308-2005	11808	w-7247-05	Walker, Sonya	3 CD Susp / Insubordination	Water Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	27-Dec-05	D2247-3308-2005	13399	MRM-260-05	Walker, Sonya	Unsafe job assignment	Water Systems Repair Worker			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	17-Dec-07	A18275-3308-2007		KC062507	Hemphill, Sedric		Judicial Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	17-Dec-07	A18277-3308-2007		032907	Group					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	26-Oct-09	A21860-3308-2009		KC021108/Cruce	Allen-Cruce, Crystal		HR Tech			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	18-Jun-10	A23102-3308-2010		QA 4-29-09	Moss, Alvita J					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	05-Jul-11	A24848-3308-2011		BH100507	Anderson, Quanetta					<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	09-Aug-11	A25095-3308-2011		BH-081007	Anderson, Quanetta		Judicial Clerk			<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		
3308	27-Jun-05	L1768-3308-05		C05 G-139 & C08 H-170		Employer layoffs of whole bargaining unit without following Contractual Language. Opinion on possible ULP				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
3308	11-Sep-08	L2379-3308-08		C08 D-071 & C08 H-170		Negotiations				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
3308	18-Sep-09	L2568-3308-09		D09 D-1306		Fact Finding on Outstanding Issues in Negotiations				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	9/17/2009	FactFind
3308	26-Mar-10	L2672-3308-10		2:10-cv-11799-JAC-PJK		Constitutional Claim of Due Process violation in Federal Court - Includes several Grievants SEE ARB CASES - A17670-3308-07 - Arnette Rodgers et al v 36th Dist. Court & Judge Atkins				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		Lawsuit
3308	21-May-10	L2708-3308-10		C10 K-282		Criminal Background Checks and fingerprinting done by Employer without bargaining				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	11/19/2010	ULP
3308	14-Dec-11	L2997-3308-11		CU11 L-306		Employer's ULP against AFSCME for demand for dues and failure to follow Court order to produce documentation proving back dues are owed.				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	12/11/2011	ULP



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3308	14-Aug-13	L3237-3308-13		D13 H-0692		Outstanding Issues in Negotiations				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	8/12/2013	FactFind
3308	15-Aug-13	L3240-3308-13		C13 H-148		MERC ULP - Employer declaring impasse and disregarding Fact Finding Petition filed with MERC (Emergency TRO handled by S. Williams - Dismissed by Judge Gillis - only the ULP is currently Active)				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	9/4/2013	ULP
3308	15-Aug-13	L3241-3308-13		C13 H-155		Failure to provide requested financial info for negotiations				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	9/30/2013	ULP

Local Cases  
Before 7/18/13  
Still Outstanding

Local ID	Recd Date	# By Which Creditor Identifies Debtor - Full Log	# By Which Creditor Identifies Debtor - Case#	# By Which Creditor Identifies Debtor - Local Ref# / Agency#	Full Name	Basis for Claim	Classification	Dept	Amount of Claim As of Date Filed	Award Rendered	Date Filed	Case Type
CD	23-Feb-09	L2444-CD-09				Paycheck shortages in "workbrain" payroll system				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		Lawsuit
CD	9-Sep-09	L2559-CD-09		160450 & 160794 / D09 A-0062		Dale Story et al Wage and Hour Claim stemming from 2009 Fact Finding Petition - Wages / Tuition Fund				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	4/23/2010	Lawsuit
CD	11-Jan-12	L3004-CD-12		C12 E-092 / 309482 COA / 12-321-CZ		Edward McNeil v City of Detroit Financial Review Team et al. (COMPLETED) & MERC ULP # C12 E-092 Assistance in Negotiations with City of Detroit with Mayor Bing				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
CD	13-Apr-12	L3051-CD-12		C12 D-065 & C12 F-125 & C12 H-157		City of Detroit & Coalition of City of Detroit Unions - 2 MERC ULP'S ARE CONSOLIDATED C12 D-065 and C12 F-125 and C12 H-157				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	4/3/2012	ULP
CD	27-Jun-12	L3085-CD-12		C12 K-221		Locals 542 and 1206 - Request for MERC ULP RE: Refusal to provide requested info				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated		ULP
CD	14-Aug-12	L3105-CD-12		C13 D-069		Local s 207, 2394 and 2920 - DWSD - Refusal to Bargain Portion of 2920 charge is withdrawn as of 6/19/13.				<input type="checkbox"/> Y-Supporting Docs Attached <input type="checkbox"/> N-Not Yet Litigated	4/23/2013	ULP

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**Local Cases  
Before 7/18/13  
Still Outstanding**

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2799	30-Jul-07	D17662-2799-2007	13478	Health-Con.01/07	Hunter, Markeda D	Neglect of Duty	Clerk	SEPARATED	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	14-Apr-08	D19011-2799-2008	13831	Fin-Tres-01-08	Grant, Danielle	dress code	clerk	FINANCE		<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	17-Nov-08	D20187-2799-2008	14095	01-09	Rogers, Melvin K	5-Day Suspension	Office Assistant III	FINANCE	1,500. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	07-Aug-06	D2782-2799-2006	11911	EL-REG-04-05	Edwards, Sharyce	30 Day Suspension	Office Asst. II	FINANCE		<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	01-Feb-13	D27069-542-2013	16258	FIN PA 06-2012	Jones, Sharnise	Discharge	Sr. Payroll Audit Clerk	FINANCE	1,500. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	01-Feb-13	D27070-2799-2013	16257	FIN PA 05-2012	Ahmad, Khadijah	Discharge	Sr. Payroll Audit clerk	FINANCE	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	16-Sep-10	D23501-2799-2010	15217	FIN ITT 10-09	Fowler, Gloria J.	Suspension/Discharge	OA II	SEPARATED	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	25-Jan-11	D24058-2799-2011	15328	FIN.PA 05-2010	Toles, Janetta	Discharge	Sr. Payroll Audit Clerk	SEPARATED	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	30-Mar-11	D24365-2799-2011	15441	FinIT11-09	Ortiz, Tanya D.	Discharge/Fighting	OAll	SEPARATED	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	14-May-10	D22880-2799-2010	15073	PA-13-2010	Toles, Janetta	Harassment	Sr. Payroll Audit Clerk	SEPARATED	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	02-Dec-10	D23827-2799-2010	15297	FIN.INT03-2010	Woods, Tanya R	3-Days Suspension	Clerk	FINANCE	1,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	25-Jan-11	D24057-2799-2011	15329	2799Group 01-10	AFSCME Local 2799	Longevity	Worker's Comp Specialist	ELECTION, FINANCE, LAW	150,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799	09-Nov-11	D25557-2799-2011	15838	2-28-2000	Foster, Gemma Y	Demotion	Worker's Comp Specialist	FINANCE	3,000. <sup>00</sup>	<input type="checkbox"/> Y-Supporting Documentation <input type="checkbox"/> Attached N-Not Yet Litigated	2/20/14	UNION
2799 04 Oct-11			15763		HALES, MARY	UNPAID TIME WORKED	VA CLERK	FINANCE	2,000. <sup>00</sup>		2/20/14	UNION

### **ITEM 3**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

Chapter 9

City of Detroit, Michigan,

Case No. 13-53846

Debtor.

Hon. Steve W. Rhodes

**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On May 5, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service lists attached hereto as **Exhibit A** and **Exhibit B**; and via First Class Mail on the service lists attached hereto as **Exhibit C** and **Exhibit D**:

- **Fourth Amended Disclosure Statement With Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit** [Docket No. 4391]
- **Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)** [Docket No. 4392]
- **Notice of Filing of Redlined Versions of (A) Fourth Amended Plan for the Adjustment of Debts of the City of Detroit and (B) Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit** [Docket No. 4394]
- **Order Approving the Proposed Disclosure Statement** [Docket No. 4401]

On May 5, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service list attached hereto as **Exhibit C**:

- **Order Approving Stipulation By and Between the City of Detroit, Certain Insurers, the Trustee for the Water and Sewer Bonds, and the Ad Hoc Committee Regarding Balloting Issues** [Docket No. 4399]



- **Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment With Respect to Pension and OPEB Claims** [Docket No. 4400]

Dated: May 6, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245  
Tel 310.776.7386

# EXHIBIT A

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
Proposed Counsel for Committee of Unsecured Creditors	Morrison & Foerster, LLP	Brett H. Miller and Lorenzo Marinuzzi	brettmiller@mofo.com; lmarinuzzi@mofo.com
Counsel to U.S. Bank National Association (Top 20 Creditor)	Faegre Baker Daniels LLP	Attn: Abby E. Wilkinson, Esq.	Abby.wilkinson@FaegreBD.com
Counsel for Nuveen Asset Management and BlackRock Financial Management, Inc.	Kramer Levin Naftalis & Frankel LLP	Att Amy Caton	acaton@kramerlevin.com
Union Representative	AFSCME Local #0207	Attn: James Williams	afscme207@sbcglobal.net
Union Representative	AFSCME Local #1023	Attn: Delia Enright	afscmelocal1023@att.net; deliaenright@hotmail.com
Union Representative	AFSCME Local #0229	Attn: Zachary Carr	afscmelocal229@ymail.com
Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Counsel to Fidelity Management & Research Company and Eaton Vance Management	Andrew J Gerdes PLC	Andrew J Gerdes	agerdes@gerdesplc.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Alfredo R Perez	alfredo.perez@weil.com
Attorneys for County of Macomb, Michigan, a Michigan Constitutional corporation, by and through its County Agency, the Macomb County Public Works Commissioner	Dechert LLP	Allan S Brilliant & Stephen M Wolpert	allan.brilliant@dechert.com; stephen.wolpert@dechert.com
Union Representative	AFSCME Local #0273	Attn: Sceilla Hunt	anurses@att.net
Counsel for Detroit Institute of Arts	Honigman Miller Schwartz and Cohn LLP	Arthur T Oreilly	aoreilly@honigman.com
Counsel for David Sole	Jerome D Goldberg PLLC	Jerome D Goldberg	apclawyer@sbcglobal.net
Union Representative	AFSCME Local #1206	Attn: Arlene Kirby	arlene.kirby@yahoo.com
Union Representative	Senior Water Systems Chemist Association	Attn: Andrew Ross	aross@dwsd.org
		Andrew D Roth Jeffrey R Freund & Douglas L Greenfield	aroth@bredhoff.com jfreund@bredhoff.com dgreenfield@bredhoff.com
Counsel for Amalgamated Transit Union Local 26 13-	Bredhoff & Kaiser PLLC		
		Athanasios Papapanos Glen W Long Jr and Rebecca Navin	Artp1@degc.org; gwlong@degc.org; navin@degc.org;
Top 20 Creditor	Downtown Development Authority		
counsel enters an appearance for The Bank of New York Mellon (successor by operation of law to The Bank of New York), as custodian of the Police and Fire Retirement System of the City of Detroit Fund and as custodian of the General Retirement System of the City of Detroit Fund	Reed Smith LLP	Amy M Tonti	atonti@reedsmith.com
Union Representative	Amalgamated Transit Union, Division 26	Attn: Henry Gaffney	atulocal26pba@aol.com
Counsel for HP Enterprise Services LLC	HP Enterprises Services LLC	Ayala Hassell	ayala.hassell@hp.com
	Senior Accountants, Analysts & Appraisers Association	Attn: Audrey Bellamy	ayoung586@comcast.net
Union Representative	The Markowitz Law Office	Carolyn B Markowitz PC	bankruptcy@markowitzlegal.com
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Top 20 Creditor	Downtown Development Authority	Brian Kott	bkott@lewisumunday.com
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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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Party Description	Company	Contact	Email
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Counsel for Fountain Park Court Consumer Housing Cooperative; LaSalle Town Houses Cooperative Association, Nicolet Town Houses Cooperative Association, Lafayette Town Houses, Inc., Joliet Town Houses Cooperative Association, St. James Cooperative, Individually and on Behalf of all Similarly Entities	Pentiuk Couvreur & Kobijak PC	Randall A Pentiuk & Michael A Karman	rpentiuk@pck-law.com
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**Exhibit A**  
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Counsel to Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	Lowenstein Sandler LLP	Sharon L Levine & Phillip J Gross	slevine@lowenstein.com; pgross@lowenstein.com
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Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan T. Brown	susan.brown5@usbank.com
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# EXHIBIT B



**Exhibit B  
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Attorney for Creditor National Public Finance Guarantee Corporation	Sidley Austin LLP	Guy S. Neal	gneal@sidley.com
Attorney for Creditor National Public Finance Guarantee Corporation	Sidley Austin LLP	Jeffrey E. Bjork and Gabriel MacConaill	jbjork@sidley.com; gmacconail@sidley.com
Attorney for Creditor Retired Detroit Police & Fire Fighters Association (RDPFFA)	Silverman & Morris, PLLC	Thomas R. Morris and Karin F. Avery	morris@silvermanmorris.com; avery@silvermanmorris.com
Attorney for Creditor Donald Taylor, individually, and as President of the RDPFFA	Silverman & Morris, PLLC	Thomas R. Morris and Karin F. Avery	morris@silvermanmorris.com; avery@silvermanmorris.com
Attorney for Creditor Detroit Retired City Employees Association (DRCEA)	Silverman & Morris, PLLC	Thomas R. Morris and Karin F. Avery	morris@silvermanmorris.com; avery@silvermanmorris.com
Attorney for Creditor Detroit Retired City Employees Association (DRCEA)	Silverman & Morris, PLLC	Thomas R. Morris and Karin F. Avery	morris@silvermanmorris.com; avery@silvermanmorris.com
Attorney for Creditor Nuveen Asset Management (member of the Ad Hoc Committee of DWS Bondholders)	Steinberg Shapiro & Clark	Geoffrey T Pavlic	pavlic@steinbergshapiro.com
Attorney for Creditor Blackrock Asset Management, Inc. (member of the Ad Hoc Committee of DWS Bondholders)	Steinberg Shapiro & Clark	Geoffrey T Pavlic	pavlic@steinbergshapiro.com
	Stevie Freeman		freemans@detroitmi.gov
Attorney for Creditor Retired Detroit Police Members Association	Strobl & Sharp, P.C.	Lynn M. Brimer, Meredith E. Taunt and Mallory Field	lbrimer@stroblpc.com; mtaunt@stroblpc.com; mfield@stroblpc.com
Attorney for The Michigan Council 25 of the American Federation of State, County & Municipal Employees, AFL-CIO and Sub-Chapter 98, City of Detroit Retirees	The Sanders Law Firm PC	Herbert A. Sanders	hsanders@miafscme.org
Attorney for The Housing is a Human Rights Coalition	Thornbladh Legal Group PLLC	Kurt Thornbladh	kthornbladh@gmail.com
	Trolis D. Fletcher		trolisief@detroitmi.gov
	Valerie A. Ford		fordv@netzero.net
	Vanessa Lowe		lobrown7@gmail.com
	Victor E. Junior		juniorv@detroitmi.gov
Attorney for Creditor US Bank National Association, in its capacity as trustee for those certain bonds issued by the City of Detroit for the Detroit Water and Sewage Department	Waller Lansden Dortch & Davis, LLP	David E. Lemke, Michael R. Paslay, Ryan K. Cochran and Courtney M. Rogers	david.lemke@wallerlaw.com; mike.paslay@wallerlaw.com; ryan.cochran@wallerlaw.com; courtney.rogers@wallerlaw.com
	Walter Clement		range1274@comcast.net
	Wayne Pierre		pierrew@detroitmi.gov
Attorney for Creditor Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Alfredo R. Perez	alfredo.perez@weil.com
Attorney for Creditor Financial Guaranty Insurance Company	Williams, Williams, Rattner & Plunkett, P.C.	Ernest J. Essad Jr. and Mark R. James	ejessad@wwrplaw.com; mrjames@wwrplaw.com
	Willie Bennett		bennettw32@yahoo.com

# EXHIBIT C

**Exhibit C**  
**Served via First Class Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

# EXHIBIT D

**Exhibit D**  
**Served via First Class Mail**

<b>CreditorName</b>	<b>CreditorNoticeName</b>	<b>Address1</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Alnathan Moore		8966 N. Martindale St	Detroit	MI	48204
Althea Long		9256 Braile	Detroit	MI	48228
Anthony J. Klukowski Jr.		9833 Shadyside	Livonia	MI	48150
Arnold Faust		20500 Irvington	Detroit	MI	48203-1174
Barbara A Magee		5154 Burns St	Detroit	MI	48213
Carl Smith		14141 Green Briar	Oak Park	MI	48237
Carl Williams		10112 Somerset	Detroit	MI	48224
Dennis Taubitz		3051 Lindenwood Drive	Dearborn	MI	48120
Donnita Cleveland		19432 Rutherford	Detroit	MI	48235
Hassan Aleem		2440 Taylor	Detroit	MI	48206
Hunter L Todd		14944 Ashton	Detroit	MI	48223
Jamie S. Fields		555 Brush #2409	Detroit	MI	48226
Keith M. Hines		832 Chalmers	Detroit	MI	48215
Larry Carter		14205 Chandler Pk Dr	Detroit	MI	48213
Lori Clement		25132 W 8 Mile Rd., Apt. 1009	Southfield	MI	48033
Mary Hale		20620 Kensington Ct Apt 201	Southfield	MI	48076
Milton Stroud		18455 Klinger St	Detroit	MI	48234
Murphy Wilbert Magee		5170 Seminole	Detroit	MI	48213
Oaks Correctional Facility	Darryl Cain	1500 Caberfae Highway	Manistee	MI	49660-9200
Robert Jackson		551 S Piker Ct	Detroit	MI	48215
Robert Reley		17201 Bramell St	Detroit	MI	48219-3108
Ruby P Magee		18621 Gruebner	Detroit	MI	48234
Samuel Jackson		27421 Shiawassee Rd	Farmington Hills	MI	48336
Sheila G. Carter		14205 Chandler Pk Dr	Detroit	MI	48213
Steve Babson		3519 Yorkshire Rd	Detroit	MI	48224
Terrence Crite		1811 S Hurlow	Detroit	MI	48235
Terrence J. Kosmowski		12704 Herrod Dr	Sterling Heights	MI	48313
Thomas A Aens		28348 Elmdale St	St Claire Shores	MI	48081
Vera C Magee		5165 Iroquois	Detroit	MI	48213
Vera C. Magee		5165 Iroquois	Detroit	MI	48213
Willie Bennett		5041 Upton Ave North	Mineapolis	MN	55430

## **ITEM 4**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re: Chapter 9  
City of Detroit, Michigan, Case No. 13-53846  
Debtor. Hon. Steve W. Rhodes

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**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit C**:

- Debtor's Objection to Claim Number 2846 Filed by Edith Woodberry [Docket No. 4834]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit D**:

- Debtor's Objection to Claim Number 3278 Filed on Behalf of Phebe Woodberry [Docket No. 4835]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit E**:

- Debtor's Objection to Claim Number 2883 Filed on Behalf of LA Jeff Woodberry [Docket No. 4836]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit F**:

- Debtor's Objection to Claim Number 2889 Filed on Behalf of Lavan Woodberry [Docket No. 4837]





On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit G**:

- Debtor's Objection to Claim Number 2880 Filed on Behalf of Happy Woodberry [Docket No. 4838]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit H**:

- Debtor's Objection to Claim Number 2905 Filed by Cranston Woodberry [Docket No. 4839]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit I**:

- Debtor's Objection to Claim Number 3006 Filed on Behalf of Garfield Woodberry [Docket No. 4840]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit J**:

- Debtor's Objection to Claim Number 2888 Filed on Behalf of Cavel Woodberry [Docket No. 4841]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit K**:

- Objection of the City of Detroit, Pursuant to Sections 105 And 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 1399 Filed by Dr. Brian Greene, as Next Friend of India Bond, a Minor [Docket No. 4842]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit L**:

- Debtor's Objection to Claim Number 3271 Filed on Behalf of Adam Woodberry [Docket No. 4843]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit M**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 1401 Filed by Taris Jackson, as Next Friend of Ashly Jackson, a Minor [Docket No. 4844]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit N**:

- Objection of the City of Detroit, Pursuant to Sections 105 And 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2331 Filed by Iriana Austin-Gardner [Docket No. 4845]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit O**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 550 Filed by Darrell Lamar Marshall [Docket No. 4846]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit P**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2093 Filed by Brittany Mcfarlin [Docket No. 4848]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit Q**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 3273 Filed by Sylvanya Logan, as Personal Representative of Armai Logan, a Minor [Docket No. 4849]3

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit R**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2178 Filed by Marktaz D. Williams [Docket No. 4850]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit S**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2923 Filed by Vincent Ellis, Next Friend Laila Ellis [Docket No. 4851]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit T**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2113 Filed by Karen Haralson, a Minor, by her Next Friend Wanda Bladsoe [Docket No. 4852]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit U**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 1404 Filed by Ernest Flagg, as Next Friend of Jonathon Bond, a Minor [Docket No. 4854]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit V**:

- Debtor's Objection to Claim Number 3236 Filed by Lucinda Darrah [Docket No. 4855]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit W**:

- Debtor's Objection to Claim Numbers 1330 and 1853 Filed by Rickie Allen Holt on Behalf of the Aboriginal Indigenous Peoples [Docket No. 4857]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit X**:

- Debtor's Objection to Claim Number 2902 Filed on Behalf of Penny Mabin [Docket No. 4859]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit Y**:

- Debtor's Objection to Claim Number 2021 Filed by Edward L. Gildyard [Docket No. 4863]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit Z**:

- Third Omnibus Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Certain Employee Proofs of Claim that are Duplicative of One or More Union Claims [Docket No. 4871]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit AA**:

- Debtor's Objection to Claim Number 458 Filed by Albert Otto O'Rourke [Docket No. 4872]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit BB**:

- Debtor's Objection to Claim Numbers 1329 and 1859 Filed by Rickie A. Holt [Docket No. 4873]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit CC**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2851 Filed by the Coalition of Detroit Unions [Docket No. 4874]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit DD**:

- Debtor's Objection to Claim Numbers 1302 and 3500 Filed by Inland Waters Pollution Control, Inc. [Docket No. 4875]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit EE**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 And Its Affiliated Detroit Locals [Docket No. 4876]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit FF**:

- Debtor's Objection to Claim Number 1291 Filed by National Environmental Group, LLC [Docket No. 4879]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class Mail on the service lists attached hereto as **Exhibit B** and **Exhibit GG**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 3683 Filed by Macomb Interceptor Drain Drainage District By and Through the Macomb County Public Works Commissioner [Docket No. 4880]

On May 15, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit A** and **Exhibit HH**; and via First Class Mail on the service list attached hereto as **Exhibit B**:

- Fourth Omnibus Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, Seeking the Disallowance of Certain Duplicate Claims [Docket No. 4881]

Furthermore, on or before May 16, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit A** and **Exhibit HH**; and via First Class Mail on the service list attached hereto as **Exhibit B**:

- Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2651 Filed by Hyde Park Co-Operative [Docket No. 4886]

Dated: May 20, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245  
Tel 310.776.7386

# EXHIBIT A

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for Martin O Brien	A. Stephen Ramadan PLC	A Stephen Ramadan P41892	steveramadan@gmail.com
Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Union Representative	AFSCME Council #25	Attn: Catherine Phillips	cphillips@miafscme.org
Union Representative	AFSCME Council #25	Attn: DeAngelo Malcolm	dmalcolm@miafscme.org
Union Representative	AFSCME Council #25	Attn: Ed McNeil	emcneil@miafscme.org
Union Representative	AFSCME Local # 6087	Attn: Clarence Sanders	clmcsndrs@yahoo.com
Union Representative	AFSCME Local #0062	Attn: Lacydia Moore-Reese	Reesel@detroitmi.gov
Union Representative	AFSCME Local #0207	Attn: James Williams	afscme207@sbcglobal.net
Union Representative	AFSCME Local #0214	Attn: June Nickleberry	missnick64@hotmail.com
Union Representative	AFSCME Local #0229	Attn: Zachary Carr	afscmelocal229@ymail.com
Union Representative	AFSCME Local #0273	Attn: Sceella Hunt	anurses@att.net
Union Representative	AFSCME Local #0542	Attn: Phyllis McMillon	philphil48238@yahoo.com
Union Representative	AFSCME Local #0836	Attn: Robert Donald	union836@yahoo.com
Union Representative	AFSCME Local #1023	Attn: Delia Enright	afscmelocal1023@att.net;
Union Representative	AFSCME Local #1206	Attn: Arlene Kirby	deliaenright@hotmail.com
Union Representative	AFSCME Local #1220	Attn: Arlene Kirby	arlene.kirby@yahoo.com
Union Representative	AFSCME Local #1227	Attn: Gerald Thompson	gvp1220@aol.com
Union Representative	AFSCME Local #1227	Attn: Joseph Walter	presidentlocal1227@hotmail.com
Union Representative	AFSCME Local #2394	Attn: Yalonda King	KingY687@detroitmi.gov
Union Representative	AFSCME Local #2799	Attn: Yvonne Ross	Yvonnerr2001@yahoo.com
Union Representative	AFSCME Local #2920	Attn: Thomas Johnson II	local2920@sbcglobal.net
Counsel for Airgas USA LLC	Airgas USA LLC	Mr David Boyle	david.boyle@airgas.com
Counsel for Dexia Cr�dit Local, Dexia Holdings, Inc., Norddeutsche Landesbank Luxembourg, S.A., on behalf of Norddeutsche Landesbank Covered Finance Bank S.A. (collectively "Dexia") and Ad Hoc COPs Holders	Allard & Fish PC	Deborah L Fish and Timothy R. Graves	dfish@allardfishpc.com;
Union Representative	Amalgamated Transit Union, Division 26	Attn: Henry Gaffney	tgraves@allardfishpc.com
Counsel for Ian Mobley, Paul Kaiser, Angie Wong, James Washington, Nathaniel Price, Stephanie Hollander, Jason Leverette-Saunders, Darlene Hellenberg, Kimberly Mobley, Jerome Price, Wanda Leverette, and Laura Mahler.	American Civil Liberties Union Fund of Michigan	Daniel S. Korobkin	atlocal26pba@aol.com
Counsel for AFSCME and the Detroit, Michigan, Retiree Sub-Chapter 5	American Federation of State, County & Municipal Employees, AFL-CIO	William Lurye Matthew Stark Blumin & Michael Artz	dkorobkin@aclumich.org
Counsel to Fidelity Management & Research Company and Eaton Vance Management	Andrew J Gerdes PLC	Andrew J Gerdes	BLurye@afscme.org;
Counsel for Ambac Assurance Corporation	Arent Fox LLP	Carol Connor Cohen & Caroline Turner	martz@afscme.org;
Counsel for Ambac Assurance Corporation	Arent Fox LLP	English & Ralph A Taylor Jr & Emily Bayer	mblumin@afscme.org
Counsel for Ambac Assurance Corporation	Arent Fox LLP	Leah C. Montesano	agerdes@gerdesplc.com
Counsel to the General Retirement System of the City of Detroit and Police and Fire Retirement System of the City of Detroit	Arent Fox, LLP	David L Dubrow	Carol.Cohen@arentfox.com;
Counsel for Attorney General Bill Schuette	Arnold & Porter LLP	Attn: David Dubrow, Esq. & Mark A Angelov	caroline.english@arentfox.com;
Union Representative	Assistant Attorney General Solicitor General and Deputy Solicitor General	Michael R Bell John J Bursch and B Eric Restuccia	ralph.taylor@arentfox.com;
Union Representative	Assistant Supervisors of Street Maintenance & Construction Association	Attn: Herbert Jenkins	emily.bayer@arentfox.com;
Union Representative	Association of City of Detroit Supervisors	Attn: Richard King	leah.montesano@arentfox.com
Union Representative	Association of Detroit Engineers	Attn: Sanjay M. Patel	David.Dubrow@arentfox.com
Union Representative	Association of Municipal Engineers	Attn: Partho Ghosh	david.dubrow@arentfox.com;
Union Representative	Association of Municipal Inspectors	Attn: Michael Neil	mark.angelov@arentfox.com;
Union Representative	Association of Professional & Technical Employees	Attn: Dempsey Addison	carol.cohen@arentfox.com
Union Representative	Association of Professional Construction Inspectors	Attn: Juanita Sanders	senoritonita@peoplepc.com
The Office of the Attorney General of the State of Michigan	Attorney General Bill Schuette		miag@michigan.gov
Counsel for Detroit Branch NAACP, Michigan State Conference NAACP, Donnell White, individually and on behalf of Detroit Branch NAACP and Michigan State Conference NAACP, Thomas Stallworth III, individually, Rashida Tlaib, individually, and Maureen Taylor, individually, interested parties in this bankruptcy matter as it pertains to their civil suit in the Federal Eastern District Court of Michigan (Case Number 13-CV-12098)	Ayad Law PLLC	Nabih H Ayad	
Counsel for Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A., Hypothekenbank Frankfurt AG, Hypothekenbank Frankfurt International S.A., and Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (collectively "EHPK").	Ballard Spahr LLP	Vincent J Marriott	
Counsel for Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A., Hypothekenbank Frankfurt AG, Hypothekenbank Frankfurt International S.A., and Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (collectively "EHPK").	Ballard Spahr LLP	Matthew G Summers	
Counsel for Genuine Parts Company	Barack Ferrazzano Kirschbaum & Nagelberg LLP	Kimberly J Robinson	

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel to the 36th District Court for the State of Michigan	Barnes & Thornburg LLP	John T Gregg & Patrick E. Mears	jgregg@btlaw.com; pmears@btlaw.com
Counsel to Assured Guaranty Corporation and Assured Guaranty Municipal Corporation	Berkshire Hathaway Assurance Corporation	Attn: Kara Raiguel, Sunil Khanna and Thomas Scherer	skhanna@berkre.com
Counsel to UBS, AG	Bingham McCutchen LLP	Attn: Edwin E. Smith, Esq.	Edwin.smith@bingham.com
Counsel for UBS AG	Bingham McCutchen LLP	Edwin E Smith Jared Clark Steven Wilamowsky & E Marcus Marsh	edwin.smith@bingham.com; jared.clark@bingham.com; steven.wilamowsky@bingham.com; marcus.marsh@bingham.com
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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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Counsel to National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn Guy S Neal	gNeal@sidley.com
Counsel to National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn James F Bendernagel	jbendernagel@sidley.com
Counsel to National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn Jeffrey E Bjork	jbjork@sidley.com
Counsel to National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn Peter L Canzano	pcanzano@sidley.com
Counsel for Retired Detroit Police and Fire Fighters Association ("RDPFFA"); 2) Donald Taylor, President of RDPFFA; 3) Detroit Retired City Employees Association ("DRCEA"); and 4) Shirley V. Lightsey, President of DRCEA	Silverman & Morris PLLC	Thomas R Morris and Karin F. Avery	morris@silvermanmorris.com; avery@silvermanmorris.com
Counsel for Unisys Corporation	Sirlin Lesser & Benson PC	Dana S Plon	dplon@sirlinlaw.com
Counsel for Airgas USA LLC	Smith Katzenstein & Jenkins LLP	Kathleen M Miller	kmiller@skjlaw.com
State of Michigan Chief Legal Counsel	State of Michigan Chief Legal Counsel	Matthew Schneider	Schneiderm7@michigan.gov
State of Michigan Assistant Attorney General, Counsel to State of Michigan	State of Michigan Revenue & Collections Division	Steven B Flancher & Matther Schneider	flanchers@michigan.gov; schneiderm7@michigan.gov
The Office of the Treasurer for the State of Michigan	State Treasurer		MIStateTreasurer@michigan.gov
Proposed Counsel for Committee of Unsecured Creditors; local counsel to Nuveen Asset Management ("Nuveen") and Blackrock Financial Management, Inc. ("Blackrock")	Steinberg Shapiro & Clark	Mark H Shapiro & Geoffrey T. Pavlic	shapiro@steinbergshapiro.com; pavlic@steinbergshapiro.com
Counsel for Gabriel, Roeder, Smith & Company	Stevenson & Bullock PLC	Charles D Bullock Elliot G Crowder & Sean M Walsh	cbullock@sbplclaw.com; ecrowder@sbplclaw.com; swalsh@sbplclaw.com
Counsel to the Retired Detroit Police Members Association	Strobl & Sharp PC	Attn Lynn M Brimer	lbrimer@stroblpc.com
Counsel to the Retired Detroit Police Members Association	Strobl & Sharp PC	Attn Meredith E Taunt	mfield@stroblpc.com
Counsel to the Retired Detroit Police Members Association	Strobl & Sharp PC	Attn Meredith E Taunt	mtaunt@stroblpc.com
Counsel for Syncora Guarantee Inc	Susheel Kirpalani Quinn Emanuel Urquhart & Sullivan, LLP		susheelkirpalani@quinnemanuel.com
Sylvia Jean Brown Jones, Pro Se	Sylvia Jean Brown Jones		bjdelta55@gmail.com
Union Representative	Teamsters Local #214	Attn: Joseph Valenti	TL214teams@ameritech.net
Counsel for Public Lighting Authority	The Allen Law Group, P.C.	Attn: Ron Liscombe, Esq.	rliscombe@alglawpc.com
City's Secured & Unsecured Bonds	The Bank of New York Mellon Trust Company, National Association, as trustee	Attn: Eduardo Rodriguez	eduardo.rodriguez@bnymellon.com
Corporation Counsel for the City of Detroit	The City of Detroit	Attn: Corporation Counsel	Johnsoncu@detroitmi.gov
Counsel for Kevin Lewis & Jeremy Morris	The Markowitz Law Office	Carolyn B Markowitz PC	bankruptcy@markowitzlegal.com
Counsel to Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	The Sanders Law Firm PC	Herbert A Sander	hsanders@miafscme.org
Counsel for Michigan Auto Recovery Service Inc; Wayne County Circuit Court, Hyde Park Cooperative, et al. v. City of Detroit, by and through its Buildings and Safety Engineering Department, Case No. 10-005687-CZ	Thornbladh Legal Group PLLC	Kurt Thornbladh	kthornbladh@gmail.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan T. Brown	susan.brown5@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan E. Jacobsen VP	susan.jacobsen2@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water Bonds)	U.S. Bank National Association, as trustee, for the Detroit Sewar and Water Bonds	Attn: Lawrence J. Bell	lawrence.bell@usbank.com
Union Representative	UAW - Local # 412	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - Local #212	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW – PAA Local #2211	Attn: Robyn Brooks	BrooR@detroitmi.gov
Union Representative	UAW – WWTP Local #2200	Attn: Laurie Stuart	mimilaurie@yahoo.com; ltownse@detroitpubliclibrary.org
Union Representative	United Auto Workers Union	Attn: Michael Nicholson	mnicholson@uaw.net
Counsel for United States of America	Unites States Attorney	Julia A. Caroff, Assitant US Attorney	julia.caroff@usdoj.gov
Union Representative	Utility Workers Union of America	Attn: James Harrison	jharrison@uwua.net
Union Representative	Utility Workers Union of America Local #488	Attn: Carl Anderson	canderson@dwsd.org
Union Representative	Utility Workers Union of America Local #504	Attn: Curlisa Jones	mcqueen@dwsd.org
Union Representative	Utility Workers Union of America Local #531	Attn: Samuel Wilson	swilson@dwsd.org
Counsel for Center for Community Justice and Advocacy ("CCJA")	Vanessa G. Fluker, Esq., PLLC	Vanessa G Fluker	vgflawyer@sbcglobal.net
Interested Party	Vanguardians	Barry Allen	pra@vanguardians.org
Counsel to U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Attn: David E. Lemke, Esq. & Courtney Rogers	david.lemke@wallerlaw.com; courtney.rogers@wallerlaw.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel to U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Michael R Paslay Ryan K Cochran	Mike.Paslay@wallerlaw.com; Ryan.Cochran@wallerlaw.com
Counsel for UBS AG and Merrill Lynch Capital Services, Inc.	Warner Norcross & Judd LLP	Charles N Ash Jr	cash@wnj.com
Counsel for UBS AG and Merrill Lynch Capital Services Inc	Warner Norcross & Judd LLP	Stephen B Grow Douglas A Dozeman & Charles N Ash Jr	sgrow@wnj.com; ddozeman@wnj.com; cash@wnj.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Alfredo R Perez	alfredo.perez@weil.com
Counsel to Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Attn: Gary T. Holtzer, Esq. & Alfredo R. Pérez, Esq.	gary.holtzer@weil.com; alfredo.perez@weil.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Kelly DiBlasi	kelly.dibiasi@weil.com
Counsel for Robbie Flowers, Michael Wells, Janet Whitson, Mary Washington and Bruce Goldman	William A. Wertheimer		billwertheimer@gmail.com
Counsel for Financial Guaranty Insurance Company	Williams Williams Rattner & Plunkett PC	Ernest J Essad Jr & Mark R James	ejessad@wwrplaw.com; mrjames@wwrplaw.com
Counsel to Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Attn: Lawrence A. Larose Samuel S. Kohn	llarose@winston.com; skohn@winston.com
Counsel to Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Carrie V. Hardman	chardman@winston.com
		Sarah T. Foss	sfoss@winston.com
Counsel for The Bank of New York Mellon	Wolfson Bolton PLLC	Scott A Wolfson & Anthony J Kochis	swolfson@wolfsonbolton.com; akochis@wolfsonbolton.com
Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	dls@wmlaborlaw.com
Counsel for Oakland County	Young & Associates	Jaye Quadrozzi and Sara K. MacWilliams	macwilliams@youngpc.com; quadrozzi@youngpc.com; efiling@youngpc.com
Interested Party	Ziulkowski & Associates, PLC	Janet M. Ziulkowski	ecf@zaplc.com

# EXHIBIT B

**Exhibit B**  
**Served via First Class Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

# EXHIBIT C



**Exhibit C**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Edith Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT D

**Exhibit D**  
**Served via First Class Mail**

<b>Name</b>	<b>Address1</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Phebe Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT E

**Exhibit E**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
LA Jeff Woodberry	LA Jeff Woodberry	18283 Muirland St	Detroit	MI	48221-2756

# EXHIBIT F

**Exhibit F**  
**Served via First Class Mail**

<b>Name</b>	<b>Address1</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Lavan Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT G



**Exhibit G**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Happy Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT H

**Exhibit H**  
**Served via First Class Mail**

<b>Name</b>	<b>Address1</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Cranston Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT I

**Exhibit I**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Garfield Woodberry	803 Gladstone	Detroit	MI	48202

# **EXHIBIT J**

**Exhibit J**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Cavel Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT K



**Exhibit K**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Dr, Brian Greene, as Next Friend of India Bond, a minor	Norman Yatooma & Associates, P.C.	1900 South Telegraph Rd, Ste 201	Bloomfield Hills	MI	48302

# EXHIBIT L

**Exhibit L**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Adam Woodberry	803 Gladstone	Detroit	MI	48202

# EXHIBIT M

**Exhibit M**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Taris Jackson, as Next Friend of Ashly Jackson, a minor	Norman Yatooma & Associates, P.C.	1900 South Telegraph Rd, Ste 201	Bloomfield Hills	MI	48302

# EXHIBIT N

**Exhibit N**  
**Served via First Class Mail**

<b>Name</b>	<b>CreditorNoticeName</b>	<b>Address1</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Iriana Austin-Gardner	Mark E. Boegehold (P38699)	1000 Town Center, Suite 500	Southfield	MI	48075

# EXHIBIT O



**Exhibit O**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Darrell Lamar Marshall	20001 Schaefer Hwy	Detroit	MI	48235

# EXHIBIT P

**Exhibit P**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Brittany McFarlin	Mark E. Boegehold (P38699)	1000 Town Center, Suite 500	Southfield	MI	48075

# EXHIBIT Q

**Exhibit Q**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Sylvanya Logan as Personal Representative or Armai Logan, a Minor	Fieger, Fieger, Kenney, Giroux & Harrington, P.C.	19390 West Ten Mile Road	Southfield	MI	48075

# EXHIBIT R

**Exhibit C**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Marktaz D. Williams	Mark E. Boegehold (P38699)	1000 Town Center, Suite 500	Southfield	MI	48075

# EXHIBIT S



**Exhibit S**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Vincent Ellis, next friend Laila Ellis	Fieger, Fieger, Kenney, Giroux & Harrington, P.C.	19390 West Ten Mile Road	Southfield	MI	48705

# EXHIBIT T

**Exhibit T**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Karen Haralson, minor, by her next friend Wanda Bladsoe	Varjabedian Attorneys, P.C.	29777 Telegraph Rd. Ste 2175	Southfield	MI	48034

# EXHIBIT U

**Exhibit U**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
Ernest Flagg, as Next Friend of Jonathan Bond, a minor	Norman Yatooma & Associates, P.C.	1900 South Telegraph Rd, Ste 201	Bloomfield Hills	MI	48302

# EXHIBIT V

**Exhibit V**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Lucinda J. Darrah	492 Peterboro	Detroit	MI	48201-2302

# EXHIBIT W



**Exhibit W**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	City	State	Zip
The Aboriginal Indigenous Peoples	c/o Rickie A Holt. Agent Freehold	16101 Heyden St	Detroit	MI	48219

# EXHIBIT X

**Exhibit X**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Penny Mabin	803 Gladstone	Detroit	MI	48202

# EXHIBIT Y

**Exhibit Y**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Gildyard, Edward L	12018 Whitehill	Detroit	MI	48224

# EXHIBIT Z

**Exhibit Z**  
**Served via First Class Mail**

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip
Aaron King		4020 Fullerton		Detroit	MI	48238
Allen, Daryll		25525 Elsinore		Redford	MI	48239
Anderson L. Briggs		7821 Helen St		Detroit	MI	48211
Antonio D. Ratliff		5085 Fischer		Detroit	MI	48213
Archie L Woods Sr		19762 Gaylord		Redford	MI	48240
Bradford, Sandra F		5914 Farmbrook St		Detroit	MI	48224
Brian Tyner		30831 Hunters Drive		Farmington Hills	MI	48334
Byron Spivey		11260 Lakepointe		Detroit	MI	48224
Cosmas O. Ulcandu		20115 Houghton St		Detroit	MI	48219
Cosmas O. Ulcandu	Cosmas O. Ulcandu	1817 Indian Trail Rd		Bloomfield Hills	MI	48302
Dameitta Barney		13918 Roselawn		Detroit	MI	48238
Demetrius Palmore		20205 Washtenaw		Harperwoods	MI	48225
Dempsey Addison		265 E Ferry St		Detroit	MI	48202
Dismuke, Robert C		888 Pallister Apt 507		Detroit	MI	48202
Dorcas Adade - Tandoh		18857 Jeanette Street		Southfield	MI	48075
Dorothy Hughes		11770 Evanston		Detroit	MI	48213
Dynita McCaskill		2844 Livernois	Box 4931	Troy	MI	48099
Ethel Coleman		P.O. Box 24733		Detroit	MI	48224
Hines Jr, Tony M		14592 Euclid Ave		Allen Park	MI	48101
Jason Christopher Fulbright		7355 Ellsworth		Detroit	MI	48238
Joel K Pitts		27495 Harvard		Southfield	MI	48076
Joel K Pitts	Joel Pitts	Sewage Plant Operator	9300 West Jefferson	Detroit	MI	48209-2676
Jonathan Harper		36070 Harper Apt. 202		Clinton Township	MI	48035
Katherine Q. Braggs		17187 Westphalia St		Detroit	MI	48205
Kempinski, Paul		4535 Radnor		Detroit	MI	48224
Leon Boyd Jr.		2068 25th St.		Detroit	MI	48216
Lisa Racine Cunningham		20460 Ilene		Detroit	MI	48221
Mauria Davis		18401 Mendota		Detroit	MI	48221
Michael Jenkins		3106 Winchester Rd		West Bloomfield	MI	48322
Micou, Lourise		4535 Commonwealth Apt#4		Detroit	MI	48208
Micou, Lourise	Micou, Louris E.	17341 Edinborough		Detroit	MI	48219
Nathen C. McKinney		8884 Fielding		Detroit	MI	48228
Ralph Coleman		14844 Beaverland		Detroit	MI	48223
Rhonda Ervin		269 Piper Blvd		Detroit	MI	48215
Robert Williams		5053 Hereford		Detroit	MI	48224
Rodney D Holmes		7361 Wilderness Pk Dr No 103		Westland	MI	48185

**Exhibit Z**  
**Served via First Class Mail**

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip
Ronald Royster		18306 University Park Drive		Livonia	MI	48152
Rosella G. Guess		16249 E. State Fair		Detroit	MI	48205
Shawn Lindsay		410 Chalmers		Detroit	MI	48215
Slappy-thrash, Mar		7243 Po Box		Detroit	MI	48207
Sol L. May Sr.		11828 Engleside		Detroit	MI	48205
Sonya Denise Thornton		9650 Stanelin		Detroit	MI	48228
Tamika Winston		24596 Roxana		Eastpointe	MI	48021
Tanya Glover		18528 Reed St.		Melvindale	MI	48122
Terence Lamont Mercer		17321 Strathmoor		Detroit	MI	48235
Tommie Lavell Wells		550 Parkview Dr. Apt 115		Detroit	MI	48214
Torino Moore		16191 Wisconsin		Detroit	MI	48221
Troy D. Sutton		20409 Van Antwerp		Harper Woods	MI	48225



# EXHIBIT AA

**Exhibit AA**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Albert Otto ORourke	2316 Paseo De Laura #223	Oceanside	CA	92056

# **EXHIBIT BB**

**Exhibit BB**  
**Served via First Class Mail**

Name	Address1	City	State	Zip
Holt, Rickie	16101 Heyden	Detroit	MI	48219

# EXHIBIT CC

**Exhibit CC**  
**Served via First Class Mail**

<b>Name</b>	<b>CreditorNoticeName</b>	<b>Address1</b>	<b>Address2</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Coalition Of Detroit Unions Et Al,	Mack, Richard	Miller Cohen PLC	600 W Lafayette Blvd Fl 4	Detroit	MI	48226

# **EXHIBIT DD**

**Exhibit DD**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	Address2	City	State	Zip
Inland Waters Pollution Control, Inc.	Inland Waters Pollution Control, Inc.	Attn John Edgar, Jr.	4086 Michigan Ave	Detroit	MI	48210
Inland Waters Pollution Control, Inc.	Attn Paul R. Hage	Jaffe Raitt Heuer & Weiss, P.C.	27777 Franklin Ste 2500	Southfield	MI	48034



# **EXHIBIT EE**

**Exhibit EE**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	Address2	City	State	Zip
Michigan AFSCME Council 25 and its affiliated Detroit Locals	Richard G. Mack Jr.	Miller Cohen, PLC	600 W. Lafayette Blvd. 4th Floor	Detroit	MI	48226

# EXHIBIT FF

**Exhibit FF**  
**Served via First Class Mail**

<b>Name</b>	<b>CreditorNoticeName</b>	<b>Address1</b>	<b>Address2</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
National Environmental Group, LLC	Wright, Steven A.	Steven A. Wright PC	13854 Simone Dr	Shelby Township	MI	48315

# **EXHIBIT GG**

**Exhibit GG**  
**Served via First Class Mail**

Name	CreditorNoticeName	Address1	Address2	City	State	Zip
Macomb Interceptor Drain Drainage District by and through the Macomb County Public Works Commissioner	Allan S. Brilliant	Counsel for Macomb County, Public Works Commissioner	1095 Avenue of the Americas	New York	NY	10036
Macomb Interceptor Drain Drainage District by and through the Macomb County Public Works Commissioner	Macomb County Public Works	Anthony V. Marrocco, Commissioner	Richard P. Sulaka, Jr., Deputy Commissioner	Clinton Township	MI	48036

# **EXHIBIT HH**

**Exhibit HH**  
**Served via Email**

Email
cbecker@beckerlawplc.com
kthornbladh@gmail.com



## **ITEM 5**

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re	)	Chapter 9
	)	
CITY OF DETROIT, MICHIGAN,	)	Case No. 13-53846
	)	
	)	Hon. Steven W. Rhodes
	)	
_____	)	

**CREDITOR MICHIGAN AFSCME COUNCIL 25 AND ITS AFFILIATED  
DETROIT LOCALs’ RESPONSE TO DEBTOR’s OBJECTION  
TO PROOFS OF CLAIM (DOCKET NUMBER 2958)**

Now comes Michigan AFSCME Council 25 and its affiliated Detroit Locals, with this response to the Objection of the City of Detroit (Docket No. 4876), filed pursuant to Sections 105 and 502(b) of title 11 of the United States Code (the “Bankruptcy Code”), and the Federal Rules of Bankruptcy Procedure Local Rules of the Bankruptcy Court of the Eastern District of Michigan (the “Local Rules”), concerning proof of claim number 2958 (“Claim”) filed by said Coalition, and states as follows:

**I. INTRODUCTION**

Michigan AFSCME Council 25 and its affiliated Detroit Locals (AFSCME) have filed proof of claim number 2858 (AFSCME Claim), alleging varied sources of liability. The City of Detroit objects generally, due to purported lack of legal

merit or duplication of claims. The objections are not specific about any particular element of the Claim, but make broad brush observations.

AFSCME concurs that continued efforts at resolution between the parties is in order. It is true that a number of the grievances addressed in the Claim have been resolved in principle, with signed agreements forthcoming. It is also true that certain aspects of the asserted damages within the Claim are duplicated within the City's proposed plan of adjustment; the proof of claim as filed on February 21, 2014 could not have accounted for subsequent developments in the bankruptcy litigation. AFSCME disagrees, however, that the Claim is without merit. Thus, resolution efforts amongst the parties should establish all aspects of the Claim still left in dispute.

With its Objections, the City has sought to treat the October 1, 2014 hearing date (Docket No. 5454) as a pre-hearing conference, because the volume of disputes within the Claim prevents "a typical claim objection proceeding." AFSCME concurs with this suggestion. Even more, AFSCME suggests that disputed aspects of the Claim be placed before a labor arbitrator for his/her assessment of the merit and value of the claims.

Nonetheless, below AFSCME reviews the legal merit of its claims.<sup>1</sup>

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<sup>1</sup> The length or absence of a summary below is not indicative of a diminution in the value of the claim. Further, AFSCME reserves all rights to advance all arguments and categories of claims contained within its Proof of Claim but not specifically

## **II. EVIDENCE AND ARGUMENT TO BE PRESENTED REGARDING THE PROOFS OF CLAIM**

### **A. Refusal to bargain AFSCME Local 1023: MERC Case Number D13 C-0331**

AFSCME Local 1023 is a union which represents emergency service operators (911 operators) for the City of Detroit Police Department. As a “public safety” union (representing public safety employees), the local resolves its disputes in negotiating a new union contract with the City through “binding arbitration”; where a neutral third party decides on the provisions to be contained within a union contract.<sup>2</sup> This statute is commonly known as “Act 312”, MCLA §§ 423.231-423.247. Importantly, Act 312 is a separate statute from the Public Employment Relation Act, MCLA §§ 423.201-423.217. Under Act 312, either the union or employer may initiate a binding arbitration proceeding. MCLA § 423.233.

On March 16, 2011, the state of Michigan passed Public Act 4 – the emergency manager law.<sup>3</sup> Among other things, this statute permitted a public employer, in certain conditions, to avoid compliance with one section of PERA, MCLA § 423.215(1). MCL § 141.1514a(10) (no duty to comply thirty days after a consent agreement is executed); MCL § 141.1526(3) (no duty to comply where the

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addressed here.

<sup>2</sup> Technically, Act 312 sets up a three-person panel of arbitrators to rule on pending disputes in contract negotiations. The union and employer each select a panel member, and the chair of the panel is the neutral arbitrator. MCLA § 423.235

<sup>3</sup> The Local Government and School District Fiscal Accountability Act.

local government is placed in receivership). Section 215(1) obligates the employer to bargain with its unions. On April 10, 2012, the City's consent agreement with the state became effective, thus the City was no longer subject to Section 215(1) of PERA as of May 10, 2012. In November 2012, Public Act 4 was rejected by a state-wide vote of Michigan's citizenry. On December 26, 2012, Public Act 436 (MCLA §§ 141.1541-141.1575) was passed, and made effective March 28, 2013.<sup>4</sup> Public Act 436 also contains similar provisions alleviating a public employer from complying with Section 215(1).

On March 12, 2013, AFSCME Local 1023 requested MERC mediation to assist in negotiations (*Exhibit 1*) and made a written request to bargain a new contract to the City. (*Exhibit 1*) After the effective date of Public Act 436, on April 3, 2013, the City responded by refusing to bargain with the Local, citing to Public Act 436 and the fact that the City was under receivership. (*Exhibit 2*) On June 3, 2013, Local 1023 requested binding arbitration under Act 312. (*Exhibit 3*)

In requesting Act 312 arbitration, despite the suspension of Section 215(1), AFSCME took the position that Act 312 – a separate state statute from PERA – mandated the binding arbitration process, irrespective of the Public Act 436 and its

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<sup>4</sup> Between the November 2012 repeal of Public Act 4 and the March 28, 2013 effective date of Public Act 436, the “emergency manager” law in effect in Michigan was a 1990 statute commonly known as Public Act 72.

reference to Section 215(1) of PERA. The City took the position that PA 436 obviated its Act 312 obligation to participate in binding arbitration.

In a proceeding with other public safety Detroit unions, the MERC issued a split decision that public safety unions of employers placed in receivership, under PA 436, are not eligible for Act 312. *City of Detroit*, 27 MPER ¶ 6 (2013) Thus, on June 21, 2013, MERC's staff ordered that AFSCME Local 1023's Act 312 petition was being dismissed administratively, based upon the June 14<sup>th</sup> decision of the MERC in other Detroit public safety unions. (*Exhibit 4*)

For its Claim, AFSCME contends that this decision was in error. The Act 312 statute is clear as to how a union establishes eligibility for participation in binding arbitration:

“Whenever in the course of mediation of a public police or fire department employee's dispute, except a dispute concerning the interpretation or application of an existing agreement (a “grievance” dispute), the dispute has not been resolved to the agreement of both parties within 30 days of the submission of the dispute to mediation, or within such further additional periods to which the parties may agree, the employees or employer may initiate binding arbitration proceedings by prompt request therefor, in writing, to the other, with copy to the employment relations commission.

MCLA § 423.233. The Act continues by mandating what the parties must do in the furtherance of binding arbitration: Section 234 (the parties “shall” choose a panel member within 10 days), Section 235 (MERC “shall” select a neutral arbitrator within 7 days of the request for arbitration), Section 236 (the arbitrator “shall” call and begin the hearing within 15 days after appointment), Section 240

(the decision of the arbitrator “shall” be final and binding, “if supported by competent, material, and substantial evidence on the whole record ...”).

Importantly, the statute prohibits the employer (and union) from changing employment terms during the pendency of the Act 312 proceeding:

“During the pendency of proceedings before the arbitration panel, existing wages, hours and other conditions of employment shall not be changed by action of either party without the consent of the other but a party may so consent without prejudice to his rights or position under this act.”

MCLA § 423.243. Thus, according to the statute, the City cannot unilaterally implement employment terms (i.e., CET) on a party which has sought binding arbitration under Act 312.

The requirements to engage in Act 312 proceedings are contained within the statute. A request in writing is the chief requirement. The Commission has confirmed that Appellant here made such a request. (*Exhibit 4*) MERC’s opinion in *City of Detroit*, 27 MPER ¶ 6 (2013) relied on the fact that the duty to bargain in PERA – as referenced in another statute – was no longer present. However, there is no need for the duty to bargain within PERA to exist, in order for Act 312 to be operative. Indeed, the above-quoted Section 240 of Act 312 outlines that statute’s self-contained duty to bargain. The employment conditions “shall not be changed by action of either party” without “consent of the other [party]”; stated another way, without bargaining to agreement. The duty to bargain within Act 312 is actually stronger than the duty to bargain within PERA. An employer under PERA

is allowed to make adjustments in employment conditions after bargaining with the union to a state of “impasse”. Under Act 312, however, even reaching impasse does not permit the employer to change employment conditions without agreement of the union.

Act 312 is supplementary to PERA. However, the state legislature clearly expressed its will of maintaining the employer’s obligations to comply with Act 312 – even *vis-a-vis* the emergency manager law. The legislature amended Act 312 with 2011 Public Act 116, during the same legislative session in which it passed the initial emergency manager law – PA 4. In doing so, the legislature did not exempt governments subject to PA 4 from applicability to Act 312. This fact demonstrates a willingness of the legislature to permit Act 312 proceedings to continue, even in the event of an emergency manager being appointed. Act 312 contains certain exemptions from the Act. It defines the employees who may utilize the act and exempts certain groups. It also clarifies that the Act does not apply to “persons employed by a private emergency medical service company who work under a contract with a governmental unit ...” or administrative or supporting employees working in emergency medical services. MCLA § 423.233. The legislature could have easily exempted employees who work for governments subject to PA 4 in Section 233; it did not. *Expressio unius est exclusio alterius*.<sup>5</sup>

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<sup>5</sup> The express mention in a statute of one thing implies the exclusion of other



Even more, explicit language of the 2011 amendments to Act 312 acknowledges that public employers under an emergency manager will still be obligated to participate in Act 312 proceedings. Under 2011 PA 116, The legislature adopted certain factors that the arbitration panel must consider in reaching a final decision. One of those factors is: “Any law of this state or any directive issued under the local government and school district fiscal accountability act, **2011 PA 4**, MCL 141.1501 to 141.1531, that places limitations on a unit of government’s expenditures or revenue collection.” MCLA § 423.239(1)(a)(iv)(**emphasis** added). Thus, the state legislature clearly contemplated Act 312 when it drafted the PA 4. Nowhere in PA 116 are localities under an emergency manager not obligated to comply with Act 312. Instead, the arbitration panel is merely supposed to include “limitations . . . [on] expenditures or revenue collection” – due to the application of the emergency manager law – as a factor in reaching a decision. Hence, the interpretation of Act 436 to exempt governments in receivership altogether creates a clear conflict with the amended Act 312, and makes the above-quoted Section 9(1)(a)(iv) completely superfluous.

The Legislature is presumed to be aware of all existing statutes when enacting a new statute. *Cameron v. Auto Club Ins Ass’n.*, 263 Mich. App. 95, 98 (2004). Statutes that appear to conflict should be read together and reconciled, if similar things.” *Bradley v. Saranac Community Schools Bd. of Ed.*, 455 Mich. 285, 298 (1997).

possible. *World Book, Inc. v. Dep't. of Treasury*, 459 Mich. 403, 416 (1999). When two statutes lend themselves to an interpretation that avoids conflict, that interpretation should control. *Jackson Community College v. Dep't. of Treasury*, 241 Mich. App. 673, 681 (2000). The interpretation should give effect to each statute “without repugnancy, absurdity, or unreasonableness.” *Livonia Hotel, LLC v. City of Livonia*, 259 Mich. App. 116, 131 (2003), quoting *Michigan Humane Society v. Natural Resources Comm.*, 158 Mich. App. 393, 401 (1987). Here, MERC’s ruling nullifies Act 312, in violation of these doctrines.

For these and other reasons, Claimant contends that MERC erred in dismissing its Act 312 petition and denying that local binding arbitration. As a result of this dismissal, the City imposed significant wage and benefit concessions upon the Local 1023 membership.

**B. Local 207, 2394 and 2920 DWSD refusal to bargain / Case Number C13 D-069**

AFSCME represents three locals within the City of Detroit Water and Sewerage Department; Locals 207, 2920 and 2934. Prior to the time the City was no longer subject to Section 215(1) of PERA, due to the City being place in receivership, the AFSCME unions sought to bargain a new union contract. AFSCME was unable to secure contracts for all three locals due to the City’s bad faith bargaining. This Claim seeks damages due to the City’s illegal conduct.

### **C. Imposition of furloughs days in February 2013**

In February 2013, the City unilaterally imposed furlough days requiring City employees to take unpaid days off work at least twice per month. (*Exhibit 5*) These furlough days represented a 10% loss in income for those employees placed on furlough. Since most civilian employees had already incurred a 10% loss in base pay, this change brought the total loss in income for these employees to 20%.

As described in the Response to Objections filed by the Coalition of Detroit Unions (filed September 1, 2014 and responding to Docket No. 4874), during the period between November 2012 and May 10, 2013, the City's continued obligation with its unions before unilateral change in employment conditions is beyond dispute. The evidence will reveal that in this instance, the City failed to bargain to impasse prior to imposing the additional furlough days. Thus, the imposition violated PERA. The imposition lasted nearly one year for hundreds of furloughed employees. The damages associated with this element of the Claim are the financial losses so incurred.

### **D. Detroit refusal to bargain concerning Transportation Locals: Case Number C12 H-157**

AFSCME represents two locals within the City Department of Transportation, Locals 214 and 312. The City has refrained from imposing employment conditions on these two locals in the same manner it imposes employment conditions on other employees. This is because the federal

government provides funding for transportation departments of municipalities, released pursuant to the Federal Transit Act, 49 U.S.C. 5333(b) (aka “13(c)”). Under that federal statute, the municipality in receipt of federal funds is obligated to bargain with its unionized employees in good faith. Thus, the City has entered into a 13(c) protective agreement with AFSCME and its two locals.

These locals, however, are part of a city-wide bargaining unit, as determined by Michigan courts. AFSCME Council 25 Detroit locals have been considered one bargaining unit throughout the City. *Michigan Ass’n of Public Employees v. Michigan AFSCME Council 25*, 172 Mich. App. 761 (1988) As such, the changes made to the non-DDOT locals were improper, in that they represented the City severing the city-wide bargaining unit.

**E. AFSCME Council 25 (13th check ULP). MERC Case No. C12-E-092**

On about November 30, 2011, the City passed an ordinance which limited payments into employee annuity accounts and stopped “13<sup>th</sup> checks” being paid to retirees. By applying this change to union-represented employees and concerning union-negotiated contractual benefits for retirees, the City violated state labor laws. By making these changes, the City ignored its bargaining obligation and repudiated its contractual obligations. AFSCME filed a charge contesting the changes. (*Exhibit 6*)

In February 2013, Administrative Law Judge (“ALJ”) Doyle O’Connor of the Michigan Employment Relations Commission (“MERC”) heard oral argument on AFSCME’s motion for partial summary disposition. Following this Honorable Court’s authorization via modification of the automatic stay, on October 4, 2013, ALJ O’Connor issued his Decision and Recommended Order (DRO) granting the AFSCME motion for summary disposition. (*Exhibit 7*) ALJ O’Connor’s DRO “restore[s] to the Pension Board” of the Detroit General Retirement System “the discretion previously exercised . . . regarding [distribution of annual] excess earnings” of GRS to “affected retirement plan participants” and explicitly orders that these participants “be made whole by the City to the extent that there is any practical impediment to the Pension Board making those participants whole otherwise.” (*Exhibit 7*, pg 24)

In his order, ALJ O’Connor considered the losses realized during the 2011 and 2012 years as the damages in the charge. After that point, the City was under PA 436 and, therefore, the City could make such a change unilaterally. (*Exhibit 7*, pg 18) The ALJ also indicated that the proceedings had not developed to the point where a dollar figure could be conclusively ascertained as to the value of the award. He nonetheless stated the award could be as high as \$174,000,000. (Id)

**F. City of Detroit 2012 negotiations and implementation with Coalition: MERC Case No. C12 D-065, C12 F-125, C13 G-129**

Following the negotiation of a Coalition tentative agreement in February 2012, the City violated state labor laws by refusing to execute that contract but illegally imposing other terms and conditions of employment. This includes wage and benefit concessions for all AFSCME members, which remain in existence today. The reader is referred to the Coalition of Detroit Unions proof of claim, the Coalition response (filed September 1, 2014) to the City Objections to the Coalition proof of claim. (Docket No. 4874) The AFSCME claim represents a share of the Coalition claim, as AFSCME is a member of the Coalition.

**G. Violation of Privatization Ordinance**

The City of Detroit is a home rule city and is governed by its Charter. In 1997, the citizens of Detroit voted to have a Privatization Ordinance, when it approved the City of Detroit City Charter. The Charter included Section 6-307, which contained provisions requiring the City Council (“Council”) to adopt an ordinance establishing procedures for the letting of work to private entities that would displace regularly employed city workers. This Charter provision was adopted by the voters of the City of Detroit.

On March 31, 2004 the City Council of the City of Detroit (“City”) exercising its proprietary function adopted Ordinance No. 13-04, City Code Section 18-5-100 et seq., to govern the process of hiring entities to perform

services for the City of Detroit, which are performed by individuals employed by the City. Prior to hiring a vendor to perform services performed by City employees, there are various steps which must be completed to provide transparency and properly allow for the existing city employees to actively participate in the bidding process. The Privatization Ordinance requires City Council approval in order to solicit entities for bids, and that the City employees must be provided certain information which will enable them to make a bid. Most notably, the ordinance prohibits the letting of the work without a 2/3 affirmative vote of the City Council.

#### **H. City of Detroit/DFFA/MERC: MERC Case No. C11 K-201**

AFSCME has approximately thirteen (13) members assigned to the Fire Department of the City of Detroit, Apparatus Unit. Beginning May, 2011, AFSCME received notice that members of the Detroit Fire Fighters Association, Local 344 (“DFFA”) were performing the duties performed by the AFSCME membership. In November 2011, AFSCME filed an unfair labor practice charge concerning removal of work from the bargaining unit. (*Exhibit 8*) AFSCME contends that the City illegally removed such work. This element of the claim consists of the lost earnings of the AFSCME members.

**I. City of Detroit longevity claim for AFSCME employees: Claim number 12-000522 and 12-000523; Wayne County Circuit Court Number 13-003430-AA**

Under Article 25 of the 2005-2008 AFSCME collective bargaining agreement (“CBA”), employees who worked a minimum amount of hours received a yearly “longevity payment.” The amount of the payment was based upon the number of years of seniority, starting with \$150 for those who have served for five years and escalating up to a maximum of \$750.

Effective October 2010, the City imposed new contract terms on AFSCME employees, which removed the longevity pay. However, many AFSCME members had already worked the requisite number of hours, entitling them to full longevity pay. Further, the members who had worked less than the hour-threshold for a full longevity payment were entitled to prorated longevity payments for hours worked in each month during that year. Despite the clear contractual obligation, confirmed by City managers at the hearing, the City refused to pay any AFSCME members the longevity pay owed.

AFSCME City of Detroit employees, Dean Story and Rosemarie Haynesworth, and on behalf of all members of the AFSCME union who were entitled to longevity pay in December 2010, filed claims with the state of Michigan’s Department of Licensing and Regulatory Affairs, Wage and Hour Division (“The Division”) for this payment. However, the Division rejected



Plaintiffs' claim. (*Exhibits 9 and 10*) It rationalized that AFSCME had agreed to eliminate the longevity payment as of January 2011, which is accurate. However, the claims were for longevity earned during the prior year, which the employees earned and which AFSCME had not agreed to waive on their behalf.

Presently, the claims are on appeal before Wayne County Circuit Court. (*Exhibit 11*)

**J. Negotiation of Local 542 supplemental agreement: MERC Case Number C07 L-033**

A number of AFSCME locals negotiate “supplemental agreements” with various departments in the City of Detroit. These supplemental agreements, separate and apart from the Master Agreement which most of the AFSCME Detroit Locals negotiate collectively (there are thirteen Detroit Locals which negotiate the Master Agreement), contain provisions unique to that Local and department. AFSCME Local 542 filed an unfair labor practice charge, challenging the City’s failure to negotiate its supplemental agreement.

**K. Detroit & SEMHA: MERC Case No. C05 H-194**

In 2005, AFSCME filed a charge to protest the layoff of four individuals from the Detroit Health Department who were immediately rehired by a Detroit contractor, Southeastern Michigan Health Association (“SEMHA”), to perform the same work. AFSCME alleged that the contractors’ performance of unit work was in violation of PERA, and sought to have these employees placed back into the

AFSCME unit. During the litigation of the charge, AFSCME discovered that there were many other former City employees, who had been replaced as SEMHA employees. After a series of motions to dismiss, motions for reconsideration, subpoena litigation, appeals, hearing delays, etc., the evidentiary hearing has yet to be concluded. The charge seeks back pay and benefits for those impacted employees. Additionally, AFSCME Local 457 lost dues for those laid off members as well and the members who were improperly removed from the Local.

**L. Breach of contract claims**

AFSCME lists a general category of breach of contract claims, including but not limited to grievances. It is believed that a number of the grievances may be resolved in principle, and further discussion will ascertain any remaining grievances or contract claims.

**M. City of Detroit/Human Services department: Grievance No. 25-01-12 / COA: 12-0077708-CL**

In July and October, 2012, approximately 174 AFSCME members, in Locals 1642, 273 and 457 members, were permanently laid off and replaced with employees from third party companies. These employees were employed at the Health Department, the Department of Human Services and the Workforce Development Department for the City of Detroit. AFSCME argued that the City's actions violated language in the parties' collective bargaining agreement ("CBA").

Initially, the issue was arbitrated. Agreeing with AFSCME, the arbitrator found the City's actions to be in violation of the union contract, and awarded back pay and benefits to the members. (*Exhibit 12*) The City refused compliance with the award, requiring AFSCME to seek and secure confirmation of the award in Wayne County Circuit Court. (*Exhibit 13*) The matter is currently in the Court of Appeals.

#### **N. City of Detroit Retirees Health Care: Grievance No. C10 A-025**

In 2006, the City changed retiree health care benefits, requiring retirees to incur greater cost for health care. AFSCME filed a grievance on behalf of all AFSCME retirees (approximately 6,000), because the changes violated specific provisions of the union contracts under which the employees retired. After some advancement of the grievance, the parties decided to hold the grievance in abeyance because the retirees had decided to proceed with the litigation in federal court, *Roots et al., v. City of Detroit*, Case No. 12-12848 (E.D. Mich, Cohn).

#### **O. Payroll disputes**

Repeatedly, the City of Detroit payroll system will not issue correct amounts of pay or benefits on payroll checks of AFSCME members. This problem has escalated over the years, resulting in significant losses of money and benefits for AFSCME members. AFSCME has sought to remedy these discrepancies with the City, however, its efforts have been met with inaction.

**P. Detroit Service and Maintenance Outsourcing in Downtown Detroit: Grievance Number C09-078**

Beginning in 2009 and successively each year thereafter, the City has reduced the overtime of AFSCME members, due to work performed by private contractors, in the downtown Detroit area. This violation of Article 19 of the AFSCME Master Agreement continued for years. The violations impacted 40-60 employees throughout the period and until the termination of the Master Agreement in July 2012. In the dispute, AFSCME relies upon an arbitration decision concerning similar circumstances on Belle Isle in 2008.

**Q. Tree Artisan failure to secure license: Grievance Number 727May08**

Arbitrator George Roumell issued a ruling regarding eleven “tree artisan helpers”, discharged from the AFSCME bargaining unit. The grievance was granted in that the City was required to pay for training and restore seniority to some employees. The remaining controversy involves one employee, Hayward Prather, who was not reinstated. Ultimately, Mr. Prather became employed within the water department approximately two years later. However, he is owed damages for the two year period in which he was wrongfully discharged.

### **III. ARGUMENT**

The Bankruptcy Code broadly defines a “claim” as a “right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or

unsecured.” 11 U.S.C. § 101(5)(A). Claims also include “a cause of action or right to payment that has not yet accrued or become cognizable.” 2 COLLIER ON BANKRUPTCY ¶ 101.05 at 101-38 (2011).

“Tort claims constitute claims, and thus are payable out of the estate....” Id. ¶ 101.05[6] at 101-49; see also *In re Edge*, 60 B.R. 690, 694 (Bankr. M.D. Tenn. 1986). Claims also include adversarial administrative proceedings. See e.g., *In re Halo Wireless, Inc.*, Nos. 11-42464-btr-11, 3: 11-cv-0058-DCR, 3: 11-cv-0059-DCR; 2012 WL 1190722, at \*2-3 (E.D. Kent. April 9, 2012) Courts give the term “claim” the “broadest possible definition. *In re Lipa*, 433 B.R. 668, 669 (Bankr. E.D. Mich. 2010).

A properly filed proof of claim is prima facie evidence of the validity and amount of the claim. Fed.R.Bankr.P. 3001(f). A claim is deemed allowed unless a party in interest objects. 11 U.S.C. § 502(a). Chapter 9 bankruptcies follow § 502 of the bankruptcy code. Objections may be based upon one of the specific, statutory grounds:

Except as provided in subsection (e)(2), (f), (g), (h) and (i) of this section, if such objection to a claim is made, the court, after notice and a hearing shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that –

- (1) such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured;
- (2) such claim is for unmatured interest;
- (3) if such claim is for a tax assessed against property of the estate, such claim exceeds the value of the interest of the estate in such property;
- (4) if such claim is for service of an insider or attorney of the debtor, such claim exceeds the reasonable value of such services;
- (5) such claim is for a debt that is unmatured on the date of the filing of the petition and that is excepted from discharge under section 523(a)(5) of this title;
- (6) if such claim is the claim of a lessor for damages resulting from the termination of a lease of real property...;
- (7) if such claim is the claim of an employee for damages resulting from the termination of an employment contract...;
- (8) such claim results from a reduction, due to late payment, in the amount of an otherwise applicable credit available to the debtor in connection with an employment tax on wages, salaries, or commissions earned from the debtor; or
- (9) proof of such claim is not timely filed....

11 U.S.C. § 502(b).

The party objecting to a proof of claim bears the burden of proof to overcome the prima facie validity of the claim. 4 COLLIER ON BANKRUPTCY ¶ 502.02[3][f] at 502-17. “To defeat the claim, the objector must come forward with sufficient evidence and ‘show facts tending to defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves.’” In re McLaughlin, 320 B.R. 661, 665 (Bankr. N.D. Ohio 2005)(quoting Wright v Holm (In re Holm), 931 F.2d 620, 623 (9th Cir.1991)).

AFSCME contends that the City’s Objection falls short of reaching the necessary burden of proof. The Objection does little more than spell out general

observations in the proof of claim as opposed to specific concerns addressed. The Objections should be overruled.

WHEREFORE, Michigan AFSCME Council 25 respectfully requests that this Honorable Court overrule the City of Detroit's Objections.

Dated: September 2, 2014

/s/ Richard G. Mack, Jr.  
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*Counsel to Michigan Council 25 of the  
American Federation of State, County and  
Municipal Employees (AFSCME), AFL-CIO*

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re	)	
	)	Chapter 9
	)	
CITY OF DETROIT, MICHIGAN,	)	Case No. 13-53846
	)	
	)	Hon. Steven W. Rhodes
	)	
_____	)	

**PROOF OF SERVICE**

The undersigned certifies that on September 2, 2014, the Michigan AFSCME Council 25 certifies that *Creditor Michigan AFSCME Council 25 and its Affiliated Detroit Locals' Response to Debtor's Objection to Proofs of Claim (Docket Number 2958)* was electronically with the Clerk of the Court for the United States Bankruptcy Court, Eastern District of Michigan, Southern Division using the CM/ECF System, which will send notification of such filing to all attorneys and parties of record registered electronically.

/s/ Richard G. Mack, Jr. \_\_\_\_\_  
Richard G. Mack, Jr., Esq.  
MILLER COHEN PLC  
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# EXHIBIT 1



# MICHIGAN COUNCIL 25

American Federation of State, County, and Municipal Employees, AFL-CIO  
 Detroit Office • 600 W. Lafayette, Ste. 500 • Detroit, Michigan 48226  
 Phone: 313.964.1711 • 1.800.AFSCME25 • Fax: 313.964.0230 • [www.miafscme.org](http://www.miafscme.org)

Albert Garrett  
President

Lawrence A. Roehrig  
Secretary-Treasurer

Executive Board

Sylvester Austin  
Region 2

Carlos Bass  
Region 3

David Brandt  
Region 9

Donna Cangemi  
Region 3

Susan Christensen  
Region 11

Sandra Crayton  
Region 6

Barbara Dauble  
Region 3

Lorna Davison  
Region 2

Jonathan Drake  
Region 2

Caryette Fenner  
Region 4

Michael Harris  
Region 1

Bennette Hanley  
Region 1

Lorraine Jacobson  
Region 10

Kelch January  
Region 1

Laura Kinch  
Region 6

Arlean King  
Region 1

J. Phil McGuire  
Region 2

Phyllis McMillon  
Region 1

Dennis Moore  
Region 7

Sam Muma  
Region 6

Doug Murch  
Region 5

Lots Murray  
Region 3

Stephanie Nahas  
Region 3

Dennis Overmyer  
Region 7

Gloria Peterson  
Region 4

Patricia Ramirez  
Region 6

James Rhodes, Jr.  
Region 5

Roger Rice  
Region 1

Ronnie Skorupski  
Region 8

Cindy Spurlack  
Region 2

Chris Vandenbussche  
Region 3

Fitzell Williams

March 12, 2013

Lamont Satchel, Director  
 Labor Relations, City of Detroit  
 Coleman A. Young Municipal Center  
 2 Woodward Avenue, Suite 332  
 Detroit, MI 48226

Dear Mr. Satchel:

*Re: Local 1023 ESO Negotiations*

Michigan AFSCME Council 25 and Local 1023 are notifying you of our intent to bargain a new contract for the referenced group.

Please contact me at [cphillips@miafscme.org](mailto:cphillips@miafscme.org) to confirm dates, times and location to begin this process.

Thank you for your immediate attention.

Sincerely,

*Catherine Phillips*

Catherine Phillips  
 Staff Representative

Sqo/324juoeafscio:revised031213

Copy: A. Garrett  
 E. McNeil  
 D. Enright  
 L. Bronner-Wilson

Via US Mail and Facsimile (313) 224-0738

**FILE COPY**

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
EMPLOYMENT RELATIONS COMMISSION  
MEDIATION DIVISION

NOTICE OF STATUS OF NEGOTIATIONS - PUBLIC EMPLOYMENT

INSTRUCTIONS: Submit this form at least 60 days before the expiration date of a collective bargaining agreement involving public employees to the Employment Relations Commission. This notice is required by Sec. 7(2) of Act 336 Public Acts of 1947, as amended by Act 25 Public Acts 1973.

1. **Name and Address of Public Employer:**  
City of Detroit Labor Relations  
2 Woodward Avenue, Suite 332  
Detroit, MI 48226  
**Phone No.**  
313 224-3860
- Name and Title of Official to Communicate with:**  
Lamont Satchel, Labor Relations Director  
**Phone No.**  
Same
- Address (if different from above)**  
Same

County: Wayne

2. **Name and Address of Labor Organization:**  
Michigan AFSCME Council 25  
600 West Lafayette Boulevard  
Detroit, MI 48226  
**Phone No.**  
313-964-1711
- Name and Title of Official to Communicate with:**  
Catherine Phillips, Staff Representative  
**Phone No.**  
Same
- Address (if different from above)**  
Same

3. **Number of Employees Covered by the Agreement:** 90  
**Description of Bargaining Unit:** Local 1023 ESO's
4. **Expiration or Reopening Date of Agreement:** 6-30-13
5. **Status of Negotiations (Use separate sheet if necessary)** Opening

6. **Name, Title and Address of Official Filing this Notice:**  
Catherine Phillips, Staff Representative  
Michigan AFSCME Council 25  
600 West Lafayette Boulevard  
Detroit, MI 48226  
**Phone No.**  
313-964-1711

Catherine Phillips  
Signature

FILE COPY

March 12, 2013  
Date

# EXHIBIT 2

CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

COLEMAN A. YOUNG  
MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 332  
DETROIT, MICHIGAN 48226  
PHONE 313-224-3860  
FAX 313-224-0738  
WWW.DETROITMI.GOV

Sent Via Email and First Class Mail

April 3, 2013

Delia Enright, President, Local #1023  
AFSCME - Emergency Services Operators (ESO)  
600 W. Lafayette, Ste. L-125  
Detroit, Mi 48226

RE: City of Detroit Receivership Status and Act 312

Dear Ms. Enright:

As you are no doubt aware, effective March 28, 2013, the City of Detroit ("City") is in receivership status pursuant to 2012 PA 436 ("Act 436").

Act 436 provides, in Section 27 (3) that:

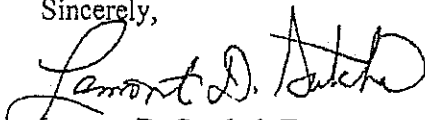
A local government placed in receivership under this act is not subject to section 15(1) of 1947 PA 336, MCL 423.215 for a period of 5 years from the date the local government is placed in receivership or until the time the receivership is terminated, whichever comes first.

In light of the statutory suspension of the duty to bargain under PERA, the City is no longer obligated to participate in collective bargaining, or by extension, Mediation or Act 312 proceedings regarding a successor agreement to [name of union] current Collective Bargaining Agreement ("CBA"), which expires on June 30, 2013. The City therefore will object to, and decline to participate in, such Mediation or Act 312 proceedings or other matters in connection with such proceedings.

The City will continue to abide by the currently effective CBA until its expiration. To the extent any notice of termination is required under the CBA, this letter shall serve as such notice.

The City will honor all currently scheduled meeting dates to discuss, on a consultative basis only, matters of concern to both parties going forward. While the City will not be engaging in traditional PERA collective bargaining, it will seek your organization's input, and provide information regarding the City's position, on relevant matters.

Sincerely,

  
Lamont D. Satchel, Esq.  
Director of Labor Relations

pc: Mayor Dave Bing  
Kevyn Orr, Esq.  
Jack Martin  
William Andrews  
Albert Garrett

John Willems, Esq.  
Craig Schwartz, Esq.  
Malcolm Brown, Esq.  
Patrick Aquart

# EXHIBIT 3



# MICHIGAN COUNCIL 25

American Federation of State, County, and Municipal Employees, AFL-CIO  
 Detroit Office • 600 W. Lafayette, Ste. 500 • Detroit, Michigan 48226  
 Phone: 313.964.1711 • 1.800.AFSCME25 • Fax: 313.964.0230 • www.miafscme.org

Albert Garrett  
 President  
 Lawrence A. Roehrig  
 Secretary-Treasurer  
 Executive Board  
 Lester Austin  
 Region 2  
 Carlos Bass  
 Region 3  
 David Brandt  
 Region 9  
 Donna Cangemi  
 Region 3  
 Susan Christensen  
 Region 11  
 Sandra Crayton  
 Region 6  
 Barbara Dauble  
 Region 3  
 Anna Davison  
 Region 2  
 Nathan Drake  
 Region 2  
 Rynette Fenner  
 Region 4  
 Michael Harris  
 Region 1  
 Nettie Henley  
 Region 1  
 Elaine Jacobson  
 Region 10  
 John January  
 Region 1  
 Ira Kinch  
 Region 6  
 Sean King  
 Region 1  
 Neil McGuire  
 Region 2  
 Ellis McMillon  
 Region 1  
 Iris Moore  
 Region 7  
 I Muma  
 Region 6  
 Greg Murch  
 Region 5  
 Murray  
 Region 3  
 Shanie Nahas  
 Region 3  
 Iris Overmyer  
 Region 7  
 Ria Peterson  
 Region 4  
 Licia Ramirez  
 Region 6  
 Les Rhodes, Jr.  
 Region 5  
 Greg Rice  
 Region 1  
 Mike Skorupski  
 Region 8  
 Jay Spurlock  
 Region 2  
 Chris Van der Bussche  
 Region 7  
 ...

June 3, 2013

## Hand Delivered

Ruth Anne Okun, Director  
 Bureau of Employment Relations  
 Cadillac Place  
 3026 W. Grand Blvd. Suite 2-750  
 P.O. Box 02988  
 Detroit, MI 48202-2988

Re: Petition for ACT 312 Arbitration for:  
 City of Detroit –and- Michigan AFSCME Council 25 – Local 1023  
 Case #: D13 C-0331

Dear Ms. Okun:

Enclosed for filing please find enclosed the following documents pertaining to the above referenced matter:

1. An Original and (3) three copies of Local 1023's Petition for Act 312 Arbitration
2. Proof of Service
3. A copy of the most recent labor agreement between the parties

Very truly yours,

*Shawntane Williams*

Shawntane Williams (P72828)  
 Counsel for Petitioner

Enclosures

Copy: Delia Enright, President for Local 1023  
 Catherine Phillips – Staff Representative  
 Kevin Orr, Emergency Manager Hand Delivered June 3, 2013  
 Lamont Satchel – Labor Relations Director Hand Delivered June 3, 2013  
 Lansing Master File – L3222-1023-2013

Sqc/324uocafscme revised060313

RECEIVED  
 2013 JUN -3 PM 2:34  
 STATE OF MICHIGAN  
 EMPLOYMENT RELATIONS COM.  
 DETROIT OFFICE

COPY



PETITION FOR ACT 312 ARBITRATION  
EMPLOYMENT RELATIONS COMMISSION  
Michigan Department of Licensing and Regulatory Affairs

AUTHORITY: P.A. 312 of 1969, as amended  
COMPLETION: MANDATORY  
PENALTY: CASE WILL NOT BE  
PROCESSED WITHOUT USE  
AND COMPLETION OF THIS  
FORM

MEDIATION CASE NO:			MEDIATOR:		
1. PUBLIC EMPLOYER NAME City of Detroit Labor Relations			EMPLOYER CONTACT/REPRESENTATIVE NAME: Kevin Orr, Emergency Manager and Lamont Satchel, Labor Relations Director		
ADDRESS (STREET NO. & NAME) 2 Woodward Ave., Suite 332			ADDRESS (STREET NO. & NAME) 2 Woodward Ave., Suite 1126		
CITY Detroit	STATE Michigan	ZIP CODE 48226	CITY Detroit	STATE Michigan	ZIP CODE 48226
TELEPHONE WITH AREA CODE 313-224-3860	FAX NO. 313-224-0738	E-MAIL	TELEPHONE WITH AREA CODE 313-224-3400	FAX NO. 313-224-4433	E-MAIL
2. LABOR ORGANIZATION NAME Michigan AFSCME Council 25 - Local 1023			LABOR CONTACT/REPRESENTATIVE NAME: Shawntane Williams, Staff Attorney		
ADDRESS (STREET NO. & NAME) 600 W. Lafayette Blvd., Suite 500			ADDRESS (STREET NO. & NAME) 600 W. Lafayette Blvd., Suite 500		
CITY Detroit	STATE Michigan	ZIP CODE 48226	CITY Detroit	STATE Michigan	ZIP CODE 48226
TELEPHONE WITH AREA CODE 313-964-1711	FAX NO. 313-964-0230	E-MAIL	TELEPHONE WITH AREA CODE 313-964-1711 ext. 2263	FAX NO. 313-964-0230	E-MAIL swilliams@miafscme.org
PURSUANT TO RULE 423.505, THE FOLLOWING DOCUMENTS MUST BE ATTACHED TO THIS PETITION: <input checked="" type="checkbox"/> A COPY OF THE MOST RECENT LABOR AGREEMENT BETWEEN THE PARTIES <input type="checkbox"/> THE ISSUES HAVE BEEN IDENTIFIED AS EITHER ECONOMIC OR NON-ECONOMIC <input type="checkbox"/> A COPY OF THE ISSUES IN DISPUTE					
THIS PETITION IS FILED BY: <input type="checkbox"/> EMPLOYER <input checked="" type="checkbox"/> UNION					
DATE MEDIATION REQUESTED: March 12, 2013			DATES AND TIMES OF MEDIATION MEETINGS: Employer has refused to bargain or participate in Mediation		
UNIT DESCRIPTION: Local 1023 Emergency Service Operators					
NO. OF EMPLOYEES IN UNIT: 90			CONTRACT EXPIRATION DATE: 6/30/13		

RECEIVED  
2013 JUN -3 PM 2:34  
DETROIT  
MICHIGAN  
DEPT. OF LICENSING & REG. AFFAIRS  
EMPLOYMENT RELATIONS DIVISION

THE PETITIONER HAS ENGAGED IN GOOD FAITH BARGAINING AND MEDIATION, AND THE PARTIES HAVE NOT SUCCEEDED IN RESOLVING THE DISPUTED MATTERS.

I HAVE READ THE ABOVE PETITION AND THE STATEMENTS THEREIN ARE TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Shawntane Williams, Staff Attorney

PRINT NAME/TITLE

6/3/13

DATE

Shawntane Williams

SIGNATURE

COPY

SERVE ORIGINAL PETITION ON THE OTHER PARTY OR ITS REPRESENTATIVE AND FILE THREE COPIES AND A PROOF OF SERVICE WITH THE COMMISSION. ALSO ATTACH A COPY OF THE DOCUMENTS DESCRIBED ABOVE.

The Department of Licensing and Regulatory Affairs will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, handicap or political beliefs.

OFFICE USE ONLY:	Date Petition Received:	Date Panel Issued:	Date of Last Best Offer:	Date of Hearing:	Date of Final Award:
------------------	-------------------------	--------------------	--------------------------	------------------	----------------------

rev 02/13



STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION

In the Matter of:

CITY OF DETROIT

Respondent - Public Employer,

Petition for Act 312 Arbitration  
Case #: D13 C-0331

-and-

AMERICAN FEDERATION OF STATE,  
COUNTY AND MUNICIPAL EMPLOYEES,  
MICHIGAN COUNCIL 25, LOCAL 1023

Petition - Labor Organization.

---

PROOF OF SERVICE

I HEREBY CERTIFY that I served by hand delivery, a copy of Petitioner's Petition for Act 312 Arbitration and a copy of this proof of service upon:

City of Detroit  
Attn: Kevin Orr  
2 Woodward Ave., Suite 1126  
Detroit, MI 48226

City of Detroit Labor Relations Department  
Attn: Lamont Satchel, Labor Relations Director  
2 Woodward Ave., Suite 332  
Detroit, MI 48226

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COM.  
DETROIT OFFICE

2013 JUN -3 PM 2:54

RECEIVED

I declare that the statements above are true to the best of my information, knowledge, and belief.

Dated: June 3, 2013

By:   
Support Staff

# EXHIBIT 4



STATE OF MICHIGAN  
RICK SNYDER, GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
STEVE ARWOOD, DIRECTOR

EMPLOYMENT RELATIONS COMMISSION  
Cadillac Place, Suite 2-750  
3026 W. Grand Boulevard, PO Box 02988  
Detroit, Michigan 48202-2988  
(313) 456-3510  
FAX (313) 456-3511

June 21, 2013

Lamont Satchel  
c/o City of Detroit  
Two Woodward Ave., Suite 332  
Detroit, MI 48226

Catherine Phillips  
c/o Michigan AFSCME Council 25  
600 W. Lafayette, Suite 500  
Detroit, MI 48226

RE: Detroit, City of -and- Michigan AFSCME Council 25  
MERC Case No. D13 C-0331

Greetings Mr. Satchel and Ms. Phillips:

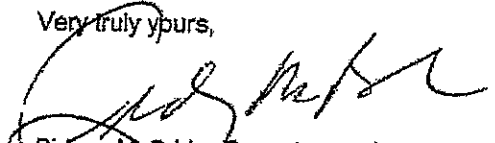
Recently the Michigan Employment Relations Commission issued a ruling that granted an employer's request to dismiss several pending Act 312 matters. Specifically, the employer had declined to participate in Act 312 arbitration, while operating under receivership status with an appointed emergency manager pursuant to 2012 PA 436. (See attached decision involving the City of Detroit.)

In the instant matter, the Union filed a 312 petition on May 31, 2013. However, the Employer has consistently advised all parties as far back as April 18, 2013 that in accordance with its current status in receivership pursuant to 2012 Act 436, it was unwilling to participate in mediation and Act 312 arbitration at this time.

Based on the reasoning set forth by the Commission in dismissing the City of Detroit's Act 312 cases noted above, the petition filed by the Union in this matter has been dismissed administratively.

Should you have any additional questions, feel free to contact me at [mcbrides2@michigan.gov](mailto:mcbrides2@michigan.gov) or 313-456-3417.

Very truly yours,



Sidney McBride, Departmental Specialist  
Act 312 & Fact-Finding Administration

Enclosures

cc: Commissioners

RECEIVED JUN 27 2013



COPY

By Richard Moch

# EXHIBIT 5



CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 332  
DETROIT, MICHIGAN 48226  
PHONE 313-224-3860  
FAX 313-224-0738  
WWW.DETROITMI.GOV

Sent via Email and First Class Mail

February 06, 2013

Ed McNeil, Asst to the President  
AFSCME - Asst to the President Council #25  
1035 N. Washington  
Lansing, MI 48906

RE: Imposition of Budget Required Furlough (BRF) Days

Dear President McNeil:

As you know, the City is in a severe fiscal emergency and faces an impending inability to meet payroll and operational costs if labor costs are not reduced immediately. Our negotiations on this issue with City unions have not uncovered any acceptable alternative to the City's proposed implementation of Budget Required (BRF) days, and therefore the City is compelled to implement BRF days for its workforce at this time to meet immediate cost containment needs. BRF days have already been approved by City Council for non-union Executive and Legislative Branch employees. Accordingly, employees will serve one BRF day on a bi-weekly basis for a one year period, with the specific schedule to be determined by the City. The furloughs will begin for union-represented employees Monday, February 25, 2013.

This is an emergency measure to address an immediate economic crisis, which will not foreclose future negotiations for a new collective bargaining agreement.

Please contact the Labor Relations Division at 224-3860 should you have any questions.

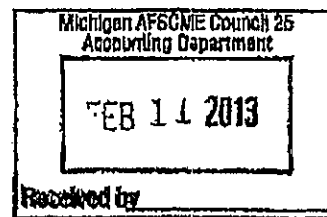
Sincerely,

A handwritten signature in cursive script that reads "Lamont D. Satchel".

Lamont D. Satchel, Esq.  
Director, Labor Relations

LDS/ab

cc: Honorable Dave Bing, Mayor  
Kirk Lewis, Deputy Mayor  
Jack Martin, Chief Financial Officer  
Kriss Andrews, Program Management Director  
Patrick Aquart, Human Resources Director  
Labor Relations Staff



# EXHIBIT 6



AMENDED  
**CHARGE**

Michigan Department of Licensing and Regulatory Affairs  
Employment Relations Commission (MERC)  
Labor Relations Division  
313-456-3510

Authority: P.A. 380 of 1965, as amended. Case No. C12 E-092

INSTRUCTIONS: File an **original** and **4 copies** of this charge (including attachments) with the Employment Relations Commission at: Cadillac Place, 3026 W. Grand Boulevard, Suite 2-750, PO Box 02988, Detroit MI 48202-2988 or 1375 S. Washington St., Lansing MI 48910. **The Charging Party must serve the Charge on the opposing side within the applicable statute of limitations, and must file a statement of service with MERC. (Refer to the "How to File a Charge" document under the "Forms" link at [www.michigan.gov/merc](http://www.michigan.gov/merc).)**

**Complete Section 1** if you are filing charges against an employer and/or its agents and representatives. —or—  
**Complete Section 2** if you are filing charges against a labor organization and/or its agents and representatives.

**1. EMPLOYER AGAINST WHICH THE CHARGE IS BROUGHT**

Check appropriate box: ☐ Private ☒ Governmental

Name and Address: Lamont Satchel, Director of Labor Relations  
City of Detroit  
2 Woodward Ave., Ste. 332  
Detroit, MI 48226

**2. LABOR ORGANIZATION AGAINST WHICH THE CHARGE IS BROUGHT**

Name and Address:

**RECEIVED**  
NOV 08 2012  
MICHIGAN ADMIN  
HEARING SYSTEM

**RECEIVED**  
2012 NOV -7 PM 2:37  
STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COM. L.  
DETROIT OFFICE

**3. CHARGE**

Pursuant to the Labor Mediation Act (LMA) or Public Employment Relations Act (PERA) (*cross out one*), the undersigned charges that the above-named party has engaged in or is engaging in unfair labor practices within the meaning of the Act.

**On an attached sheet** you must provide a clear and concise statement of the facts which allege a violation of the LMA or PERA, including the date of occurrence of each particular act and the names of the agents of the charged party who engaged in the complained of conduct. The charge should describe who did what and when they did it, and **briefly** explain why such actions constitute a violation of the LMA or PERA.

The Commission may reject a charge for failure to include the required information. However, it is not necessary to present your case in full at this time. Documentary material and exhibits ordinarily **should not** be submitted with this charge form.

**4. Name and Address of Party Filing Charge (Charging Party)**

(if labor organization, give full name, including local name and number)

Michigan AFSCME Council 25  
600 W. Lafayette Blvd., Ste. 400, Detroit, MI 48226

Telephone Number:

(313 ) 964-1171

**5. List ALL related MERC case(s) (if any):**

(Name of parties)

Case No.: \_\_\_\_\_ Judge: \_\_\_\_\_

Case No.: \_\_\_\_\_ Judge: \_\_\_\_\_

I have read this charge and it is true to the best of my knowledge and belief.

Signature of Representative/Person Filing Charge

Email:  
kflynn@millercohen.com

Telephone/Cell No.: 313-964-4454

Print Name and Title:  
Keith D. Flynn, Attorney

Fax No.: 313-964-4490

Street Address:  
600 W. Lafayette Blvd., 4th Floor

City:  
Detroit

State:  
MI

Zip Code: 48226

City of Detroit and AFSCME Council 25

ATTACHMENT TO AMENDED UNFAIR LABOR PRACTICE CHARGE

Charging Party, AFSCME Council 25 and the Coalition of Detroit Unions alleges that Respondent, City of Detroit, violated the Public Employment Relations Act ("PERA"), Sections 10(1)(a, c, e) and Section 15 in the following manner:

1. The City of Detroit employs approximately 2,600 persons who are public employees and are represented by Michigan AFSCME Council 25. There are approximately 9,000 unionized employees in the City total.

2. The parties AFSCME and the City of Detroit have a collective bargaining agreement, which was in existence from approximately January 2011 through June 30, 2012.

3. The City's actions, described below, constitute repudiation of the AFSCME-City agreement, a violation of the status quo, and constitute a unilateral modification of a mandatory subject of bargaining without bargaining to impasse. It also constitutes a mid-term modification of the AFSCME bargaining agreement.

4. Certain employees have annuity plans with the City, in which either 3%, 5% or 7% of salary is contributed into the plan. As for retirees, they receive a check each month from the Retirement System.

5. Prior to November 30, 2011, if the market performed above 7.9%, this was considered "excess earnings".

6. Prior to November 2011, a portion of these excess earnings were distributed to the active employees' annuity accounts, wherein the active employees would receive an enhanced interest rate of return for that year of excess earnings.

7. Prior to November 2011, a portion of these excess earnings would also be distributed to retirees in the form of a 13<sup>th</sup> check. This 13<sup>th</sup> check would be distributed to retirees toward the end of the year, in addition to their normal pension check.

8. Prior to November 30, 2011, the GRS Board would review the excess earnings of the System in November or December of each year, and make the excess earnings distributions as outlined above.

9. On or about November 30, 2011, the Detroit City Council passed an ordinance requiring that active and retiree participants no longer receive excess earnings. This change eliminated excess earnings being given to active employee annuity accounts in the form of enhanced investments. The change also eliminated the excess earnings being distributed to retired participants, in the form of a "13<sup>th</sup> check".



10. This change in the City ordinance changed the City of Detroit prior language, granting such discretion to the GRS Board in paying out excess earnings. For decades, the GRS Board had paid out excess earnings to active employees via enhanced annuity earnings, and 13<sup>th</sup> checks to retirees. The November 30, 2011 ordinance change ended the past practice.

11. The ordinance change was effective as of December 2011. At that time, the GRS considered that the investment return of the System was higher than 7.9%. However, because of the new Ordinance, the System did not make excess earnings distributions to retirees in the form of a 13<sup>th</sup> check. Also, the System did not grant any annuity accounts of active employees a higher investment return beyond the 7.9%.

12. But for the City Council Ordinance as of November 30, 2011, the current retirees would have received an excess distribution in the form of a 13<sup>th</sup> check. The active employees would have received an excess earnings distribution in the form of enhanced investment return for their annuity account.

13. The changes of paragraphs 9-12 above applied to all City employees, including the City's unionized workforce. Indeed, in the Corporation Counsel's description of the change, she took the position that the ordinance change could be appropriately applied to unionized City employees, regardless of their bargaining relationship.

14. The City did not seek to negotiate this change in the treatment of the investment earnings beyond 7.9% with any City union. Charging Party was presented with this change as a fait accompli. Further, the change was made during the existence of the collective bargaining agreement.

15. The AFSCME bargaining agreement, in Article 47.T., indicates that "[a]ll Retirement and Pension Plan Provisions provided for by the City Charter and Municipal Code are incorporated herein by referral unless otherwise specifically modified by this Agreement and Ordinance 2-93, J.C.C. Page 133." Thus, the previous ordinance which established the past practice of the GRS Board making excess earnings distributions was incorporated into the AFSCME bargaining agreement.

16. By changing the Ordinance, and applying that Ordinance change to the AFSCME membership, the City was violating PERA. As a consequence, active employees are losing both their annuity account investments, as well as the right to a 13<sup>th</sup> check upon their retirement.

17. Charging Party requests that this City apply the language of the previous ordinance to the City's unionized workforce, return the practice of the excess earnings distributions to the annuity accounts and the retiree 13<sup>th</sup> checks, make whole any union employees who suffered a loss as a result of the City's actions, ask that the City post a notice of the violation of the act, and any other relief this Commission deems appropriate.

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
EMPLOYMENT RELATIONS COMMISSION

AFSCME COUNCIL 25,

Union/Charging Party,

-and-

CITY OF DETROIT,

Employer/Respondent.

Case No. C12 E-092

MCL No. 12-000777

Administrative Law Judge

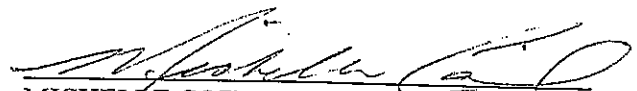
Doyle O'Connor

PROOF OF SERVICE

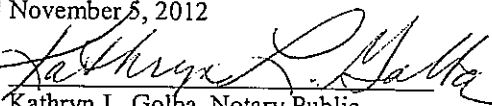
MICHELLE COIL says that on *November 5, 2012* she served a copy of *AFSCME Council 25's Amended Charge*, along with this *Proof of Service* upon:

Letitia C. Jones  
City of Detroit Law Department  
660 Woodward Avenue, Suite 1650  
Detroit, Michigan 48226-353

via *facsimile* and *U.S. First-Class Mail* and placing said document in a prepaid postage envelope and depositing same in a United States Postal Receptacle in Detroit, Michigan.

  
MICHELLE COIL

Subscribed and sworn to before me on  
November 5, 2012

  
Kathryn L. Golba, Notary Public  
Wayne County, MI  
My Commission Expires: 2/20/2019

MILLER COHEN, P.L.C.  
ATTORNEYS AND COUNSELORS AT LAW  
600 WEST LAFAYETTE BLVD.  
DETROIT, MICHIGAN 48226-0840  
(313) 964-4454

# EXHIBIT 7

TRUE COPY

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

CITY OF DETROIT,  
Employer-Respondent,

-and-

Case No. C12 E-092  
Docket 12-000777-MERC

AFSCME COUNCIL 25,  
Labor Organization-Charging Party.

RECEIVED OCT 10 2013

APPEARANCES:

Richard G. Mack, Jr, Miller Cohen, PLC,  
for the Labor Organization-Charging Party

Letitia C. Jones, Assistant Corporation Counsel,  
for Respondent-Public Employer

**DECISION AND RECOMMENDED ORDER**  
**OF ADMINISTRATIVE LAW JUDGE**  
**ON SUMMARY DISPOSITION**

Pursuant to the Public Employment Relations Act (PERA), 1965 PA 379, MCL 423.201, *et seq*, as amended, this case was assigned to Doyle O'Connor, Administrative Law Judge (ALJ) of the Michigan Administrative Hearing System, acting on behalf of the Michigan Employment Relations Commission (MERC). The following findings of fact, conclusions of law, and recommended order are based upon the entire record:

The Unfair Labor Practice Charge:

On May 10, 2012, a Charge was filed in this matter by AFSCME Council 25 (Charging Party) against the City of Detroit (Employer or Respondent). The Charge alleged that the Employer had violated PERA by unilaterally altering an established condition of employment. The Union alleged that the City had adopted an ordinance on November 30, 2011, which materially altered the handling of certain retirement benefits. Specifically, the Charge alleged that the long-standing agreement between the parties was that the annual rate of return on employee

annuity retirement accounts was essentially guaranteed by the City at a rate of 7.9%, with excess earnings flowing directly to employee accounts, and with any shortfalls covered by the City. The Unions asserted that changes implemented pursuant to the new ordinance adversely affected the approximately 2,600 individuals represented by AFSCME. The Union's contract with the City was alleged to have run from January 2011 and to have been set to expire June 30, 2012.

The Charge asserted that the new ordinance change was implemented without bargaining with AFSCME, during the term of an existing contract, and was therefore unlawful. It was asserted, and ultimately not disputed, that the contract expressly provide that "*all retirement and pension plan provisions provided for by the City Charter and Municipal Code are incorporated herein by reference unless otherwise specifically modified by this Agreement and Ordinance 2-93, J.C.C. Page 133*". Under the prior Ordinance, excess pension earnings were allocated by the General Retirement System (GRS) Board to further fund employee annuities and to provide for a reserve fund to pay for the issuance of "13<sup>th</sup> checks". The City filed a response in which it acknowledged that the City Council had substantively amended the pension Ordinance, but denied that its unilateral actions were unlawful.

The matter was scheduled for trial on July 24, 2012, with that date adjourned by mutual consent, with a new trial date of November 14, 2012. Shortly before the trial date, an Amended Charge was filed, and the Employer requested and was granted an adjournment of the trial. The Amended Charge added allegations that a portion of the excess earnings had been utilized by the General Retirement System's Board of Trustees to fund a hedge against inflation for retirees in the form of a "13<sup>th</sup> Check" issued annually. The amount of the annual allocation of excess earnings, if any, was calculated by the Trustees pursuant to an established formula. It was alleged that, but for the November ordinance change, individual retirees would have received a 13<sup>th</sup> check in December 2011 and again in 2012.

A pre-trial conference was held on December 6, 2012. The parties concurred that there were no material disputes of fact and that proceeding on summary disposition would be appropriate. The Union's motion for summary disposition was filed on December 28, 2012, with the City's response and cross-motion for summary disposition filed on January 25, 2013. Oral arguments were heard on February 8, 2013, with a bench opinion issued in the Union's favor. After the hearing and issuance of the bench opinion, the parties sought and were granted the opportunity to file supplemental briefs on the question of relief and regarding an intervening appellate decision. The Union's supplemental

brief was filed on June 24, 2013, with the City's supplemental brief filed July 15, 2013.

Subsequent to the supplemental briefing by the parties, Detroit was placed in receivership under State law and an emergency manager with extraordinary powers was put in charge of Detroit's affairs, in place of its elected officials. A bankruptcy filing followed shortly; with its attendant automatic stay of most, if not all, other litigation involving claims against the City. In deference to the bankruptcy proceeding, the bench opinion in this case was not followed by the issuance of a formal decision, as it ordinarily would have been. The multiple City of Detroit related proceedings pending before MERC, and before the several Administrative Law Judges, have all been held in abeyance. This occurred both in deference to the automatic bankruptcy stay and in recognition of the obvious fact that with the appointment of an emergency manager, of a term of uncertain duration, with the attendant suspension of any bargaining obligations, the subsequent bankruptcy filing, it is apparent that the nature of the relationship of the parties, their collective bargaining disputes, and their respective positions on myriad issues will be materially changed and the dormant pending litigation, and the relief sought therein, will all likely be moot.

#### Discussion and Conclusions of Law:

Counsel for the parties appeared for oral argument on February 8, 2013. Preliminary to the oral argument, I stated on the record my understanding of the position of the parties, as set forth below:<sup>1</sup>

JUDGE O'CONNOR:

We're here on cross motions for summary judgment. I have reviewed the pleadings. I have a couple introductory comments.

The Union's motion for summary disposition in this case relates to the adoption of a new City ordinance which prohibited [certain actions by] the General Retirement System Pension Board, GRS Board, which handles pension questions for all City employees or virtually all City employees other than police and fire. The ordinance prohibited the Board from granting a rate of return on annuities greater than the actual return, and which had the

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<sup>1</sup> The transcript excerpt reproduced herein, which to aid clarity is set off in an alternate font, contains typographical corrections and other non-substantive edits for clarity purposes. Insertions of explanatory text are bracketed. The completed unedited transcript is maintained within the Commission case file.

apparent impact of precluding the issuance of the 13th checks to retirees<sup>2</sup>.

The Employer has responded and asserted its own cross motion for summary disposition. There's no dispute over the fact that a changed ordinance was adopted in November of 2011 and that a timely charge was filed. There's likewise no dispute over the fact that the terms of the pension plan are mandatory subjects of bargaining, which the City concedes in its brief.

It's alleged, and seemingly undisputed, that in November 2011 the City adopted a pension ordinance to be effective December 20, 2011 which altered certain prior practices of the Pension Board. That change occurred without bargaining and during the term of an existing collective bargaining agreement. That existing collective bargaining agreement incorporated by reference the prior version of the pension ordinance and City charter provisions.

Based on the pleadings, I have relied on several documents which both advocates also relied on, and I will denominate [those documents] as exhibits.

As I understand it, the Union's assertion is that the change was an unlawful unilateral change in an existing condition of employment, and a repudiation of the then in place collective bargaining agreement. The Union's motion is additionally supported by a facially competent affidavit.

The City earlier asserted the defense that the question of the Pension Board's exercise of discretion in the distribution of excess earnings was not an established condition of employment, and rather was in essence an ultra vires act by the Board. The Union addressed that assertion at least in part by its reliance on the decision in *AFSCME et al v Detroit*, 218 Mich App 263 (1996), in which the City

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<sup>2</sup> The 13<sup>th</sup> check system is utilized by many employers as a method of giving some rough protection against inflation in deferred compensation systems. In the 1970s, it was not unusual to have formal inflation hedges in such systems tied directly to the cost of living indicators. That system became perceived as both unpredictable and prohibitively expensive by the late 1970s-early 1980s. It was replaced by concepts such as the 13<sup>th</sup> check system which created dedicated funding streams to provide an annual bump which while guaranteed to be paid, was not guaranteed to actually match the rate of inflation. It might be higher than a traditional COLA payment; it would likely be lower; but the annual receipt was assured.

prevailed. In that case, the City had sought a similar change regarding distribution of excess earnings; in that case via charter amendment, and according to the Court, the City acknowledged at the time that no such change could actually be implemented without first bargaining because the then current system of distribution of earnings was an established condition of employment. [Such a legal concession by the City in 1996 was regardless mandated by the earlier holding in *Detroit Police Officers Ass'n v Detroit*, 391 Mich 44, 54-55 (1974), which expressly held that while the City could change its pension ordinances, or Charter, as the City Council saw fit, changes to existing retirement benefits could not actually be implemented without fulfilling bargaining obligations.]

As both parties are presumably aware, the wisdom of the prior practice and the wisdom of the ordinance change are not issues before me for review. The only question before MERC is whether a change in mandatory [subjects of bargaining related to] conditions of employment was implemented in an unlawful manner. Similarly, the wisdom of the Court of Appeals decision in 1996 is not before me. It's a published decision involving these same two parties.

After considering the pre-hearing briefs and extensive arguments of both parties, I concluded that there were no questions of material fact and that a decision on summary disposition was appropriate, as urged by both parties, pursuant to Commission Rule R 423.165. See also *Detroit Public Schools*, 22 MPER 19 (2009) and *Oakland County and Oakland County Sheriff v Oakland County Deputy Sheriffs Assoc*, 282 Mich App 266 (2009). Accordingly, I rendered a bench decision, with the substantive portion of my findings of fact and conclusions of law from my bench opinion set forth below:

**JUDGE O'CONNOR:**

I am prepared to issue a bench opinion, which will be followed by a written decision.

I find that this case is controlled by the indistinguishable decision in the 1996 published Court of Appeals decision involving these same parties, AFSCME and Detroit. It is further controlled by judicial estoppel where the City



prevailed in that case by asserting the very thing they deny today, and that is the City, in the '96 case as recounted by the Court of Appeals conceded, as it must have done under the then existing law, that regardless of charter provision or any change to it, regardless of ordinance or any change to it, the City could not unilaterally change aspects of the pension plan without bargaining first with the Union.

The City today acknowledges in its brief its duty to bargain, but then asserts to the contrary, there was no duty to bargain under 2011 PA 4, which I'll address later.

The City never addressed, either in oral argument or its brief, the impact of the clearly controlling published decision between these same two parties. I find that shocking and troubling that it wasn't even addressed, because it is so clearly controlling.

The City, in the 1996 dispute [*AFSCME et al v Detroit*, 218 Mich App 263 (1996)], sought to change by charter amendment the very issue, or at least part of the very underlying issue at stake here today, and that is the Pension Board's allocation of excess earnings. In 1996, the City sought to change [the handling of excess earnings] by charter amendment. In 2011, the City sought to change [the handling of excess earnings] by pension ordinance change. The [difference between a charter amendment and an ordinance change] is not a distinction [which would alter the statutory duty to bargain].

[In the 1996 case, the Court of Appeals found that the City sought to change the City Charter to: *"require so-called 'excess earnings' from pension investments to be allocated among certain pension benefit funds in proportion to each fund's percentage of total system assets, with the remainder to be credited to the fund contributed to by the city, thereby reducing the city's future contribution obligations. This revision would limit the discretion exercised under the current charter by the pension board of trustees to allocate excess earnings among the several pension funds in its sole determination"*. The 1996 charter amendment effort was therefore functionally indistinguishable from the 2011 ordinance amendment in the goal of diverting funds from benefiting employees and

into the City coffers while taking away from the trustees the discretion to allocate funds to pay out the 13<sup>th</sup> checks. In the 1996 decision, the Court, in denying AFSCME relief, expressly relied on the City acknowledgment that it could not unilaterally accomplish that goal by charter amendment.]

Then and now there was no factual dispute; there is no factual dispute. The excess earnings have always been allocated at the discretion of the Pension Board. The Union has argued that that's a binding past practice. The City asserts that it wasn't mutual--an assertion I find frivolous given the prior litigation, given the City's concession in the prior litigation that it was an established prior practice. It's also -- I also find it frivolous based on the exhibits produced by the City in this case. The Corley letter<sup>3</sup>, which was an advice letter to City Council by its own staff which recounts in very specific terms that there was an existing prior practice that was well recognized, but the City did not like that prior practice and wanted to change it. [The advice letter] acknowledged with incredible specificity the prior practice that existed for over 20 years, spelling out year by year the amount of money allocated by the Pension Board over the City's concern about how it was being allocated, but with the City's acquiescence in collective bargaining agreement after collective bargaining agreement, and the City repeatedly re-adopted collective bargaining agreements [with the same language]. [The contractual reaffirmation of the obligation included] the 2008-2012 agreement which was initially unilaterally imposed on the Union and then expressly acquiesced [in] by the Union which incorporates by reference the very pension ordinance that the City [has now] sought to unilaterally change. It was more than a tacit agreement. It was an express agreement with full understanding by both parties.

Then -- in 1996 that is -- and now, [until] the change in 2011, the excess earnings have always been allocated at the discretion of the Pension Board. The Board, as set forth in the City's exhibits, allocated the so-called excess earnings, that is earnings above a projected target rate of

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<sup>3</sup> Letter of November 2011 from Irvin Corley, Jr, director of the City Council's fiscal analysis division to the City Council.

return, to essentially three different funds; the retiree 13th check; secondly to supplement the holdings in individual employee annuity funds; and third to reduce the City pension contribution. The Esuchanko charts which the City submitted made clear that in each and every year where there were excess earnings the Pension Board allocated them amongst those three funds at the Pension Board's discretion and in roughly comparable amounts each time.

There was no dispute even in 1996 that the practice had been longstanding. It's obvious that the City's preference, for understandable reasons, was to change that practice. It attempted to do so unilaterally in 1996 and again in 2011. As I said, I see no distinction between the City's unilateral effort to change it by pension ordinance or by charter amendment. In each case, as the City rightly conceded in 1996, regardless of a change to those ordinances or charter provisions, the duty to bargain remained.

In the 1996 decision, which is a published decision binding on the parties and binding on me, the Court recounts that the City in response to AFSCME's challenge, "*Agrees that the challenged provision cannot be legally implemented even if enacted by the voters without first bargaining*". [The 1996 decision further found that the City did not dispute "*plaintiffs' contention that these challenged provisions may not be legally implemented as to the city's union employees without bargaining*".]

The City's concession in 1996 that there was a duty to maintain these precise conditions of employment absent bargaining was correct under the law then, and remains correct under current case law interpreting PERA. Regardless, I would otherwise find the City bound by *res judicata* and by collateral estoppel by that 1996 decision involving these two parties before me today on that same mixed question of fact and law.

It's particularly notable that one of the earliest cases interpreting and enforcing PERA involved the City of Detroit and the DPOA [Detroit Police Officers Association], and an assertion by the City that, "*We don't have to bargain about pensions because they're controlled by our charter, and our pension ordinance,*" and the Michigan Supreme Court said,

"You're wrong". [See, *Detroit Police Officers Ass'n v Detroit*, 391 Mich 44, 54-55 (1974).]

[The City was] right in 1996 in acknowledging that they had to bargain before they could make a change, and it's not just wrong, but frivolous today to argue otherwise.

The City adopted the change disputed in this case by not just amending a pension ordinance. It's undisputed that after the [2011] pension ordinance was adopted, the City unilaterally implemented that change, unlike the position the City took in 1996, which was that they needed to change the charter, and that even if the charter were changed, which has a higher status than a pension ordinance, the City acknowledged they would still not be able to implement the change until they bargained with the Unions over it. Here the City threw out that concession and actually implemented the change without bargaining.

It's undisputed and supported by affidavit submitted by the Union and not contradicted by the City, that in each year in which there were excess earnings, the Pension Board allocated those earnings, then divided the monies as I've described into three separate pots, essentially; part to reduce the City's contribution under the defined benefit plan, part to the 13th check, and part to the annuity accounts. The Corley and Esuchanko documents submitted by and relied on by the City unequivocally establish that the practice was consistent and of longstanding.

Again, the 1996 Court of Appeals decision alone would have regardless established [that] this process was an established condition of employment. If it existed in 1996 and still existed in 2011, it's an established condition of employment.

The change directly affected an existing and fundamental condition of employment. Again, *DPOA v Detroit* held that pension plans and promises made under them were a fundamental condition of employment such that the City of Detroit had to bargain over them in the DPOA case, notwithstanding a preexisting charter provision which set terms different than the DPOA was seeking. [In *DPOA*, the Supreme Court allowed the unilateral change to stand,



end the practice is, at minimum, a tacit agreement. I think, frankly, it rises to the level of an express agreement where the parties, having previously fought over the terms of the charter and the pension ordinance, then incorporate them by reference in the collective bargaining agreement.

The City's sole proffered defense really was, in its brief, that the financial stability agreement entered into under 2011 PA 4 suspended the duty to bargain.<sup>4</sup> [At oral argument I strongly suggested to the City that such an argument was inapposite based on the timing of relevant events. Subsequent to the bench opinion, the City sought and was granted leave to withdraw that issue and argument from contention.]

The City has further raised the question of AFSCME's standing to represent already retired former employees. The City is incorrect in its assertions that the case law cited provides that AFSCME former employees who are retirees are not members of AFSCME. They may well be, they may not be. Its individual-- some retirees continue to belong to unions, some don't. They are, however, no longer part of the bargaining unit. The City was correct to that extent.

It is axiomatic that neither the Employer nor the Union can demand to bargain over changes in conditions affecting already retired former employees. It doesn't alter the Union's claim as to the impact on active employees who were promised that the Pension Board would have the discretion to allocate certain funds, excess earnings, to their annuity accounts and were promised that upon

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<sup>4</sup> Effective March 28, 2013, the Local Financial Stability And Choice Act, (LFSCA), PA 436 of 2012, MCL 141.1541 *et seq.* was enacted by the Legislature for the stated purpose of placing financial checks and balances on public employers in a state of financial stress or emergency. As part of that statutory scheme, the Act authorizes the state treasurer to enter into a consent agreement with a local government in a state of financial stress or emergency for a period necessary to achieve the goals and objectives of the agreement. Section 8(11) of the LFSCA suspends the duty to bargain set forth in Section 15(1) of PERA for employers subject to a consent agreement, including consent agreements entered into pursuant to the Act's predecessor, Public Act 4 of 2011. Similarly, Section 27(3) of the LFSCA provides that a local government placed in receivership under the Act is not subject to Section 15(1) of PERA for a period of 5 years from the date the local government is placed in receivership or until the time the receivership is terminated, whichever occurs first. For purposes of the LFSCA, "receivership" means the process under the Act by which a financial emergency is addressed through the appointment of an emergency manager. MCL 141.1542(q). No provisions of that Act applied to Detroit at the time of the adoption or implementation of the disputed ordinance.

As I said, there's no duty to bargain over changes in conditions affecting already retired former employees. However, that doesn't fully answer the question in this case. The parties may, of course, voluntarily enter into negotiations over permissive subjects of bargaining. The question of possibly raising a pension benefit for people who already are retired is a permissive subject of bargaining. It's not prohibited. The parties can, if they choose to, negotiate over it.

The Union is asserting, and I have found the Employer in implementing unilaterally the changes to the pension ordinance and cutting off the 13th check, has repudiated the terms of an existing collective bargaining agreement. Under PERA, the repudiation of the clear, undisputed terms of an existing contract is more than a mere contract breach which would otherwise be left to the grievance procedure or circuit court suit over damages or whatnot. Rather it's treated as a refusal to bargain in good faith and is therefore an unfair labor practice even if related to a permissive subject of bargaining over which there was necessarily no duty to bargain as in the Commission decisions in the *Kalamazoo County Sheriff* case [*Kalamazoo County & Sheriff*, 24 MPER 17 (2010)] where the Commission held that where there is a mixed question, a collective bargaining agreement that covers both mandatory subjects and permissive subjects, the package is the package. It's a single package. Neither side can unilaterally carve it up into pieces and say, "*We'll comply with one piece. We won't comply with this other piece.*" unilaterally and without

violating the duty to bargain. Once a contract has been reached, it must be treated as binding on both parties, as the Commission held in *Kalamazoo County Sheriff*, or the possibility of productive future bargaining is destroyed.

I will be recommending the restoration of the status quo by restoring to the Pension Board the discretion it previously exercised, by the City being ordered to not interfere in the exercise of that discretion by the Pension Board regarding excess earnings, that the Retirement Board be notified by the City of the restoration of their preexisting discretion, that affected retirement plan participants, both active employees and retirees, be made whole by the City to the extent that there is any practical impediment to the Pension Board making those participants whole otherwise.

The most practical resolution may be for the Pension Board to reallocate those assets. Either way, it is ultimately the obligation of the City to correct the problem it caused by its unilateral action which, again, was taken in direct rejection of the obligations it conceded that it had in the 1996 litigation.

I will recommend a posting of a notice at the work places to reaffirm for active employees that the contractual promises made to them must be kept.

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[In response to a question from counsel] Well, what I've indicated I intend to order is that the *status quo* be restored, the steps that I'll be recommending be ordered are that the City restore to the Pension Board the discretion previously exercised, specifically that the City notify the Pension Board that the discretion has been restored. The Pension Board will have to act based on that discretion and determine what they think is necessary to put back-together what would have otherwise happened. And the Pension Board has a prior history as laid out by Corley and Esuchanko of how they typically did that, but it is within the discretion of the Pension Board how precisely they do that . . . my expectation is that the first level response will be by the Pension Board just using their discretion to decide what they think should happen.



What I propose to order is that to the extent that there's any practical impediment to the Pension Board making the participants whole, it will be upon the City to make the participants whole.

In my bench opinion, I failed to address a part of how this controversy arose, which I found inexplicable. Before it adopted the November 2011 ordinance changes, the City Council had before it an advice memo from the corporation counsel's office on which presumably they were intended to rely. That memo, which was introduced in the record in this hearing at the behest of the City, has a section titled "*Labor Law Considerations*". The memo acknowledges that the benefits were calculated and paid out in an unaltered fashion for decades. The memo inexplicably asserts that the benefits were not "bargained" for, but the memo fails to ever address the *DPOA v Detroit* 1974 decision, which established as a matter of first impression the obligation to bargain over the implementation of any legislated changes to the detailed provisions of the Detroit pension plan. Likewise, the memo fails to address the impact of, or even advise the Council of the existence of, the 1996 *AFSCME v Detroit* appellate decision in which the City prevailed expressly premised on the City's acknowledgment that it was aware that it could legislate changes to the pension plan, but that it could not implement those changes without bargaining. That the City Council acted on such an advice memo does not excuse their conduct; nonetheless, that such a fundamental matter was decided on by the Council in the absence of a review of the directly controlling law, including two directly relevant appellate cases wherein the City was the defendant, is troubling.

Further, the Corporation Counsel advice memo to City Council has, as a starting point, the 1997 Charter amendments adopted by the vote of the City electorate. An analysis was offered that the excess earnings distribution system was not "specifically authorized" in the 1997 Charter provisions regarding the pension plan. What is entirely omitted from the analysis is the occurrence of the 1996 decision of the Court of Appeals in *AFSCME v Detroit*, supra, and its sequelae. The proposal that would become the 1997 Charter initially included a provision, offered by the City administration, which would have ended the excess earnings distribution system and turned over that funding stream almost entirely to the City. The Wayne Circuit Court enjoined the Detroit Charter Revision Commission from including the disputed "excess earnings" related proposed Charter revisions in the ballot proposal which passed on August 6, 1996, and which became the 1997 Charter for the City. The Corporation Counsel memo relies on the Charter as adopted in August 1996.

In ignoring the decision in *AFSCME et al v Detroit*, the City likewise ignores the fact that the Court ruled just one week after that August 1996 election, finding that the injunction regarding the disputed Charter provision on excess earnings was improvidently granted, and allowing the disputed provisions to be placed before the voters in the election of November 1996. At that election, the electorate of the City, at a point in time when they still had a seemingly effective right to vote on such matters, voted down the specific proposal to shift the "excess earnings" away from deferred compensation for employees for the benefit of the City, and rejected the Charter amendment. Notwithstanding that express voicing of the will of the electorate, the 2011 ordinance amendment by the City Council, without so much as a nod of recognition, sought to mandate exactly what the voters had prohibited.

The rationale for the 2011 ordinance change was premised on what has now become a convenient public relations gambit: that the 13<sup>th</sup> checks amounted to a gift, a gratuity, or a bonus. They were not.<sup>5</sup> In fact, the 13<sup>th</sup> check system is utilized by many employers as a method of giving some rough protection against inflation in deferred compensation systems. In the 1970s, it was not unusual to have formal inflation hedges in such systems tied directly to the cost of living indicators. That system became perceived as both unpredictable and prohibitively expensive by the late 1970s-early 1980s. It was replaced by concepts such as the 13<sup>th</sup> check system, which created separate dedicated funding streams to provide an annual bump which, while guaranteed to be paid, was not guaranteed to actually match the rate of inflation. It might be higher than a traditional COLA payment; it would likely be lower; but the annual receipt was assured.

The 13<sup>th</sup> check system was such a well-established part of the City's deferred compensation system in 1996 that the City conceded, consistent with the earlier decision in *DPOA v Detroit*, that regardless of a Charter or ordinance change, the City could not revoke the payments without fulfilling the bargaining obligation. It is uncontested that the 13<sup>th</sup> check system was a mutually agreed upon obligation.

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<sup>5</sup> The reference to retirement obligations for public employees as "gratuities" is not without historical precedent, *albeit* not supportive of the City's position. In *Bowler v Nagel*, 228 Mich 434 (1924), the Court specifically rejected Detroit's assertion that amounts paid from retirement funds were "gratuities". However, in *Brown v Highland Park*, 320 Mich 108 (1948), the Court faced a financially beleaguered city and held that, despite *Bowler*, such pension obligations were not individually enforceable "contractual" obligations in nature, such that the City of Highland Park could cut the widows of police and firemen off from their pensions, by the expedient of a Charter amendment, without offending State law or the Federal Constitutional impairment of contracts clause. Outrage over the impact of that decision helped lead to the 1963 Constitution, which in article 9, section 24, put the theory to rest and defined such public pension benefits as Constitutionally protected entitlements. The same Constitutional Convention adopted article 4, section 48, which authorized the creation of PERA, the unionization of public employees, and the negotiation of enforceable collective bargaining agreements.

Notwithstanding the *DPOA v Detroit* and *AFSCME v Detroit* decisions, the City was not locked in perpetuity to the continued payment of the 13<sup>th</sup> checks. It could have forthrightly bargained the obligation away. It could have traded it away. It could have in good faith exhausted its bargaining obligations and then, under controlling labor law, taken the entitlement away. It did none of those things. Instead, it continued over the years to re-commit itself to the system. In 2010, the parties had been in bargaining and reached what appeared to be, and what the City asserted to be, a good faith impasse in bargaining. In November 2010, the City imposed new conditions of bargaining in place of a 2008-2012 collective bargaining agreement, which the parties had been unable to resolve. The imposed terms altered many conditions of employment for AFSCME members and wrung significant financial concessions from the workforce. In January of 2011, AFSCME conceded the City's position that the parties had reached a lawful impasse and AFSCME expressly acquiesced in treating the City-imposed terms as the 2008-2012 collective bargaining agreement governing the relationship of the parties.<sup>6</sup>

Although the City could have, in November 2010, included in the post-bargaining impasse imposed terms a cut-off of the 13<sup>th</sup> check obligations, it did not. The resulting agreement, drafted by and initially unilaterally imposed by the City, left intact the 13<sup>th</sup> check system and expressly re-committed the parties, in Article 47(T) of the Contract, to compliance with the terms of the pension ordinance as it then existed. One year later, without bargaining, and during the unexpired terms of that Contract, the City Council voted to materially change the pension ordinance and the Employer followed up by unilaterally implementing the change, in derogation of the City's obligations under PERA, the mandate of *DPOA v Detroit*, and the City's own admission of unalterable obligations as set forth in *AFSCME v Detroit*. The ordinance maneuver by the City administration was a unilateral do-over in the midst of the 2008-2012 contract term which materially, and necessarily unlawfully, and adversely altered existing conditions of employment.

It is also notable that the advice memo upon which the City Council relied was itself substantially premised on a favorable reading of the then quite recent Wayne County Circuit Court decision in *Wayne County Retirement Commission v Wayne County*, Case No 10-013013 (Hon. Michael Sapala, September 29, 2011). In that case, at the trial level, relief was granted to Wayne County in a similar dispute over the

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<sup>6</sup> The 2008-2012 terms were held to be a binding and voluntary collective bargaining agreement between the parties, which fulfilled their bargaining obligations for the period 2008-2012, in *City of Detroit and AFSCME*, Case No. C10 L-295, (ALJ Peltz, August 2012)(on exceptions).

distribution of excess earnings from its pension fund, and in which Wayne County, via a comparable ordinance amendment, seized some \$32 million from its employees' pension funds. It is certainly understandable that such a transfer of wealth seemed attractive to both the City and County; however, the Circuit Court decision was subsequently reversed in *Wayne County Retirement System v Wayne County*, 301 Mich App 1 (2013), with the County ordered to restore the funds to its pension plan. Like the City's own legal counsel's memo, the Sapala decision reviewed both Constitutional and Charter issues, but ignored the well-settled labor law implications of such unilateral actions by Employers who are subject to bargaining obligations.

### **The Post-Bench Opinion Supplemental Pleadings**

As noted above, after issuance of the bench opinion, the parties sought and were granted an opportunity to provide supplemental briefing on the question of relief and on the impact of an intervening appellate decision. AFSCME proposed several refinements to the scope or nature of the intended relief that I had described in the bench opinion.

AFSCME began by noting the substantial uncertainties inherent in attempting to restore the *status quo* in a dispute of this nature which goes well beyond the ordinary order of reinstatement of an employee with backpay. Pointing to the decision in *MSU Clerical Technical Union v MSU*, 214 Mich App 42 (1995), a case in which MERC was reversed for a failure to provide a full measure of relief, AFSCME understandably and correctly notes that the burden of uncertainty as to the amount or extent of a remedy awarded should be upon the wrongdoer and not upon the prevailing claimant. In my bench opinion, it was indicated that what was intended was a full make whole remedy, and that the first step response would be to restore to the pension board its proper freedom to exercise its discretion. I also noted from the bench that all of the parties, and the pension board, are aware of and capable of calculating and addressing the average prior annual payouts, and the basis on which they were in turn calculated, should this case ever reach the remedy stage.

Specifically, AFSCME proposes that I direct that the excess earnings be premised on a specific averaging of the percentages used over a multiple year period to divide up the money among the three recipient funds. AFSCME notes, based on the City's own figures, that going back for an eleven year period, the total excess earnings were divided so that the active employee share averaged 55% annually, while the amount devoted to the 13<sup>th</sup> checks averaged 17% annually of the total fund, with the remaining 28% going to the City itself. While such a mechanism is plausible, the City unsurprisingly faults AFSCME for selecting a specific period of years, rather than a longer period of time.

The City offers no alternative method of calculating the remedy, proposing instead that I revisit the merits and deny relief, a suggestion which is hereby rejected.<sup>7</sup>

Neither party has proposed, in their supplemental pleadings, a dollar figure for the relief. This very omission underscores the fundamental uncertainty of the amount which would be necessary to afford make-whole relief. In their arguments for summary disposition, both parties relied on the November 2011 memo from Irvin Corley, Jr, director of the City Council's fiscal analysis division, which provided specific advice to City Council regarding the prior handling of the excess earnings distribution system. In that memo, which was introduced in the record by the City, Corley provides dollar figures which were not placed in dispute. For 2008, the last year Corley analyzed, the excess earnings distribution was \$121,100,000. With approximately 72% of that money going for the benefit of the employee deferred compensation system, and the remaining 28% going for the City's benefit, the amount distributed for the benefit of employees was \$87,120,000 for that one year. Pursuant to its new ordinance, the City withheld the payments which otherwise would have been made in 2011 and 2012. The record does not reflect the amounts earned and paid out in 2009 and 2010. If one made the enormous assumption that the excess earnings, if any, which would have been the basis for payments in 2011 and 2012 were in any way comparable, the City would need to reserve something on the order of \$174,240,000 to satisfy claims. It is entirely unwarranted at this stage of the proceedings to order the reservation or payment of such a sum, which absent agreement of the parties on a specific amount, will require proofs as to what amount of gross excess earnings were generated relative to the withheld payments for 2011 and 2012. No relief can be ordered as to 2013, as the appointment of an emergency manager suspended the duty to bargain and thereby the enforceability under PERA of such obligations.

AFSCME's post-hearing suggestion that the remedial order direct payment based on some averaging of prior payments merely restates the obvious suggestion made in the bench opinion of a benchmark method for assessing compliance, when and if the question becomes relevant. Parties frequently find themselves successfully agreeing upon appropriate make whole remedies post-judgment in MERC cases, whether by compromise, rough estimate or with mathematical certainty. Failing at that, the statute and Commission Rule R423.177 provide for post-judgment compliance proceedings which are fully capable of resolving the question of the calculation of necessary payments, should

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<sup>7</sup> Incredibly, the City's supplemental post-judgment brief persisted in aggressively ignoring the controlling 1974 *DPOA v Detroit* and 1996 *AFSCME v Detroit* decisions.

this dispute reach that stage. That Rule would require Charging Party to file a detailed specification of amounts claimed, with Respondent required to promptly respond with equal specificity. The parties are obviously far from a terminal point in this litigation and it would require an unwarranted degree of speculation upon speculation to attempt, at this stage, to engineer a more specific directive regarding relief.

AFSCME next raises a concern with the real possibility that, when and if this dispute resurfaces, the composition of the pension board of trustees may well have changed, either through the mere passage of time or through direct action by the emergency manager utilizing his extraordinary powers. The prospect is very real that the remedial order restoring discretion over the funding decision to the pension board may well place it in the hands of a new cast of characters, which may well have been selected in whole or in part by the emergency manager. While a legitimate concern, this is, at this point, speculation which cannot be addressed in a mere recommended remedial order. Again, regardless of who might constitute the pension board when, and if, this matter ever returns to them, there remain the compliance procedures to resolve disputes over implementation of any relief ultimately ordered. Regardless, it is implausible to suggest that this Agency could or should attempt to prospectively reconfigure the membership of an elected pension board.

Finally, despite noting in its supplemental pleading the intervening appointment in 2013 of an emergency manager, AFSCME proposes that the remedial order direct the City to bargain with the Union and to refrain from making any further changes in conditions until fulfilling its bargaining obligations. The City of course opposes such relief, which would be an ordinary portion of a standard MERC remedial order. The appointment of an emergency manager, under recently adopted Michigan law, suspends the obligation to bargain and with it, the obligation to maintain conditions of employment. The emergency manager is free to bargain with AFSCME, but cannot, under PERA, be compelled to do so, nor can the City be compelled, under PERA, to maintain pre-existing conditions of employment.

In its supplemental pleadings, the City, equally and similarly implausibly, proposes that I re-visit the question of summary disposition and dismiss the Charge. The City makes that request without, as noted above, any substantive discussion of the 1974 *DPOA v Detroit* and 1996 *AFSCME v Detroit* decisions. The City grants a mere nod to the existence of the decisions, placing the citations in footnote, *sans* discussion. The request for reconsideration of the substantive decision as issued from the bench is denied.

The City suggests, again, in its supplemental pleadings, that the matter should have been arbitrated. That suggestion was first made by the City in its first responsive pleading in September 2012, by which point the 2008-2012 collective bargaining agreement between the parties had been expired for months. Therefore, arbitration was not available. MERC does leave the parties to their available contractual remedies when there is a *bona fide* dispute over the interpretation of the parties' collective bargaining agreement and arbitration is available. Here, there was never a *bona fide* good-faith dispute over the question of the contractually mandated benefits, or over the right of either party to unilaterally abandon or modify its own obligations. There is no question amenable to arbitration here, as the City has repudiated its obligations rather than asserted a good faith dispute over some detail of its duties. The Commission will not find repudiation on the basis of an isolated breach, *Crawford County Bd of Comm'rs*, 1998 MERC Lab Op 17, 21; however, here the deferred compensation benefit cut applied across the board to the entirety of the AFSCME unit. The cut was indisputably unilateral and occurred during a period when a collective bargaining agreement was in place.

The City proposal to the Commission to remand the matter to arbitration is merely a tactic intended to avoid substantive and effective review or remedy. The Commission has the authority to interpret the terms of a collective bargaining agreement where necessary to determine whether a party has breached its collective bargaining obligations. *University of Michigan*, 1971 MERC Lab Op 994, 996, citing *NLRB v C & C Plywood Corp*, 385 US 421 (1967). If the term or condition in dispute is "covered by" a provision in the collective bargaining agreement, and the parties have agreed to a grievance resolution procedure ending in binding arbitration, the details and enforceability of the provision are generally left to arbitration, but only where there is a good faith dispute as to the nature of the contractual obligation. *Port Huron Ed Ass'n v Port Huron Area Sch Dist*, 452 Mich. 309, 317-321 (1996).

Here, there is no good faith dispute over the parameters of the Employer's obligations; rather, the City seeks to instead unlawfully reject its existing obligations contrary to its then-existent duty to bargain. Where such repudiation has occurred, the Commission is prohibited, by prior decision of our Supreme Court, from deferring to contractual arbitration and must instead enforce the statutory obligations on behalf of the people of the State. See, *Detroit Fire Fighters Ass'n v. City of Detroit*, 408 Mich. 663, 676 (Mich 1980).

Moreover, the City's asserted defenses are statutory and Constitutional rather than contractual and are not within the purview of

a private arbitrator. An arbitrator is not specially suited to resolve the dispute about the interplay between collective bargaining agreements, ordinances, City Charter provisions, and PERA bargaining obligations. The complexity of those very issues so vexed the Michigan Supreme Court in 1974 that it found the unilateral pension changes made by Detroit to have been improper, but gave the City a free pass for that event, while cautioning it to never similarly violate its bargaining obligations via charter or ordinance amendment. See, *DPOA v Detroit*. This is not a proper case for review by an arbitrator.

In its supplemental brief on remedies, the City raised the intervening decision of the Michigan Supreme Court in *Macomb County v AFSCME Council 25*, \_\_\_Mich\_\_\_ (No. 144303, June 12, 2013).<sup>8</sup> In that case, the Court reversed MERC in its earlier finding of a violation where Macomb County, acting through its retirement board, altered a long standing reliance on a particular actuarial table used to calculate benefits, to the disadvantage of some retirees. The decision functioned primarily to return the Commission to a closer hewing to the standard provided under *Port Huron Education Ass'n v Port Huron Sch Dist*, 452 Mich 309 (1996).

In *Macomb County*, at the MERC ALJ level, no violation of the statute was found. The Commission decision reversing ALJ Stern was in turn ultimately reversed by the Supreme Court. The grounds prove not relevant to the present matter. The Supreme Court found the underlying collective bargaining agreement in Macomb to be unambiguous and that it expressly provided discretion to the retirement board to make the challenged change in mortality tables. The Court held that MERC had erred by relying on a past practice, albeit of several decades duration, of using the same actuarial table as a basis for finding an unlawful unilateral change, rather than respecting the unambiguous language of the contract which, even if long unused, expressly allowed the retirement board to make the change in mortality tables.

The Court in *Macomb* reaffirmed the right of parties to rely on their agreements, as held in the earlier *Port Huron* case, the holding of which remains controlling law. Here, the finding of a violation is not based on any asserted past-practice; rather the unambiguous language of the then recently re-negotiated contract between the parties supports a finding of a repudiation. The parties here expressly provided for a particular benefit to be funded and disbursed in a particular manner. Their agreements were memorialized both in contract and in ordinance. The City Council

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<sup>8</sup> While AFSCME sought to strike the City pleading as having gone beyond the leave granted to file a supplemental brief on the issue of remedies, I determined that the raising of intervening appellate authority was proper.



acted unilaterally in passing and then enforcing an ordinance to unilaterally take away a negotiated benefit. The *Macomb* decision affirms rather than detracts from the enforcement of rights as to an unambiguous agreement.

A portion of the *Macomb* decision re-affirmed earlier case law requiring MERC to refer back to arbitration disputes "covered by" a collective bargaining agreement which had in it an arbitration clause where there was any colorable claim that the complained of conduct was allowed under the contract. The Supreme Court held that such disputes are for arbitrators, not the Commission, to decide. Here, the "covered by" analysis is inapposite for two separate reasons. First, there was no contract in place when this Charge was brought and no arbitration clause to which the parties could defer to. Second, as more fully discussed above, the City simply advanced no arguable basis under the prior ordinance or several collective bargaining agreements which could excuse its conduct. Simply, no plausible contractual defense was proffered. Rather, the Employer here advanced statutory and Constitutionally based defenses which, as noted above, are not amenable to resolution by a private arbitrator.

Moreover the City's theory would turn the *Macomb* decision on its head. In *Macomb*, the Court found that the contract language expressly granted the retirement board the discretion to make certain decisions, and the retirement board made such a decision well within its established discretion. Here, the unilaterally imposed new ordinance took away from the pension board the discretion which the parties had expressly agreed the pension board alone would wield.

### **The Bankruptcy Court Related Developments**

On the petition of AFSCME, and at 2:41 PM on October 2, 2013, the Bankruptcy Court issued an order which in relevant part provided that the automatic stay was "*modified through 11:59 PM on October 4, 2013 to permit Administrative Law Judge Doyle O'Connor to execute his recommended decision*" in this pending case. While this Decision is being released consonant with the Bankruptcy Court's partial lifting of the stay at AFSCME's request, and with full consideration of the significant claims of the parties, its release may well offer little more solace than an assurance of a full ticket-price refund offered while still on the sharply tilting deck of the *Titanic*.

The parties are cautioned that, as they well know, the Bankruptcy Court also ordered that "*all deadlines for any party to act under state law that would otherwise result from any opinion or recommendation issued by the ALJ are tolled indefinitely pending further order of the Court*". The

parties are further reminded that this Decision and Recommended Order, and the relief recommended herein, is premised on the finding that the City failed, as to the complained of events, to meet its obligations under Sections 15 and 10(1)(e) of PERA to bargain in good faith and to refrain from unilaterally implementing changes to established conditions of employment contrary to that good faith bargaining obligation. Pursuant to State law, that obligation to bargain was suspended upon the appointment of an emergency manager, such that the Employer, acting through the Emergency Manager, is empowered in 2013 to now engage in just the sort of unilateral action which would otherwise be unlawful under PERA. For that reason, no prospective relief has been ordered, beyond 2012, as any such relief would be both speculative and inappropriate until such time as the City of Detroit is no longer exempted from the ordinary obligations under Section 15 of PERA.

### **Conclusion**

I have carefully considered any additional arguments asserted by the parties in this matter and have determined that they do not warrant a change in the result. For the reasons set forth above, I find that the deferred compensation related benefit cuts were an unlawful unilateral change in basic conditions of employment implemented in violation of the City's well-established obligations under Section 10(1)(e) of PERA to bargain in good faith, to refrain from repudiating prior agreements, and to refrain from unilaterally imposing adverse changes in conditions of employment. I recommend that the Commission issue the following order:

### **RECOMMENDED ORDER**

The City of Detroit, its officers, agents, and representatives shall:

1. Cease and desist, during such periods when the bargaining obligation is not otherwise suspended by operation of law, from:
  - a. Failing to bargain in good faith with the representative of its employees;
  - b. Unilaterally altering any established conditions of employment during the term of any collective bargaining agreement;
  - c. Seizing or transferring, or failing to return, assets held for the benefit of employees in pension funds or accounts or which were or are otherwise under the control or possession of the pension board of trustees;

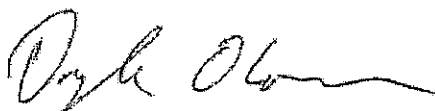
- d. Where an unexpired collective bargaining agreement is in place, repudiating the terms of such agreements by refusing to comply with the unambiguous obligations under such agreement;
- e. Interfering in the pension board's distribution of the excess earnings, if any, for the years 2011 and 2012;
- f. Interfering in the holding and distribution of assets by the retirement board when it is acting pursuant to authority expressly granted to it by the parties, whether through agreement memorialized in the pension ordinance or in separate written collective bargaining agreements.

2. Take the following affirmative action necessary to effectuate the purposes of the Act:

- a. Affirmatively renounce reliance on and cease any effort at enforcement of the November 30, 2011, pension ordinance amendment;
- b. Restore to the control of the pension board the entirety of any assets diverted from the control of the board following the adoption of the November 30, 2011 ordinance amendment and as anticipated by that ordinance change, including restoring to the board's control any "excess earnings" as previously defined by the pension board and attributable to 2011 and 2012;
- c. Take whatever steps are necessary to facilitate the distribution of the 2011 and 2012 excess earnings, if any, in keeping with the previously utilized methodology whereby a portion was utilized for 13<sup>th</sup> checks, a portion was transferred to active employee annuity accounts, and a portion was transferred for the benefit of the Employer;
- d. Provide statutory interest to, or otherwise make whole, the pension plan for the diversion of assets and the intervening lost earnings on those assets;
- e. Refrain from any interference in the distribution of the so-called "13<sup>th</sup> checks" by the retirement board, including in the distribution of any make-up or backpay checks for the years 2011 and 2012, as may be issued in the discretion of the retirement board;

- f. Refrain from any interference in the distribution of funds by the retirement board for the benefit of active employee annuity accounts for the years 2011 and 2012;
  - g. Otherwise make whole all AFSCME bargaining unit members adversely effected by the unilateral changes in conditions of employment found unlawful in this Decision, to the extent that such individuals are not made whole by remedial steps taken by the pension board;
  - h. Provide the Union with the full calculation of amounts reimbursable to the pension plan, or unit members, and interest on same;
  - i. Maintain all existing conditions of employment throughout the bargaining and fact-finding process, during such periods when the bargaining obligation is not otherwise suspended by operation of law.
3. Post an appropriate notice, as may be directed by the Commission, to employees in a conspicuous place at each City worksite and post it prominently on any website maintained by the City for employee access for a period of thirty (30) consecutive days, and additionally deliver a copy of the notice by mail or email to each employee in the AFSCME bargaining units.

MICHIGAN EMPLOYMENT RELATIONS COMMISSION



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Doyle O'Connor  
Administrative Law Judge  
Michigan Administrative Hearing System

Dated: October 4, 2013  
Released to the parties at 5:55 PM.



# EXHIBIT 8

# CHARGE

Authority: P.A. 380 of 1965, as amended.

DO NOT WRITE IN THIS SPACE	
Case No. <b>CLK-201</b>	Date Filed <b>11/22/2011</b>

INSTRUCTIONS: File an **original** and **4 copies** of this charge (including attachments) with the Employment Relations Commission at: Cadillac Place, 3026 W. Grand Boulevard, Suite 2-750, PO Box 02988, Detroit MI 48202-2988 or 1375 S. Washington St., Lansing MI 48910. **The Charging Party must serve the Charge on the opposing side within the applicable statute of limitations, and must file a statement of service with MERC. (Refer to the "How to File a Charge" document under the "Forms" link at [www.michigan.gov/merc](http://www.michigan.gov/merc).)**

**Complete Section 1** if you are filing charges against an employer and/or its agents and representatives. —or—  
**Complete Section 2** if you are filing charges against a labor organization and/or its agents and representatives.

**1. EMPLOYER AGAINST WHICH THE CHARGE IS BROUGHT**

Check appropriate box: ☐ Private ☒ Governmental

Name and Address:

Mr. Joseph Martinico, Director  
Labor Relations Department  
City of Detroit  
2 Woodward Avenue, Suite 304  
Detroit, Michigan 48226

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STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMM.  
DETROIT OFFICE

**2. LABOR ORGANIZATION AGAINST WHICH THE CHARGE IS BROUGHT**

Name and Address:

**3. CHARGE**

Pursuant to the Labor Mediation Act (LMA) or Public Employment Relations Act (PERA) (*cross out one*), the undersigned charges that the above-named party has engaged in or is engaging in unfair labor practices within the meaning of the Act.

**On an attached sheet** you must provide a clear and concise statement of the facts which allege a violation of the LMA or PERA, including the date of occurrence of each particular act and the names of the agents of the charged party who engaged in the complained of conduct. The charge should describe who did what and when they did it, and **briefly** explain why such actions constitute a violation of the LMA or PERA.

The Commission may reject a charge for failure to include the required information. However, it is not necessary to present your case in full at this time. Documentary material and exhibits ordinarily **should not** be submitted with this charge form.

**4. Name and Address of Party Filing Charge (Charging Party)**  
(if labor organization, give full name, including local name and number)

MI AFSCME Council 25, Local 542

Telephone Number:

(313) 964-1711

**5. List ALL related MERC case(s) (if any):**

(Name of parties)

Case No.: N/A

Judge: N/A

Case No.: N/A

Judge: N/A

I have read this charge and it is true to the best of my knowledge and belief.

Signature of Representative/Person Filing Charge

Email:  
awatkins@miafscme.org

Telephone/Cell No.:  
313/964-1711/313-515-9977

Print Name and Title:

Aina N. Watkins, Staff Attorney

Fax No.:  
313-964-0230

Street Address:  
600 W. Lafayette, Ste 500

City:  
Detroit

State:  
MI

Zip Code:  
48226

The Department of Energy, Labor & Economic Growth will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

BER (2/11)

13-53846-swr Doc 8285-6 Filed 09/28/14 Entered 09/28/14 21:30:33 Page 2 of 5

**STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION**

In the Matter of:

CITY OF DETROIT

Respondent-Public Employer,

-and-

AMERICAN FEDERATION OF STATE  
COUNTY AND MUNICIPAL EMPLOYEES,  
MICHIGAN COUNCIL 25, LOCAL 542  
Charging Party-Labor Organization,

---

Unfair Labor Practice Charge

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EMPLOYMENT RELATIONS COM.  
DETROIT OFFICE

**CHARGING PARTY-LABOR ORGANIZATION'S CHARGE  
AGAINST RESPONDENT CITY OF DETROIT**

NOW COMES Charging Party, MI AFSCME Council 25 ("Union") and its affiliated Local 542, by and through its attorney, Aina N. Watkins, and files this Unfair Labor Practice charge against Respondent, City of Detroit, ("City" or "Employer") and hereby states as follows:

1. The parties are subject to an imposed Collective Bargaining Agreement effective July 1, 2008 - June 30, 2012.
2. AFSCME has 13 members assigned to the Fire Department of the City of Detroit, Fire Apparatus Division.
3. The classifications of bargaining unit members consist of General Auto Mechanic, Painters, General Auto Body Mechanic, Air Equipment Mechanic, Auto Mechanic Sub Foreman and Storekeeper, etc.
4. On about May 23, 2011, June 7, 8, 9, 11, 2011 and continuing, the Union received notice that Apparatus Emergency Mechanics (also known as "Emergency Repairman") who are members of the Detroit Fire Fighters Association, DFFA Local 344, were performing General Auto Mechanic work.
5. The Apparatus Emergency Mechanics make emergency repairs and service automotive fire apparatus at fires, on the road or at the stations.
6. The General Auto Mechanic performs any and all automotive or mechanical repairs, or maintenance tasks to the types of mobile equipment employed by the Department; such as fire fighting apparatus and other special purpose vehicles, automobiles, trucks etc.
7. There are currently six (6) General Auto Mechanics in Fire Apparatus Division; two (2) were recently promoted to Emergency Repairman in February 2011.
8. Pursuant to the supplemental agreement Article 9 Career Development and Training, General Auto Mechanic and Auto Sub-Foreman classifications promote into the position of Emergency Repairman.



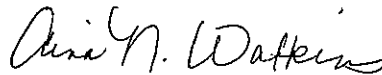
9. The Union contends that the Employer has improperly assigned work traditionally performed by AFSCME members to employees in another classification represented by Detroit Fire Fighters Association, DFFA Local 344.
10. The Union contends that the Employer is obligated to bargain over a decision to replace bargaining unit employees with employees from a different bargaining unit, where the work has been exclusively performed by employees in one unit.
11. The Employer has refused to bargain with the Union over the reassignment of work; the bargaining unit has been impacted adversely.

**WHEREFORE**, Charging Party alleges that Respondent has violated Section 10 (1) (e) and 15 (1) of PERA.

**WHEREFORE**, Charging Party respectfully asks that the Employer be ordered to take the following affirmative action to remedy the Unfair Labor Practice:

1. Cease and desist from refusing to bargain in good faith with the Union;
2. Make the members whole for any loss of pay or other financial or fringe benefits that he/she may have suffered;
3. Assign work traditionally performed by General Auto Mechanic to individuals properly placed in the classification; and
4. Post notices of its violations of the Act.

Respectfully Submitted,



BY: \_\_\_\_\_  
Aina N. Watkins (P69196)  
Counsel for Charging Party-Labor Organization  
Michigan AFSCME Council 25, AFL-CIO  
600 W. Lafayette Blvd., Suite 500  
Detroit, MI 48226  
Phone: (313) 964-1711 ext. 2237  
Fax: (313) 964-0230

Dated: November 22, 2011

bsr/324iuoeaflcio

**STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION**

In the Matter of:

CITY OF DETROIT

Respondent-Public Employer,

**Unfair Labor Practice Charge**

-and-

AMERICAN FEDERATION OF STATE  
COUNTY AND MUNICIPAL EMPLOYEES,  
MICHIGAN COUNCIL 25, LOCAL 542  
Charging Party-Labor Organization,

---

**PROOF OF SERVICE**

I HEREBY CERTIFY that I served a true and correct copy of this **Unfair Labor Practice Charge** upon:

Mr. Joseph Martinico, Director  
Labor Relations Department  
City of Detroit  
2 Woodward Avenue, Suite 304  
Detroit, Michigan 48226

I declare that the statements above are true to the best of my information, knowledge, and belief.

MI AFSCME Council 25, AFL-CIO

BY: 

Dated: 11/22/11

bsr/324iuoeafcio

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EMPLOYMENT RELATIONS COMM.  
DETROIT OFFICE

# EXHIBIT 9

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

IN THE MATTER OF:

Docket No.: 12-000523-WH

Dean Story,  
Petitioner

Case No.: 160450

v

Agency: Wage Hour

City of Detroit,  
Respondent

Case Type: Wage and Hour

Filing Type: Appeal

\_\_\_\_\_/

Issued and entered  
this 15<sup>th</sup> day of January, 2013  
by: David M. Cohen  
Administrative Law Judge

DECISION OF THE ADMINISTRATIVE LAW JUDGE

PROCEDURAL HISTORY

This is a proceeding held under Section 11 of 1978 PA 390, as amended, the Wage and Fringe Benefit Act (Act 390), MCL 408.481; and in accordance with 1969 PA 306, as amended, the Administrative Procedures Act (APA), MCL 24.201 *et seq.*

The purpose of this review is to examine Determination Order No. 160450 issued by the Department of Licensing & Regulatory Affairs, Wage Hour Division on March 8, 2012.

The Department determined that Act 390 was not violated "because payment of fringe benefit(s), longevity pay bonus, is not required by the terms set forth in the written fringe benefit policy/contract." Employee Story, through counsel, filed a March 20, 2012 appeal of the Determination Order.

This matter was subject to a fairly long procedural history. A hearing was originally scheduled for May 9, 2012. On April 18, 2012, Employer's counsel requested an adjournment of the initial hearing date. An April 26, 2012 Order Granting Adjournment set a new hearing date of June 11, 2012. On May 2, 2012, Employee's counsel requested an adjournment of the June 11, 2012 hearing date. A May 17, 2012 Order Granting Adjournment set a new hearing date of July 12, 2012.

On June 21, 2012, Employee's counsel submitted a correspondence requesting that a pre-hearing conference be scheduled for the purpose of allowing counsel time to inspect documents held by the City of Detroit. On June 22, 2012, Employer's counsel submitted a correspondence objecting to the necessity of the proposed pre-hearing conference. In response to these communications, I convened a telephone pre-hearing on June 28, 2012. After the phone conference, the hearing remained scheduled for July 12, 2012 and the

daylong hearing proceeded as scheduled at the Michigan Administrative Hearing System, Cadillac Place, Detroit, Michigan.

The hearing on this Determination Order and Docket 12-000522, another very similar claim concerning the same Employer, were consolidated on July 12, 2012 for hearing purposes only. Although necessarily similar in content, a separate Decision and Order will be issued regarding Docket 12-000522.

Employee was represented at the hearing by Attorney Richard G. Mack, Jr. The City of Detroit was represented at the hearing by Attorney Letitia C. Jones. A representative of the Wage Hour Division did not appear. The hearing proceeded in the absence of this party pursuant to Section 72(1) of the APA. Administrative Law Judge David Cohen presided.

At the close of the hearing, I acquiesced to a request from Employee's counsel to allow closing arguments via brief. A briefing schedule was set after the parties were in receipt of the transcript in the matter.

#### ISSUES AND APPLICABLE LAW

Are fringe benefits (a longevity pay bonus) due Employee? That is, did the Employer violate Section 3 of Act 390?

A bonus, such as a longevity payment, is a fringe benefit under Act 390. Section 1(e) defines "Fringe benefits" as:

"Fringe benefits" means compensation due an employee pursuant to a written contract or written policy for holiday, time off for sickness or injury, time off for personal reasons or vacation, bonuses, authorized expenses incurred during the course of employment, and contributions made on behalf of an employee.

Section 3 of Act 390 provides:

An employer shall pay fringe benefits to or on behalf of an employee in accordance with the terms set forth in the written contract or written policy.

#### WITNESSES

*For Employee:*

AFSCME Local 542 President Phyllis McMillon  
Senior Personnel Payroll Clerk Derek Gibson  
Employee Dean Story

*For Employer:*

Employee Dean Story (recalled)

Senior Personnel Payroll Clerk Derek Gibson (recalled)

Detroit Law Department Legal Assistant Sharon Guillory

Detroit Labor Relations Specialist Laverne Bronner-Wilson

**EMPLOYEE EXHIBITS**

1. The July 1, 2005 – June 30, 2008 Master Agreement between the City of Detroit and Michigan Council 25
2. An October 13, 2010 correspondence from City of Detroit Director of Labor Relations Joseph Martinico to AFSCME Council 25 President Albert Garrett
3. A Class Action Petition for Writ of Mandamus in the Wayne County Circuit Court matter of Dean Story and Rosemarie Haynesworth v State of Michigan and its Wage and Hour Division and Lisa Gould and Randall Hairston, case number is indecipherable on exhibit
4. An October 5, 2009 correspondence from City of Detroit Chief Financial Officer Norman White with attached Annual Longevity Pay policy outline
5. An October 2007 document entitled City of Detroit Payroll Department Longevity Procedure<sup>1</sup>

**EMPLOYER EXHIBITS**

1. A December 21, 2010 correspondence to the City of Detroit from the Wage & Hour Division
- 2a. A City of Detroit Personnel Department Employee History File regarding Employee Dean Story
- 2b. Excerpts from the Master Agreement between City of Detroit and Michigan Council 25, July 1, 2001 through June 30, 2005
- 2c. Department of Labor and Economic Growth Michigan Employment Relations Commission Fact Finding Report, MERC Case No. A-0062 (129 Pages)
- 2d. A September 9, 2010 correspondence to Detroit City Council from Labor Relations Director Joseph Martinico with attachment
- 2e. A September 28, 2010 correspondence to Detroit City Council from Labor

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<sup>1</sup> Largely duplicative of Exhibit 4

Relations Director Joseph Martinico, with a revised "Schedule A-12"

- 2f. Resolution approved by City Counsel on September 28, 2010 and approved by Mayor of Detroit on October 5, 2010
- 2g. Chart entitled Bargaining Units Not Receiving Longevity
- 3. A February 14, 2012 correspondence to Employee Dean Story from Wage & Hour Division Investigator Randall Harrison, with a copy of Determination Order #160450
- 4. A March 28, 2012 Notification of Appeal sent by the Wage & Hour Division to the Employer and Employee
- 5. A January 19, 2011 letter from AFSCME Michigan Counsel 25 President Albert Garrett to Director of Labor Relations Joseph Martinico, bearing the signatures of both Albert Garrett and Joseph Martinico
- 6. The Cover Page and Table of Contents from the document titled "Master Agreement between City of Detroit and Michigan Counsel 25, July 1, 2008 through June 30, 2012"

#### FINDINGS OF FACT

Employee Dean Story is employed by the City of Detroit in the city's General Services Department. Employee Story is a member of the American Federation of State County and Municipal Employees (AFSCME) Local 542. The present matter solely concerns Employee Story's claim for a \$600.00 longevity bonus for the year 2010.

It should be noted that throughout the proceeding, Employee's counsel repeatedly drew attention to the fact that a large number of similarly situated AFSCME employees have filed Wage & Hour claims regarding the issue of a longevity bonus.

Traditionally, the City of Detroit has annually paid a longevity bonus to city employees during the month of December. The amount of the bonus was determined by the individual employee's years of service.

The longevity bonus was incorporated into past Master Agreements between the City of Detroit and AFSCME (Employee Exhibit 1 & Employer Exhibit 2b). The 2005-2008 collective bargaining agreement (CBA) language stated in pertinent part:

Employees who have qualified for longevity pay and have accumulated at least sixteen hundred (1600) hours of straight time regular payroll hours of paid time during the year immediately preceding any December 1 date or other day of payment will qualify for a full longevity payment provided they are on the payroll on the December 1 date or any other date of qualification. Except for employees first qualifying for increments, the payment will be

made in a lump sum annually on the first pay date after December 1 (Employee Exhibit 1 at Page 43).

One of the disputes between the parties concerns whether employees were required to work 1600 hours or 1800 hours to obtain the 2010 longevity bonus (Exhibit 1 compared to Exhibit 2b). It appears that originally 1800 hours was required to obtain the bonus, but this was revised down to 1600 hours to factor into consideration employee furlough days.

Further, Senior Personnel Payroll Clerk Derek Gibson testified that traditionally the calculation for longevity pay involved "all paid bank time". Elaborating, Mr. Gibson indicated that this included regular work time, vacation time, sick time, reserved sick time, holidays, comp time and jury duty (Tr. Page 87, lines 14-18). I find that this was the policy for calculating the longevity payment, although it was not a policy clearly specified in the actual written contract between the parties (Employee Exhibit 4 & 5 compared to Employee Exhibit 1).

Mr. Gibson also testified credibly that historically a formula was utilized to provide longevity pay on a pro-rated basis to employees who did not meet the 1600 hour requirement by December 1<sup>st</sup> (Tr. Page 90, lines 9-19). Employee's counsel argued that this information was not utilized by the Wage Hour Investigator in determining Employee's eligibility for a longevity payment. For the reasons discussed below, neither the longevity payment calculation criteria nor the pro-rata formula is relevant in the final analysis.

Although the longevity pay bonus was provided historically, longevity pay is not contained within the document which is titled as the 2008-2012 Master Agreement between the City of Detroit and AFSCME (Employer Exhibit 6). The record establishes that the City of Detroit and AFSCME engaged in a protracted two year negotiation process concerning the terms of the 2008-2012 collective bargaining agreement between the parties.

AFSCME ultimately filed an August 10, 2009 Petition for Fact Finding with the Michigan Employment Relations Commission (MERC). As a result, a Fact Finder was appointed on October 21, 2009 (Employer Exhibit 2c at Page 2). A Fact Finding Hearing began on December 21, 2009 and continued on twenty two additional dates, ending with the exchange of post-hearing briefs in May 2010. The Fact Finding Report that resulted was issued on June 25, 2010. Many issues were addressed by the Fact Finder. Relevant to this proceeding is that the Fact Finder recommended that longevity pay be discontinued.

Prior to the Fact Finding proceeding, the last offer made by the City of Detroit to AFSCME was rejected by the Union. The hearing record indicates that this offer, rejected in November 2009, would have generally maintained the longevity bonus. Specifically, the offer proposed that if an employee had a ten-day suspension or more, they would not receive longevity pay for that year.

During this period of Fact Finding and negotiations, Union members meeting the appropriate qualifications were paid annual longevity bonuses in December 2009.



After issuance of the June 2010 Fact Finding Report, in conjunction with MERC procedures a sixty (60) day period ensued where the parties were allowed to continue bargaining in an attempt to reach a resolution. The parties remained unable to come to terms on a collective bargaining agreement and effectively reached an impasse. On September 9, 2010, after the sixty (60) day period elapsed, City of Detroit Labor Relations Director Joseph Martinico notified AFSCME and the Detroit City Council that it would exercise its legal right to impose the City's last proposals on the open issues between the parties. On September 28, 2010, the Detroit City Council passed a resolution, implementing terms which included longevity pay being eliminated in its entirety (Employer Exhibit D at Page 3). This resolution was approved by Detroit's Mayor on October 5, 2010 (Employer Exhibit F).

On October 13, 2010, the City of Detroit wrote a correspondence to AFSCME Council 25 President Albert Garrett (Employee Exhibit 2). The letter stated in pertinent part:

In light of the fact that the City has fully fulfilled its bargaining duty with regard to the Fact-Finder's Report and Recommendations, the City maintains that it has the legal right under PERA {Michigan Public Employment Relations Act} to implement its final impasse position regarding all of the issues presented to the Fact-Finder. Attached please find a list of the economic provisions that the City intends to implement. Effective on October 25, 2010...longevity pay shall be eliminated and tuition refund suspended. effective immediately (Employee Exhibit 2 at Page 2).

On January 19, 2011, AFSCME Council 25 President Albert Garrett wrote Director of Labor Relations Joseph Martinico regarding the "2008-2012 City of Detroit & AFSCME, Council 25 Labor Contracts" (Employer Exhibit 5). This correspondence accepts the terms that were imposed on October 25, 2010 by the City of Detroit. The language in the January 19, 2011 letter states:

As we both know, the City of Detroit and AFSCME have engaged in negotiations over the terms of a collective bargaining agreement for more than two years. The process included mediation and ultimately fact finding before a State appointed Fact Finder. The Fact Finder's report was issued on June 25, 2010 and the parties continued bargaining for more than 60 days following the release of the report, without reaching agreement. Following exhaustion of all of the procedures required by law, the City exercised its right to impose contract terms.

AFSCME understands that the City has lawfully imposed a full agreement on AFSCME and its affiliated units of the City of Detroit. AFSCME understands that this imposition is for the full agreement, including all terms imposed by the City and all other Articles tentatively agreed to by the parties during negotiations, for all five master agreements representing the AFSCME and all units (except the Emergency Services Operations (ESO) unit, as indicated below). AFSCME, and its affiliated City of Detroit unions and locals, accepts the imposed agreements and accepts said terms as final and binding upon the parties and shall withdraw all fact finding petitions filed on behalf of said

unions and locals, based upon said understandings.

AFSCME acknowledges that the imposition will be effective for all of its affiliated unions and locals (and their respective bargaining agreements), except for the ESO unit. It is AFSCME's position that ESOs are eligible for arbitration under Act 312 and the City disputes their eligibility at this time. Additionally, the City has informed the union that the application of furlough days for the Crossing Guards (Local 1863), Senior ESOs Telecommunications Operations (TCOs) and Senior TCOs have been waived for reasons of operational necessity. AFSCME's acceptance of the imposed terms is reliant upon these understandings as well.

Finally, AFSCME agrees to withdraw and/or refrain from filing any/all claims, charges, grievances or other litigation related in any way to the negotiation process or the imposition of contract terms by the City. This does not limit the union's right to grieve the City's interpretation or application of any such terms, or any subsequent unfair labor practice charges or grievances (Employer Exhibit 5).

### CONCLUSIONS OF LAW

The principles that govern judicial proceedings also apply to administrative hearings. The Employee is the appellant in this case and must prove by a preponderance of the evidence that the determination order should be rescinded or modified.

As a general rule, there is no longer any authority under Act 390 to interpret a collective bargaining agreement covered by federal labor law (Wage Hour General Entry XV). However, this does not apply to collective bargaining agreements involving CBAs in public employment. Therefore, there is jurisdiction over public sector claims *Lawrence v City of Detroit* WH 90-669 (1992), *Wage Hour Digest, supra*, ¶1232.

Employee's counsel avers that the Division's Determination Order committed a fundamental error in how it viewed the longevity payment, arguing that the longevity payment at issue should be viewed as wages as opposed to a fringe benefit.

I find that the longevity pay being sought is properly viewed as a fringe benefit bonus as opposed to earned wages. The clear language of Section 1(e), quoted above, indicates that the term fringe benefit includes *bonuses* paid by an Employer pursuant to a written contract or written policy. R 408.9002(2)(d) defines the term *bonus*, as used in Act 390, to mean a premium or extra or irregular remuneration in addition to wages that is awarded to an employee under a written contract or written policy.

In the present matter, the longevity payment was clearly a premium or extra remuneration allowed under previous collective bargaining agreements. It was an incentive for attendance and loyalty to Employer derived by looking at years of service and the yearly hours of service provided by an employee, but it was not a wage. In *Elarton v Lenawee Hills Memorial Park Association, Inc* WH 84-4216 (1985), *Wage Hour Digest, supra*, ¶557,

an employee was to receive a payment, characterized as a bonus, if still employed on June 1, 1984. The bonus was to be calculated at a rate of 50 cents for each hour the employee had worked. The *Elarton* Administrative Law Judge held that the disputed sum was indeed a bonus and subject to the requirement of a written contract. It was not viewed as a wage even though the sum was clearly calculated by looking at the hours worked by the employee. A longevity payment, such as the one at issue presently, is properly characterized under Act 390 as a bonus and should not be viewed as akin to an hourly wage.

Employee, through counsel, raises numerous arguments that a 2010 longevity bonus should be paid. Looking to the rationale of the Wage Hour Investigator, Employee's counsel argues that there was a miscalculation of whether Employee met the 1600 hour requirement for the longevity payment. Employee's counsel noted that the Wage Hour Investigator calculated Employee's 2010 hours by looking at only the straight time worked by Employee until October 2010. As indicated above, the testimony of Payroll Clerk Derek Gibson clearly conveyed that the calculation was based upon straight time, as well as vacation time, sick time, holidays, and other periods.

Employee argues further that there was a policy to pay even partial, pro-rated longevity payments to employees who did not meet the minimum hours worked in a year (Exhibit 4 & 5). As such, Employee's counsel asserts that at least a pro-rata payment should be due to Employee based upon hours worked until imposition of terms by the City of Detroit.

Further, Employee's counsel, drawing upon labor law, asserts that Employer could not impose the terms recommended by the Fact Finder, but should instead be left with the terms last offered by Employer prior to fact finding, which would have largely preserved the longevity bonus.

However, I find that Employee's arguments, whether based on last best offer, or past longevity payment calculation and pro-rata disbursement methods, do not overcome the fact that Employer and AFSCME agreed to a contract that no longer provided for the longevity payment.

The key document in this analysis is the January 19, 2011 correspondence from AFSCME Council 25 President Albert Garrett to Employer's Director of Labor Relations, Joseph Martinico. It is quoted above in its entirety due to the language it employs. In the January 2011 correspondence, President Garrett unambiguously agrees, on behalf of AFSCME membership, to the changes in conditions of employment that were imposed by the City of Detroit; terms which eliminate longevity payments. In key part, the letter states that "AFSCME understands that the City has lawfully imposed a full agreement on AFSCME and its affiliated units of the City of Detroit. AFSCME understands that this imposition is for the full agreement, including all terms imposed by the City...AFSCME, and its affiliated City of Detroit unions and locals, accepts the imposed agreements and accepts said terms as final and binding upon the parties" (Employer Exhibit 5). This language is unambiguous and indicates an acceptance of contract terms which included the elimination of the longevity bonus.

Additionally, the correspondence states that "AFSCME agrees to withdraw and/or refrain from filing any/all claims, charges, grievances or other litigation related in any way to the negotiation process or the imposition of contract terms by the City. This does not limit the union's right to grieve the City's interpretation or application of any of such terms, or any subsequent unfair labor practices charges or grievances" (Employer Exhibit 5 at Page 2). I note that a signature block was provided on the letter for Director of Labor Relations Martinico and that it was signed above typed print indicating "AGREED" (Employer Exhibit 5 at Page 2) (Emphasis from original).

In Petitioner's Post Hearing Brief, counsel acknowledges that the Union can waive an unfair labor practice charge or a grievance, but notes that the Union can not waive the rights of its membership to bring a claim under Act 390. Employee's counsel cites the case of *Admiral Merchants Motor Freight, Inc v Dept of Labor*, 149 Mich App 344 (1986) in support of the position that an individual employee's rights under Act 390 cannot be waived by a contract or agreement negotiated by an exclusive bargaining representative (Petitioner's Post Hearing Brief at Page 10).

In reviewing *Admiral Merchants*, I note that the factual circumstances were somewhat different then the present matter. *Admiral Merchants* concerned an Act 390 claim by two employees. The employees' claims concerned the same issues embodied in a federal suit filed by the International Teamsters Union.

Clearly, *Admiral Merchants* reinforces the rights of employees to seek relief through a claim under Act 390. Employee Story has that right and has exercised it in the present matter. However, while an employee has a right to pursue an Act 390 claim, the employee can not obtain relief greater than that afforded by the statute.

The January 19, 2011 letter between the City of Detroit and the Union represents a meeting of the minds, both sides receiving consideration for their agreement. I find that it is a contract made on behalf of AFSCME members, including Employee Story, by an individual with apparent and actual authority to act on behalf of the AFSCME membership.

A recurrent theme present in the arguments of Employee's counsel sounded in equity. Counsel drew an analogy, arguing that the present situation was similar to an Employer hiring an Employee for \$500.00 a week, to be paid on Friday, and then reducing the compensation to \$400.00 on Thursday (Tr. Page 30). Counsel was eloquent in repeatedly noting that most of the employees affected by the longevity bonus made modest incomes for their hard work on behalf of the City of Detroit. In *Todd v Nemic Machinery Company* WH 96-51 (1996), *Wage Hour Digest, supra*, ¶1070, it was acknowledged that an Administrative Law Judge has no equitable powers to create a solution at odds with Act 390. In *Todd*, a change to an employee handbook in January 1995 resulted in an employee being denied a bonus by a narrow window of time. The employee worked through the entire bonus calculation period which ended on March 31, 1995, but was denied the bonus due to not being employed when the bonuses were physically issued two weeks later.









# EXHIBIT 10



STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

IN THE MATTER OF:

Rosemary C. Haynesworth,  
Petitioner

v

City of Detroit,  
Respondent

Docket No.: 12-000522-WH

Case No.: 160794

Agency: Wage Hour

Case Type: Wage and Hour

Filing Type: Appeal

Issued and entered  
this 15<sup>th</sup> day of January, 2013  
by: David M. Cohen  
Administrative Law Judge

DECISION OF THE ADMINISTRATIVE LAW JUDGE

PROCEDURAL HISTORY

This is a proceeding held under Section 11 of 1978 PA 390, as amended, the Wage and Fringe Benefit Act (Act 390), MCL 408.481; and in accordance with 1969 PA 306, as amended, the Administrative Procedures Act (APA), MCL 24.201 *et seq.*

The purpose of this review is to examine Determination Order No. 160794 issued by the Department of Licensing & Regulatory Affairs, Wage Hour Division on March 8, 2012.

The Department determined that Act 390 was not violated "because payment of fringe benefit(s), longevity pay bonus, is not required by the terms set forth in the written fringe benefit policy/contract." Employee Haynesworth, through counsel, filed a March 20, 2012 appeal of the Determination Order.

This matter was subject to a fairly long procedural history. A hearing was originally scheduled for May 9, 2012. On April 18, 2012, Employer's counsel requested an adjournment of the initial hearing date. An April 26, 2012 Order Granting Adjournment set a new hearing date of June 11, 2012. On May 2, 2012, Employee's counsel requested an adjournment of the June 11, 2012 hearing date. A May 17, 2012 Order Granting Adjournment set a new hearing date of July 12, 2012.

On June 21, 2012, Employee's counsel submitted a correspondence requesting that a pre-hearing conference be scheduled for the purpose of allowing counsel time to inspect documents held by the City of Detroit. On June 22, 2012, Employer's counsel submitted a correspondence objecting to the necessity of the proposed pre-hearing conference. In response to these communications, I convened a telephone pre-hearing on June 28, 2012.

After the phone conference, the hearing remained scheduled for July 12, 2012 and the daylong hearing proceeded as scheduled at the Michigan Administrative Hearing System, Cadillac Place, Detroit, Michigan.

The hearing on this Determination Order and Docket 12-000523, another very similar claim concerning the same Employer, were consolidated on July 12, 2012 for hearing purposes only. Although necessarily similar in content, a separate Decision and Order will be issued regarding Docket 12-000523.

Employee Haynesworth was not present at the hearing and this is discussed below. Employee was represented by Attorney Richard G. Mack, Jr. The City of Detroit was represented at the hearing by Attorney Letitia C. Jones. A representative of the Wage Hour Division did not appear. The hearing proceeded in the absence of this party pursuant to Section 72(1) of the APA. Administrative Law Judge David Cohen presided.

At the close of the hearing, I acquiesced to a request from Employee's counsel to allow closing arguments via brief. A briefing schedule was set after the parties were in receipt of the transcript in the matter.

## ISSUES AND APPLICABLE LAW

Are fringe benefits (a longevity pay bonus) due Employee? That is, did the Employer violate Section 3 of Act 390?

A bonus, such as a longevity payment, is a fringe benefit under Act 390. Section 1(e) defines "Fringe benefits" as:

"Fringe benefits" means compensation due an employee pursuant to a written contract or written policy for holiday, time off for sickness or injury, time off for personal reasons or vacation, bonuses, authorized expenses incurred during the course of employment, and contributions made on behalf of an employee.

Section 3 of Act 390 provides:

An employer shall pay fringe benefits to or on behalf of an employee in accordance with the terms set forth in the written contract or written policy.

WITNESSES

*For Employee:*

AFSCME Local 542 President Phyllis McMillon  
Senior Personnel Payroll Clerk Derek Gibson  
Employee Dean Story

*For Employer:*

Employee Dean Story (recalled)  
Senior Personnel Payroll Clerk Derek Gibson (recalled)  
Detroit Law Department Legal Assistant Sharon Guillory  
Detroit Labor Relations Specialist Laverne Bronner-Wilson

**EMPLOYEE EXHIBITS**

1. The July 1, 2005 – June 30, 2008 Master Agreement between the City of Detroit and Michigan Council 25
2. An October 13, 2010 correspondence from City of Detroit Director of Labor Relations Joseph Martinico to AFSCME Council 25 President Albert Garrett
3. A Class Action Petition for Writ of Mandamus in the Wayne County Circuit Court matter of Dean Story and Rosemarie Haynesworth v State of Michigan and its Wage and Hour Division and Lisa Gould and Randall Hairston, case number is indecipherable on exhibit
4. An October 5, 2009 correspondence from City of Detroit Chief Financial Officer Norman White with attached Annual Longevity Pay policy outline
5. An October 2007 document entitled City of Detroit Payroll Department Longevity Procedure<sup>1</sup>

**EMPLOYER EXHIBITS**

1. A December 21, 2010 correspondence to the City of Detroit from the Wage & Hour Division
- 2a. A City of Detroit Personnel Department Employee History File regarding Employee Rosemarie Haynesworth
- 2b. Excerpts from the Master Agreement between City of Detroit and Michigan Council 25, July 1, 2001 through June 30, 2005
- 2c. Department of Labor and Economic Growth Michigan Employment Relations Commission Fact Finding Report, MERC Case No. A-0062 (129 Pages)
- 2d. A September 9, 2010 correspondence to Detroit City Council from Labor Relations Director Joseph Martinico with attachment
- 2e. A September 28, 2010 correspondence to Detroit City Council from Labor

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<sup>1</sup> Largely duplicative of Exhibit 4

Relations Director Joseph Martinico, with a revised "Schedule A-12"

- 2f. Resolution approved by City Counsel on September 28, 2010 and approved by Mayor of Detroit on October 5, 2010
- 2g. Chart entitled Bargaining Units Not Receiving Longevity
3. A February 14, 2012 correspondence to Employee Rosemarie Haynesworth from Wage & Hour Division Investigator Randall Harrison, with a copy of Determination Order #160794
4. A March 28, 2012 Notification of Appeal sent by the Wage & Hour Division to the Employer and Employee
5. A January 19, 2011 letter from AFSCME Michigan Counsel 25 President Albert Garrett to Director of Labor Relations Joseph Martinico, bearing the signatures of both Albert Garrett and Joseph Martinico
6. The Cover Page and Table of Contents from the document titled "Master Agreement between City of Detroit and Michigan Counsel 25, July 1, 2008 through June 30, 2012"

### FINDINGS OF FACT

Employee Rosemary Haynesworth is employed by the City of Detroit in the city's General Services Department. Employee Haynesworth is a member of the American Federation of State County and Municipal Employees (AFSCME) Local 542. The present matter solely concerns Employee Haynesworth's claim for a \$150.00 longevity bonus for the year 2010.

It should be noted that throughout the proceeding, Employee's counsel repeatedly drew attention to the fact that a large number of similarly situated AFSCME employees have filed Wage & Hour claims regarding the issue of a longevity bonus.

Traditionally, the City of Detroit has annually paid a longevity bonus to city employees during the month of December. The amount of the bonus was determined by the individual employee's years of service.

The longevity bonus was incorporated into past Master Agreements between the City of Detroit and AFSCME (Employee Exhibit 1 & Employer Exhibit 2b). The 2005-2008 collective bargaining agreement (CBA) language stated in pertinent part:

Employees who have qualified for longevity pay and have accumulated at least sixteen hundred (1600) hours of straight time regular payroll hours of paid time during the year immediately preceding any December 1 date or other day of payment will qualify for a full longevity payment provided they are on the payroll on the December 1 date or any other date of qualification.

Except for employees first qualifying for increments, the payment will be made in a lump sum annually on the first pay date after December 1 (Employee Exhibit 1 at Page 43).

One of the disputes between the parties concerns whether employees were required to work 1600 hours or 1800 hours to obtain the 2010 longevity bonus (Exhibit 1 compared to Exhibit 2b). It appears that originally 1800 hours was required to obtain the bonus, but this was revised down to 1600 hours to factor into consideration employee furlough days.

Further, Senior Personnel Payroll Clerk Derek Gibson testified that traditionally the calculation for longevity pay involved "all paid bank time". Elaborating, Mr. Gibson indicated that this included regular work time, vacation time, sick time, reserved sick time, holidays, comp time and jury duty (Tr. Page 87, lines 14-18). I find that this was the policy for calculating the longevity payment, although it was not a policy clearly specified in the actual written contract between the parties (Employee Exhibit 4 & 5 compared to Employee Exhibit 1).

Mr. Gibson also testified credibly that historically a formula was utilized to provide longevity pay on a pro-rated basis to employees who did not meet the 1600 hour requirement by December 1<sup>st</sup> (Tr. Page 90, lines 9-19). Employee's counsel argued that this information was not utilized by the Wage Hour Investigator in determining Employee's eligibility for a longevity payment. For the reasons discussed below, neither the longevity payment calculation criteria nor the pro-rata formula is relevant in the final analysis.

Although the longevity pay bonus was provided historically, longevity pay is not contained within the document which is titled as the 2008-2012 Master Agreement between the City of Detroit and AFSCME (Employer Exhibit 6). The record establishes that the City of Detroit and AFSCME engaged in a protracted two year negotiation process concerning the terms of the 2008-2012 collective bargaining agreement between the parties.

AFSCME ultimately filed an August 10, 2009 Petition for Fact Finding with the Michigan Employment Relations Commission (MERC). As a result, a Fact Finder was appointed on October 21, 2009 (Employer Exhibit 2c at Page 2). A Fact Finding Hearing began on December 21, 2009 and continued on twenty two additional dates, ending with the exchange of post-hearing briefs in May 2010. The Fact Finding Report that resulted was issued on June 25, 2010. Many issues were addressed by the Fact Finder. Relevant to this proceeding is that the Fact Finder recommended that longevity pay be discontinued.

Prior to the Fact Finding proceeding, the last offer made by the City of Detroit to AFSCME was rejected by the Union. The hearing record indicates that this offer, rejected in November 2009, would have generally maintained the longevity bonus. Specifically, the offer proposed that if an employee had a ten-day suspension or more, they would not receive longevity pay for that year.

During this period of Fact Finding and negotiations, Union members meeting the appropriate qualifications were paid annual longevity bonuses in December 2009.

After issuance of the June 2010 Fact Finding Report, in conjunction with MERC procedures a sixty day period ensued where the parties were allowed to continue bargaining in an attempt to reach a resolution. The parties remained unable to come to terms on a collective bargaining agreement and effectively reached an impasse. On September 9, 2010, after the sixty day period elapsed, City of Detroit Labor Relations Director Joseph Martinico notified AFSCME and the Detroit City Council that it would exercise its legal right to impose the City's last proposals on the open issues between the parties. On September 28, 2010, the Detroit City Council passed a resolution, implementing terms which included longevity pay being eliminated in its entirety (Employer Exhibit D at Page 3). This resolution was approved by Detroit's Mayor on October 5, 2010 (Employer Exhibit F).

On October 13, 2010, the City of Detroit wrote a correspondence to AFSCME Council 25 President Albert Garrett (Employee Exhibit 2). The letter stated in pertinent part:

In light of the fact that the City has fully fulfilled its bargaining duty with regard to the Fact-Finder's Report and Recommendations, the City maintains that it has the legal right under PERA {Michigan Public Employment Relations Act} to implement its final impasse position regarding all of the issues presented to the Fact-Finder. Attached please find a list of the economic provisions that the City intends to implement. Effective on October 25, 2010...longevity pay shall be eliminated and tuition refund suspended effective immediately (Employee Exhibit 2 at Page 2).

On January 19, 2011, AFSCME Council 25 President Albert Garrett wrote Director of Labor Relations Joseph Martinico regarding the "2008-2012 City of Detroit & AFSCME, Council 25 Labor Contracts" (Employer Exhibit 5). This correspondence accepts the terms that were imposed on October 25, 2010 by the City of Detroit. The language in the January 19, 2011 letter states:

As we both know, the City of Detroit and AFSCME have engaged in negotiations over the terms of a collective bargaining agreement for more than two years. The process included mediation and ultimately fact finding before a State appointed Fact Finder. The Fact Finder's report was issued on June 25, 2010 and the parties continued bargaining for more than 60 days following the release of the report, without reaching agreement. Following exhaustion of all of the procedures required by law, the City exercised its right to impose contract terms.

AFSCME understands that the City has lawfully imposed a full agreement on AFSCME and its affiliated units of the City of Detroit. AFSCME understands that this imposition is for the full agreement, including all terms imposed by the City and all other Articles tentatively agreed to by the parties during negotiations, for all five master agreements representing the AFSCME and all units (except the Emergency Services Operations (ESO) unit, as indicated below). AFSCME, and its affiliated City of Detroit unions and locals, accepts the imposed agreements and accepts said terms as final and binding upon

AFSCME acknowledges that the imposition will be effective for all of its affiliated unions and locals (and their respective bargaining agreements), except for the ESO unit. It is AFSCME's position that ESOs are eligible for arbitration under Act 312 and the City disputes their eligibility at this time. Additionally, the City has informed the union that the application of furlough days for the Crossing Guards (Local 1863), Senior ESOs Telecommunications Operations (TCOs) and Senior TCOs have been waived for reasons of operational necessity. AFSCME's acceptance of the imposed terms is reliant upon these understandings as well.

### CONCLUSIONS OF LAW

As a general rule, there is no longer any authority under Act 390 to interpret a collective bargaining agreement covered by federal labor law (Wage Hour General Entry XV). However, this does not apply to collective bargaining agreements involving CBAs in public employment. Therefore, there is jurisdiction over public sector claims *Lawrence v City of Detroit* WH 90-669 (1992), *Wage Hour Digest, supra*, ¶1232.

At the outset of my analysis, I note that Employee Rosemary Haynesworth did not appear at the hearing in this matter. As such, there is precedent for dismissing Employee Haynesworth's individual claim. In *Cooper, Graft, Martin, Savitski, McCormick, Dara & Trierweiler v Auto Mart Inc of Portland d/b/a Davis Ford Mercury* WH 91-565 thru 91-571 (1992), *Wage Hour Digest, supra*, ¶1049, a group of employees brought a claim against an employer. Three employees did not physically appear at the hearing in the matter and their claim was dismissed. This would be in holding with *Wage Hour Digest* General Entry XVI which indicates that dismissal is appropriate if an appellant fails to appear at a hearing. However, Employee Haynesworth's interests were represented by counsel. Further, both parties, through counsel, have expressed a vested interest in seeking a definitive resolution of the matter through the hearing process. As such, I decline to dismiss this matter based on Ms. Haynesworth's absence from the proceeding.

Employee's counsel avers that the Division's Determination Order committed a fundamental error in how it viewed the longevity payment, arguing that the longevity payment at issue should be viewed as wages as opposed to a fringe benefit.

I find that the longevity pay being sought is properly viewed as a fringe benefit bonus as opposed to earned wages. The clear language of Section 1(e), quoted above, indicates that the term fringe benefit includes *bonuses* paid by an Employer pursuant to a written contract or written policy. R 408.9002(2)(d) defines the term *bonus*, as used in Act 390, to mean a premium or extra or irregular remuneration in addition to wages that is awarded to an employee under a written contract or written policy.

In the present matter, the longevity payment was clearly a premium or extra remuneration allowed under previous collective bargaining agreements. It was an incentive for attendance and loyalty to Employer derived by looking at years of service and the yearly hours of service provided by an employee, but it was not a wage. In *Elarton v Lerawee Hills Memorial Park Association, Inc* WH 84-4216 (1985), *Wage Hour Digest, supra*, ¶557, an employee was to receive a payment, characterized as a bonus, if still employed on June 1, 1984. The bonus was to be calculated at a rate of 50 cents for each hour the employee had worked. The *Elarton* Administrative Law Judge held that the disputed sum was indeed a bonus and subject to the requirement of a written contract. It was not viewed as a wage even though the sum was clearly calculated by looking at the hours worked by the employee. A longevity payment, such as the one at issue presently, is properly characterized under Act 390 as a bonus and should not be viewed as akin to an hourly wage.

Employee, through counsel, raises numerous arguments that a 2010 longevity bonus should be paid. Looking to the rationale of the Wage Hour Investigator, Employee's counsel argues that there was a miscalculation of whether Employee met the 1600 hour requirement for the longevity payment. Employee's counsel noted that the Wage Hour Investigator calculated Employee's 2010 hours by looking at only the straight time worked by Employee until October 2010. As indicated above, the testimony of Payroll Clerk Derek Gibson clearly conveyed that the calculation was based upon straight time, as well as vacation time, sick time, holidays, and other periods.

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Further, Employee's counsel, drawing upon labor law, asserts that Employer could not impose the terms recommended by the Fact Finder, but should instead be left with the terms last offered by Employer prior to fact finding, which would have largely preserved the longevity bonus.

However, I find that Employee's arguments, whether based on last best offer, or past longevity payment calculation and pro-rata disbursement methods, do not overcome the



fact that Employer and AFSCME agreed to a contract that no longer provided for the longevity payment.

The key document in this analysis is the January 19, 2011 correspondence from AFSCME Council 25 President Albert Garrett to Employer's Director of Labor Relations, Joseph Martinico. It is quoted above in its entirety due to the language it employs. In the January 2011 correspondence, President Garrett unambiguously agrees, on behalf of AFSCME membership, to the changes in conditions of employment that were imposed by the City of Detroit; terms which eliminate longevity payments. In key part, the letter states that "AFSCME understands that the City has lawfully imposed a full agreement on AFSCME and its affiliated units of the City of Detroit. AFSCME understands that this imposition is for the full agreement, including all terms imposed by the City...AFSCME, and its affiliated City of Detroit unions and locals, accepts the imposed agreements and accepts said terms as final and binding upon the parties" (Employer Exhibit 5). This language is unambiguous and indicates an acceptance of contract terms which included the elimination of the longevity bonus.

Additionally, the correspondence states that "AFSCME agrees to withdraw and/or refrain from filing any/all claims, charges, grievances or other litigation related in any way to the negotiation process or the imposition of contract terms by the City. This does not limit the union's right to grieve the City's interpretation or application of any of such terms, or any subsequent unfair labor practices charges or grievances" (Employer Exhibit 5 at Page 2). I note that a signature block was provided on the letter for Director of Labor Relations Martinico and that it was signed above typed print indicating "AGREED" (Employer Exhibit 5 at Page 2) (Emphasis from original).

In Petitioner's Post Hearing Brief, counsel acknowledges that the Union can waive an unfair labor practice charge or a grievance, but notes that the Union can not waive the rights of its members to bring a claim under Act 390. Employee's counsel cites the case of *Admiral Merchants Motor Freight, Inc v Dept of Labor*, 149 Mich App 344 (1986) in support of the position that an individual employee's rights under Act 390 cannot be waived by a contract or agreement negotiated by an exclusive bargaining representative (Petitioner's Post Hearing Brief at Page 10).

In reviewing *Admiral Merchants*, I note that the factual circumstances were somewhat different than the present matter. *Admiral Merchants* concerned an Act 390 claim by two employees. The employees' claims concerned the same issues embodied in a federal suit filed by the International Teamsters Union.

Clearly, *Admiral Merchants* reinforces the rights of employees to seek relief through a claim under Act 390. Employee Haynesworth has that right and has exercised it in the present matter. However, while an employee has a right to pursue an Act 390 claim, the employee can not obtain relief greater than that afforded by the statute.

The January 19, 2011 letter between the City of Detroit and the Union represents a meeting of the minds, both sides receiving consideration for their agreement. I find that it

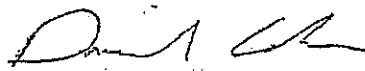
is a contract made on behalf of AFSCME members, including Employee Haynesworth, by an individual with apparent and actual authority to act on behalf of the AFSCME members.

A recurrent theme present in the arguments of Employee's counsel sounded in equity. Counsel drew an analogy, arguing that the present situation was similar to an Employer hiring an Employee for \$500.00 a week, to be paid on Friday, and then reducing the compensation to \$400.00 on Thursday (Tr. Page 30). Counsel was eloquent in repeatedly noting that most of the employees affected by the longevity bonus made modest incomes for their hard work on behalf of the City of Detroit. In *Todd v Nemic Machinery Company* WH 96-51 (1996), *Wage Hour Digest, supra*, ¶1070, it was acknowledged that an Administrative Law Judge has no equitable powers to create a solution at odds with Act 390. In *Todd*, a change to an employee handbook in January 1995 resulted in an employee being denied a bonus by a narrow window of time. The employee worked through the entire bonus calculation period which ended on March 31, 1995, but was denied the bonus due to not being employed when the bonuses were physically issued two weeks later.

Under Act 390, the payment of bonuses, such as a longevity payment bonus, is determined pursuant to the terms of a written contract or written agreement between the parties. The contract agreement, demonstrated by the January 19, 2011 correspondence, applies in this matter. It no longer provides for a longevity bonus.

### DECISION

The Department's Determination Order 160794, dated March 8, 2012 is **AFFIRMED**.



David Cohen  
Administrative Law Judge

### APPEAL PROCEDURE

The parties may appeal decision based on MCL 408.481(9), which provides:

*MCL 408.481(9) A party to the proceeding may obtain judicial review of the determination of the hearings officer pursuant to Act No. 306 of the Public Acts of 1969, as amended. Venue for an appeal under this act shall only be in the circuit where the employee is a resident, where the employment occurred, or where the employer has a principal place of business.*

*MCL 24.304 requires an appeal to be filed "within 60 days after the date of mailing notice of the final decision or order of the agency."*

PROOF OF SERVICE

I hereby state, to the best of my knowledge, information and belief, that a copy of the foregoing document was served upon all parties and/or attorneys of record in this matter by Inter-Departmental mail to those parties employed by the State of Michigan and by UPS/Next Day Air, facsimile, and/or by mailing same to them via first class mail and/or certified mail, return receipt requested, at their respective addresses as disclosed below this 15<sup>th</sup> day of January, 2013.

Maria Ardelean

Maria Ardelean

Michigan Administrative Hearing System

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# EXHIBIT 11

STATE OF MICHIGAN  
IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

IN THE MATTER OF:

Docket Nos. 12-000522-WH  
12-000523-WH

Rosemary C. Haynesworth, and  
Dean Story, (appealing on behalf of those  
who work for the City of Detroit and are  
represented by the AFSCME union)  
Petitioners-Appellants,

Lower Case Nos.: 160794 & 160450  
Agency Appealed: Wage & Hour

v

13-003430-PZ

City of Detroit,  
Respondent-Appellee.

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PETITION FOR REVIEW

NOW COME Petitioners-Appellants, Dean Story and Rosemarie Haynesworth, by and through their attorneys, Miller Cohen PLC, and for their Petition for Review state as follows:

Petitioners seek review of a Decision entered by Administrative Law Judge David Cohen on January 15, 2013 involving an action brought under the Michigan Wage and Fringe Benefit Act, MCL § 408.481, in which Petitioners alleged that their employer, the City of Detroit, had failed to pay contractually mandated longevity pay that had accrued for time already worked.

**I. JURISDICTION AND VENUE**

1. This Court has jurisdiction to hear appeals from an Administrative Law Judge's decision relating to a determination issued by the Department of Licensing & Regulatory Affairs, Wage Hour Division under MCL § 408.481(9) and per MCL § 24.304.

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2. According to MCL § 408.481(9), review is appropriate “in the circuit where the employee is a resident, where the employment occurred, or where the employer has a principal place of business.”

3. Petitioner-appellant, Dean Story, is an individual resident of Detroit, MI. He is a member of a labor organization, AFSCME Local 542, the exclusive bargaining representative for bargaining unit members employed by the City of Detroit.

4. Petitioner-appellant, Rosemarie Haynesworth, is an individual resident of Detroit. She is a member of a labor organization, AFSCME Local 542, the exclusive bargaining representative for bargaining unit members employed by the City of Detroit.

5. Respondent-appellee, City of Detroit, is a government entity doing business in the County of Wayne.

## II. NATURE OF THE PROCEEDINGS

6. Petitioners, Rosemary Haynesworth and Dean Story, are members of AFSCME Local 542 who work for the City of Detroit in the general services department. Mr. Story has over twenty-six years of seniority; Ms. Haynesworth about nine years.

7. Local 542 represents employees of the City of Detroit, including the City of Detroit's general services department. Bargaining unit members of Local 542 made until recently, on average, between \$25,000 and \$30,000 a year. Recently, the City enacted a 10% base wage cut, health care employee costs amounting to almost 10% of employee compensation, and another 10% reduction in pay accomplished through furlough days. Thus, for a furloughing employee making approximately \$30,000 per year before these cuts, the employee is now making just above \$20,000 per year (gross).

8. AFSCME negotiates a Master Agreement, or collective bargaining agreement covering a number of different union locals, with the City of Detroit. There are approximately

2500 AFSCME-represented employees in the City of Detroit, all of whom work under the Master Agreement. This Master Agreement covers employees in eighteen (18) different locals.

9. While the parties were negotiating a successor collective bargaining agreement to the 2005-2008 Master Agreement (hereinafter, the "Master Agreement"), the agreement was in full force and effect up until October 13, 2010. (*Exhibit A*) The City terminated the agreement at that time. Indeed, that Agreement was explicitly extended until one of the parties were to provide ten days of written notice as to termination according to its very terms. (*Id.*) Specifically, the CBA states that:

"In the event that the City and the Union fail to arrive at an agreement on wages, fringe benefits, other monetary matters, and non-economic items by June 30, 2008, the Agreement will remain in effect on a day to day basis. Either party may terminate the agreement by giving the other party a ten (10) written notice on or after June 20, 2008."<sup>1</sup>

(*Id.*) The City terminated the agreement on October 13, 2010.

10. From July 2006 to October 13, 2010, AFSCME members worked under Article 25 of the Master Agreement between AFSCME and the City of Detroit.

11. Under Article 25 of the Master Agreement, employees received longevity pay based on the number of years of seniority, starting with \$150 for those who have served for five years and ending with \$750 for those who have served twenty-six years. (*Exhibit A*) Specifically, Article 25 subsection B of the collective bargaining agreement defines how employees qualify on an annual basis for longevity pay:

Employees who have qualified for longevity pay and have accumulated at least sixteen hundred (1600) hours of straight time regular payroll hours of paid time during the year immediately preceding any December 1 date or other day of payment will qualify for a full longevity payment provided they are on the payroll on December 1 date or any other date of qualification. Except for employees first qualifying for increments, the payment will be made in a lump sum annually on the first pay date after December 1.

<sup>1</sup> Also of important note is Article 52, which states that "[T]he Agreement will remain in effect on a day to day basis. Either party may terminate the agreement by giving the other party a ten (10) day written notice on or after June 20, 2008." (*Id.*)

(Id.)(emphasis added) In determining what time to consider regarding the 1600 hour requirement, the parties included regular work time, banked leave time, vacation time, sick time, bereavement leave, holiday time, comp time, and jury duty with overtime being the only exception. (Id.)

12. Additionally, if an employee does not meet the 1600 hours, he or she can still receive the prorated amount as long as the employee worked twenty hours per month. (Id.)

13. Also, according to Detroit's Municipal Code, longevity pay is provided to City employees, and represents "a *reward* based on length of service." Detroit Municipal Code § 13-7-1. Under the City Ordinance, City employees are entitled to longevity pay if they work 216 days from the immediately preceding December first. Detroit Municipal Code § 13-7-2(c).

14. Also, Respondent maintained a written policy that human resources relied upon to calculate the longevity pay. (*Exhibit B*)

15. Regardless of these still-effective Ordinance provisions and policies, on October 13, 2010, Respondent sent a letter to Al Garrett, President of AFSCME Council 25, stating that the City was eliminating longevity pay. (*Exhibit C*) The effect of this was to not only change the policy moving forward into the next year, but to deny City employees longevity pay for time that had already been served in 2010.

16. By October 13<sup>th</sup>, both Petitioners had already met the 1600 hour requirement. Specifically, Mr. Story had about 1,784 hours and Ms. Haynesworth had about 1,726.7 hours, according to the payroll audits performed by the Wage and Hour Division. Additionally, Petitioners were likely not alone. After all, 1600 hours is approximately 77% of a full-time work year of 2080 hours; yet, October 13<sup>th</sup> rests at the completion of 78% of the year. A full time AFSCME-represented employee would attain his/her 1600 hours, starting work with the first of December 2009, sometime during the first two weeks of September 2010. Thus, the average



AFSCME member has attained the 1600 hour threshold while working under the longevity provisions of the most-recent agreement, as of October 13, 2010.

17. Petitioners filed a charge with the Michigan Department of Licensing and Regulatory Affairs, Wage Hour Division, alleging that the deprivation of longevity pay was a violation of the Michigan Wage and Fringe Benefit Act, MCL § 408.481 (hereinafter, Act 390). The Petitioners and the Department maintained that the result reached with the Petitioners' case would likely control the result of the hundreds of other AFSCME-represented employees who also filed claims with the Department for lost longevity.

18. The Department rendered its determination that there was no violation of Act 390 on March 8, 2012. Petitioners properly filed an appeal that led to a full evidentiary hearing on July 12, 2012 and post-hearing briefs were filed in August 2012.

19. In a Decision from Administrative Law Judge David Cohen issued on January 15, 2013, the ALJ affirmed the Department's determination. (*Exhibit D*) Interestingly, the rationale of the ALJ varied from that of the Department, as to why the claims should be denied.

### III. GROUNDS ON WHICH RELIEF IS SOUGHT

20. Pursuant to the Administrative Procedures Act of 1969, Petitioners bring this Petition for Review on the basis that the ALJ's Decision was in violation of Act 390, was in excess of the statutory authority granted to the agency, was supported by a material error of law, and was not supported by competent, material, and substantial evidence on the whole of the record. MCL § 24.306. According to the Administrative Procedures Act: "The court, on request, shall hear oral arguments and receive written briefs." MCL § 24.304(3).

Accordingly, Petitioners request a briefing schedule from the Court, as well as a date for oral argument.

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21. In the January 15<sup>th</sup> Decision, the ALJ primarily relied on a letter from AFSCME Council 25's President Al Garrett dated January 19, 2011. (*Exhibit E*) In that letter, President Garrett responded to Respondent's imposed agreement accepting that the City had properly imposed terms on the bargaining unit per the requirements of the Public Employment Relations Act, MCL § 423.201 *et seq* (PERA). Nowhere in President Garrett's letter did he waive the right of employees to be paid for already accrued compensation, but instead waived AFSCME's right to bring an unfair labor practice charge or grievance relating to the negotiation process or imposition of collective bargaining terms. Instead, President Garrett merely described the imposed terms prospectively, not accrued benefits that were already owed to bargaining unit members due to their service time that had already been performed.

22. Regardless of this distinction, the ALJ completely ignored the fact that Petitioners and their fellow employees had already accrued a right to be provided their longevity pay under the CBA that was currently in effect on October 13th. Also, the ALJ provided little rationale for disregarding case law cited to by Petitioners in their post-hearing brief. Namely, in *Admiral Merchants Motor Freight, Inc v Dept of Labor*, the Court of Appeals held that a labor organization cannot waive an employee's individual rights under Act 390. 149 Mich App 344 (1986).

23. Notably, the Court of Appeals in *Admiral Merchants* compared Act 390 to the Fair Labor Standards Act (FLSA) in deciding that Act 390 rights cannot be waived through the collective bargaining process. *Id.* at 351-53. This comparison to FLSA is quite appropriate considering the equally strong language in Section 11 of 390 Act. Rights under FLSA continue to be held by courts to be nonwaivable through collective bargaining. *See e.g., Barrentine v Arkansas-Best Freight System, Inc*, 450 US 728 (1981); *Brooklyn Savings Bank v O'Neill*, 324

US 697 (1945); *O'Brien v Encotech Constr Serv Inc*, 183 F Supp 2d 1047 (ND Ill 2002); *Gentry v Superior Court*, 165 P3d 556 (Cal. 2007).

24. Furthermore, the Michigan Employment Relations Commission (MERC) has no authority to enforce the Wage and Fringe Benefits Act (WFBA). See e.g., *Detroit Public Schools*, 20 MPER P 117 (2007). A plaintiff alleging a failure of his/her employer to pay wages or fringe benefits may either file a claim under the WFBA, or a lawsuit alleging a theory other than the WFBA (i.e., breach of contract). There is no obligation for the employee to exhaust the administrative remedies such as a grievance procedure under the WFBA before proceeding with other legal remedies. *Murphy v Sears, Roebuck & Co*, 190 Mich App 384, 388 (1991).

25. The ALJ distinguished the above-referenced case law arguing that *Admiral Merchants* only reaffirms that employees have a separate right to pursue remedy through Act 390. However, this misconstrues the law entirely--both *Admiral Merchants* and the FLSA cases the Court of Appeals cites to in that decision go beyond whether an employee can bring a claim under Act 390 separate and apart from a grievance or ULP. Instead, those cases indicate that a labor organization cannot negotiate away rights under Act 390 or FLSA. *Id.* at 195-96 (citing *Barrentine v Arkansas-Best Freight System, Inc*, 450 US 728, 740 (1981)) ("This Court's decisions interpreting the FLSA have frequently emphasized the nonwaivable nature of an individual employee's right to a minimum wage and to overtime pay under the Act. Thus, we have held that FLSA rights cannot be abridged by contract or otherwise waived because this would 'nullify the purposes' of the statute and thwart the legislative policies it has designed to effectuate. ... Moreover, we have held that congressionally granted FLSA rights take precedence over conflicting provisions in a collectively bargained compensation arrangement."))

26. Act 390 protects the rights of employees to be paid accrued wages or fringe benefits. This statutory right cannot be waived by a labor organization representing a collective

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body of employees. Otherwise, an employer could change its written compensation policy after employees had already performed according to that document, and deny those employees the benefits they were promised. This interpretation is clearly at odds with the legislative rationale for Act 390.

27. Also, the ALJ completely ignored Petitioners' citation to relevant law regarding contract interpretation, even though the ALJ reiterated the importance of interpreting contractual language. The performance of City employees is reminiscent of a unilateral contract. The Michigan Court of Appeals stated in *Gaydos v White Motor Corp*, a case dealing with an employer's failure to provide promised severance pay, that "[a]s the employees continued to work [after the policy was established], consideration was supplied for a unilateral contract, upon which the employees had the right to rely." 54 Mich App 146, 148 (1974). In other words, Petitioners in this case had the right to expect payment for longevity pay because they had already begun performance.

28. Respondent's employees were led to believe that they would be paid longevity pay for 2009-2010 because Respondent paid longevity pay in 2008 and 2009, had several documents stating that employees would be paid longevity pay on the basis of hours worked in the year, and were even led to believe that longevity pay was not being removed from the successor agreement on the basis of their last best offer. Employees performed accordingly. In fact, by the time Respondent actually eliminated the longevity pay provision, over three-quarters of the year had passed. Consequently, Respondent has breached its duties and must provide all of its employees full longevity pay from December 1, 2009 to December 1, 2010 who achieved the 1600 hour requirement.

29. Finally, the ALJ largely ignored the four other documents that reflect "written policies" or plans that were in place dictating how employees would receive longevity pay. As

stated above and during the hearing, Petitioners' Exhibits 4 & 5 reflect the how longevity pay was calculated. In addition, the City Charter Provision directly requires that City employees receive "a reward based on length of service," which is exactly what longevity pay was. Detroit Municipal Code § 13-7-1. Furthermore, the City's own published ordinances state quite clearly that employees are entitled to longevity pay if they work 216 days from December 1<sup>st</sup>. Hence, there are several written sources that provide for how employees should be paid longevity pay that were deliberately overlooked by Respondent. Consequently, Petitioners and all employees similarly situated should be compensated accordingly.

#### IV. REQUESTED RELIEF

WHEREAS, Petitioner-Appellants request that this Court provide the parties a briefing schedule and oral argument per MCL § 24.304(3), and after considering those briefs and hearing oral argument, reverse ALJ Cohen's Decision and award Petitioner-Appellants, and all other similarly situated City employees the back longevity pay that was accrued for 2009-2010, along with interest, and all other damages that they would be entitled to under Act 309.

Respectfully submitted,

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By: 

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Dated: March 11, 2013

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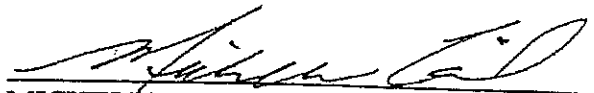
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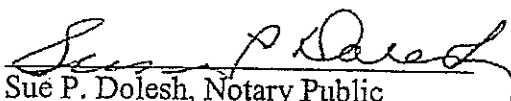
MICHELLE COIL says that on *March 11, 2013*, she served a copy of the *Petition for Review*, along with this *Proof of Service* upon:

Letitia C. Jones, Esq.  
Assistant Corporation Counsel  
660 Woodward Ave., Ste. 1800  
Detroit, MI 48226-3535

via U.S. First-Class Mail by placing same in the United States Postal Receptacle in Detroit, Michigan.

  
MICHELLE COIL

Subscribed to and sworn before me on  
March 11, 2013.

  
Sue P. Dolesh, Notary Public  
Oakland County, Michigan  
Acting in Wayne County  
My Commission expires: 3/6/14

# EXHIBIT 12

# VOLUNTARY LABOR ARBITRATION TRIBUNAL

*In the Matter of the  
Arbitration Between:*

CITY OF DETROIT

-and-

MICHIGAN AFSCME COUNCIL 25  
and its Locals 457, 273 and 1642

Case No. 12-007708-CL  
Gr. No. 25-01-12  
Log No. D26311-999-2012

## ARBITRATOR'S OPINION AND AWARD

### APPEARANCES:

FOR DETROIT MEDICAL CENTER:

FOR MICHIGAN AFSCME COUNCIL 25  
and its Locals 457, 273 and 1642:

Andrew Jarvis, Assistant Corporation Counsel

Richard Mack, Attorney

### Introduction

The City of Detroit and Michigan AFSCME Council 25 and its Affiliate Locals were parties to a Master Agreement, including Council 25's Locals 457, 273 and 1642, who represented employees in the City of Detroit Health and Wellness Promotion Department, the Human Services Department and the Detroit Workforce Development Department. The cover sheet of this Master Agreement contained the following dates -- "July 1, 2008 - June 30, 2012."

Page 81 of the Master Agreement contained the following:

### 51. MODIFICATION AND TERMINATION

It is agreed between the parties that this Contract shall continue in full force and effect until 11:59 p.m., June 30, 2012. If either party desires to modify this Contract they shall give written notice during the month of February 2012. Negotiations for a new contract shall commence thirty (30) days after that date.



In the event that the City and the Union fail to arrive at an agreement on wages, fringe benefits other monetary matters, and non-economic items by June 30, 2012, the Agreement will remain in effect on a day to day basis. Either party may terminate the agreement by giving the other party a ten (10) day written notice on or after June 20, 2012.

The parties agree that this sole and complete Agreement is intended to cover all matters affecting wages, hours, and other terms and conditions of employment and that during the term of this Agreement, neither the City nor the Union will be required to negotiate on any further matters affecting these or any other subjects not specifically set forth in this Agreement, except by mutual agreement of the parties hereto.

On June 20, 2012, Lamont Satchel, Director of the City of Detroit Labor Relations Division, wrote Albert Garrett, President, Michigan Council 25, the following letter:

RE: Termination of 2008-2012 Collective Bargaining Agreement(s)

Dear President Garrett:

This letter serves as notification that in accordance with our collective bargaining agreement, the City hereby provides ten (10) days written notice of its intent to terminate the master and supplemental bargaining agreements as of July 1, 2012.

Please be advised that the City will continue its practice, where required, of disciplining and discharging non-probationary unit employees under a just cause standard notwithstanding the contract termination. The City also agrees to maintain the grievance and arbitration procedures with regards to all discipline and discharge cases. With regard to non-discipline or discharge cases, the City's position, in accordance with Michigan law, is that the termination of the agreement ends the contractual arbitration procedures for any dispute based upon facts arising after the termination date of the agreement, or not involving rights accrued or vested under the agreement. Accordingly, the City will determine its arbitration obligations on a case-by-case basis, and will act in accordance with its rights and obligations under Michigan law. The City of Detroit reserves all rights pursuant to applicable legal authority.

Previously, on May 31, 2012, DeAngelo Malcolm, Council 25 Staff Representative, had filed the following grievance with the City:

STATEMENT OF FACTS: The Union protests the actions taken by the City of Detroit. The city has shutdown various Departments (The

Health Department, Human Services Department, The Detroit Workforce Development Department) and laid off members of this bargaining unit and replaced them with 3rd party entities.

**VIOLATIONS:** The actions taken by the employer clearly violates, Purpose and Intent, Article -1 Recognition, Article 2, Management Rights and Responsibilities, Article-16 Reductions In Force, Lay Off, Demotion and Recall, Article 19 Contractual Work, Article 21- Maintenance of Condition, Article 42 Successor, Article-47 Retirement, MOU-Labor Management Committees of the CBA., as well as Local and State Laws and any other applicable Articles or Laws.

**DISPOSITION REQUESTED:** We demand that the City immediately cease and desist violating the CBA, Local and State laws, require the successor entities to recognize the union, hire its members who currently work in the affected positions, adopt a bargaining agreement with the union for said employees, expeditiously return all laid off employees affected and make the Union whole in all areas.

\*The Union reserves the right to modify this grievance.

On the same day, the grievance was appealed to arbitration.

#### Procedural Background

The question concerning the arbitration of this matter ended up in litigation involving these parties in the Wayne County Circuit Court, namely, American Federation of State, County and Municipal Employees Council 25, and its affiliated Locals 457, 273 and 1642 v. City of Detroit, Loretta Davis and Pamela Moore in Case No. 12-007708-CL before the Honorable Wendy M. Baxter who on June 27, 2012 issued an Order granting partial relief in denying a request for preliminary injunction and writ of mandamus wherein Judge Baxter ordered "that the City of Detroit and AFSCME shall arbitrate in an expedited fashion to commence within 28 days after the date of this Order; and it is further ordered that the arbitrator shall render a decision immediately thereafter on the grievance and/or unfair labor charge;"

Arbitration hearings were held on July 26, August 3, 7, 9, 14, 16 and 20, 2012. Post-

hearing briefs were thereafter filed.

The City of Detroit Health and Wellness Promotion Department

The City of Detroit Health and Wellness Promotion Department is a local health department as defined by the Michigan Public Health Code, MCLA §333.2422. The Michigan Public Health Code imposes certain requirements on the City as a local health department. MCL §333.2431 provides:

Sec. 2431. (1) A local health department shall:

- (a) Have a plan of organization approved by the department.
- (b) Demonstrate ability to provide required services.
- (c) Demonstrate ability to defend and indemnify employees for civil liability sustained in the performance of official duties except for wanton and willful misconduct.
- (d) Meet the other requirements of this part.

MCL §333.2433(1) states that a “local health department shall continually and diligently endeavor to prevent disease, prolong life, and promote the public health through organized programs, including prevention and control of environmental health hazards; prevention and control of diseases; prevention and control of health problems of particularly vulnerable population groups; development of health care facilities and health services delivery systems; and regulation of health care facilities and health services delivery systems to the extent provided by law.

MCL §333.2433(2) states that a local health department shall:

- (a) Implement and enforce laws for which responsibility is vested in the local health department.
- (b) Utilize vital and health statistics and provide for epidemiological and other research studies for the purpose of protecting the public health.

(c) Make investigations and inquiries as to:

(i) The causes of disease and especially of epidemics.

(ii) The causes of morbidity and mortality.

(iii) The causes, prevention, and control of environmental health hazards, nuisances, and sources of illness.

(d) Plan, implement, and evaluate health education through the provision of expert technical assistance, or financial support, or both.

(e) Provide or demonstrate the provision of required services as set forth in section 2473(2).

(f) Have powers necessary or appropriate to perform the duties and exercise the powers given by law to the local health officer and which are not otherwise prohibited by law.

(g) Plan, implement, and evaluate nutrition services by provision of expert technical assistance or financial support, or both.

If there is an imminent danger to the health or lives of individuals, then the Health Department shall perform certain actions and issue orders incorporating findings concerning the imminent danger and demand certain immediate action. *See* MCL §333.2451. And when there is an epidemic present, there are certain responsibilities placed upon the health department. MCL §333.2453.

Similarly, the health department has responsibilities in monitoring restaurants and evaluating conditions of buildings and approving cemeteries. *See* MCL §333.2455, 333.2458, MCL §333.245.

There is no dispute that prior to July 1, 2012 the Department of Health and Wellness Promotion, consistent with the above State statute, provided services such as immunizations, family planning and TB control programs, pediatric dental, vision and hearing screening, home visits by public nurses, inspection of food service establishments and epidemiology among other

various health programs. (Tr. 603-605).

Prior to July 1, 2012 and subsequent to July 1, 2012 Loretta Davis was and continues as the City's Chief Health Officer and Director of the City of Detroit Health and Wellness Promotion Department. (Tr. 607). As such, she is an appointee of the Mayor of Detroit. As such, she is responsible for enforcement of the health ordinances of the City. (Tr. 605-608). Betsy Pash, both before and after July 1, 2012, was and continues as Deputy Director of the Health and Wellness Promotion Department for the City of Detroit. (Tr. 116).

Ms. Pash acknowledged that in late February 2012 City officials decided the City of Detroit Health and Wellness Promotion Department would no longer provide statutory mandated health services to the citizens of Detroit. These services that had been performed by the City of Detroit Health and Wellness Promotion Department were to be performed by an outside entity.

By April 2012, a new corporation separate from the City of Detroit was incorporated, known as the Institute of Population Health (IPH). The incorporators were Loretta Davis and Betsy Pash. Loretta Davis became President and CEO and Betsy Pash became Chief Operating Officer of IPH. (Tr. 151, 604). The IPH was incorporated for the purposes of transferring the Health Department functions to the IPH. According to Ms. Pash, the Mayor no longer wanted the City to directly provide public health services. (Tr. 119).

On July 1, 2012, virtually all previous services that had been provided by the Department of Health and Wellness Promotion were transferred to the IPH.

According to Ms. Pash and confirmed by Ms. Davis, Ms. Pash acknowledged that "a lot of the money" funding the health department comes from State and Federal grants; that the grant money was either shifted or intended to be shifted over to the IPH. (Tr. 119-121, 602). Ms.

Davis testified that the Health and Wellness Promotion Department had been funded "around 95%" from State and Federal grants received by the City. (Tr. 602).

There was a discussion concerning four grants that go directly to the City that would be under the plan funneled through the City "through work done by the IPH, and by the SEMHA contractors". (Tr. 169). There was testimony that where the Health Department oversees in the past animal control that since there was no grant funding for animal control, this function would now be transferred to the Police Department. In the past, vital statistics was a source of revenue. Initially, this source of revenue was planned to be funneled to IPH. It was decided that the City would not transfer this function. (Tr. 363-364).

As noted, Ms. Davis is the President and CEO of IPH. Ms. Pash is Chief Operating Officer of IPH. (Tr. 134-135). Ms. Pash identified her and Ms. Davis' relationship as being on loan from the City to IPH as follows:

The City will continue to pay us. We will continue to be City employees. We will be able to enforce laws and ordinances in our public health capacity, but we will also be overseeing the operations at the IPH.  
(Tr. 134).

The City would pay both Ms. Pash's and Ms. Davis' salary and IPH would reimburse the City. (Tr. 134). When Ms. Davis later testified, she contradicted Ms. Pash's testimony on this point and seemed to be confused about how her salary would be paid. Ms. Davis testified: "I would also be on loan to the IPH for about a year, to help stand that up as their president and CEO. In those two roles, I will have exactly the same responsibilities that I was deemed qualified to do now." (Tr. 606).

The record further reveals that IPH, at least in the near future, would continue to use City

facilities to perform the functions that were previously performed by the City Health Department. IPH is not paying rent for the use of facilities.

Prior to any layoffs, there were 167 City employees in the Health Department, though there were 267 budgeted positions. (Tr. 127). It was unclear, however, whether all of these employees were represented by AFSCME. As early as May 4, 2012, the City began notifying AFSCME representatives of layoffs in the Health Department. In regard to the notices of layoffs and the intention of the Health Department concerning layoffs, Ms. Pash testified:

Q (By Mr. Mack) I'm looking at Exhibit 11, page 5. It indicates that their initial layoff notifications to the unions took place on May 4<sup>th</sup>. does that sound right?

A Correct.

Q And then the layoff notices to the employees took place on June 8<sup>th</sup>?

A That sounds right.  
(Tr. 358).

In regard to what actually occurred, Ms. Pash testified:

ARBITRATOR ROUMELL: And did I understand you to say that you have continued the City employees until September 20<sup>th</sup>?

THE WITNESS: 28<sup>th</sup>, yes.

ARBITRATOR ROUMELL: Have you laid off any people?

THE WITNESS: We laid off some people because of budget cuts that happened on July 1<sup>st</sup>.

ARBITRATOR ROUMELL All right. How many people do you still have employed, approximately?

THE WITNESS: 110.

ARBITRATOR ROUMELL: How many did you lay off?

THE WITNESS: We laid off – we eliminated 15 positions. It

ended up being about nine people.

REPORTER: 15?

THE WITNESS: 15.

ARBITRATOR ROUMELL: All right. so basically, the Health Department is intact. Am I correct?

THE WITNESS: Yes.

ARBITRATOR ROUMELL: But you plan to lay off everyone by September 28<sup>th</sup>?

THE WITNESS: Everyone but four positions.  
(Tr. 356).

Ms. Pash testified that after the planned layoffs of the City employees, IPH intends to hire new employees to perform the previous functions of the Health Department and have employed an outside employment agency to assist in hiring the new employees.

The plan to transfer the function of the Health Department to IPH was announced to the City Council on May 7, 2012. Mayor Bing, in a letter dated June 5, 2012, to Governor Snyder advised the Governor of the plan, announcing it was the City's intention "to partner with the Institute for Population Health (IPH)". (Exhibit 36). By letter dated June 27, 2012, Governor Snyder wrote Mayor Bing acknowledging the letter of June 5, 2012 approving the shifting of the grants from the City of Detroit to the IPH. As noted, the announcement to the City Council and the exchange of letters between the Mayor and the Governor all occurred before the Master Agreement expired.

In addition, the grievance challenging the change as a successor was filed on May 31, 2012.



Department of Workforce Development

Prior to July 1, 2012, the City of Detroit's Department of Workforce Development provided such services as providing job training and various services to needy families through grants from the State and Federal governments. The Department was governed by a 25 person Workforce Development Board appointed by the Mayor of the City. (Tr. 51-53). In the last fiscal year of the City, the Department received 99.9% of its funding from grants with the City only contributing \$1,500 to the Department's operation out of the General Fund. (Tr. 64). Pamela Moore was the Department Director. Calvin Sharp was the Deputy Director of the Department.

The Department on February 10, 2012 had received a letter from Elliott Forsyth, the State Director of Workforce Development, outlining problems in the Department which needed improvement, but did not suggest any outsourcing to another entity. (Tr. 63, 68). The record does not reveal that the Department received any other letter from Mr. Forsyth. Nor is there any evidence that the Department lost any State or Federal funding as a result of performance issues. (Tr. 62).

As of late June 2012, the Department had 48 City employees represented by the Union. On June 28, 2012, the Workforce Development Board signed a governance agreement with the Detroit Employment Solutions Corporation. On June 29, 2012, the 48 employees of the Department of Workforce Development were given a layoff notice and because of the injunction were not laid off until July 13, 2012. (Tr. 74). Three days later on July 16, 2012, 18 of the individuals previously working for the Department were hired by the Detroit Employment Solutions Corporation (DES) and are currently working for DES. They did not keep their City titles. The testimony was that "we found appropriate non-profit titles" for these employees. (Tr.

74). The testimony from Pamela Moore who is now the President and Chief Executive Officer of DES is: "We continue to hire. We have not stopped hiring. But to date there are 18 who have been brought over". (Tr. 75).

Pamela Moore resigned on June 30<sup>th</sup> as Director of the Department of Workforce Development and became President and CEO of DES. Calvin Sharp, who had been Deputy Director of the Department of Workforce Development became Chairman of DES. Pamela Moore also testified that previous employees of the Department of Workforce Development could be candidates for future employment of DES along with other possible candidates from other Workforce areas. In terms of hiring additional staff, Pamela Moore testified: "We project that the organization they have around 40 employees when we're done hiring, 35, 40." (Tr. 77). When asked "What determined that?", Ms. Moore responded, "The need. I mean, we still have the same functions that we have to provide, just in terms of administering \$48 million worth of grant. But we still have the same function, plus some additional functions that the City provided when we were part of the City that we now have to procure such as legal – you know, legal advice or ...". (Tr. 77).

In her testimony, Ms. Moore was asked about the governance agreement as follows:

Q It says, 13.0:

"The City of Detroit is the grant recipient under the Act and will carry out the roles and responsibilities associated with this function for the local Workforce Development area."

Do you see that?

A I do.

Q And then it says, 3.2:

"The City of Detroit as the grant recipient is financially

responsible and accountable for the management of all Workforce funds available to the board"?

A That is correct.

Q But all of the people who were performing the operations upon receiving this grant are now gone from the City?

A That is correct.

Q So how then is the City still on the hook financially and made accountable if it has no people to perform that service?

A So the Workforce Investment Act legislation--

Q Right.

A States that the local Workforce area and the chief elected official is the grant recipient of these dollars. So the City of Detroit continues to be the grant recipient of these dollars.

The Mayor and the Workforce Development board chair have the authority and responsibility to appoint a fiscal and administrative agent who will oversee these programs and services responsibly.

In the past that administrative and fiscal agent has been the Department of Workforce Development.

There has been a change, based on problems that were outlined by the State and the board's decision to recommend to the Mayor that the fiscal and administrative agent be changed, because those issues that were laid out in that February 10th letter where Mr. Forsyth does refer to DWDD, if those issues had been able to--

Q Well, ma'am, you are going beyond my question.

MR. JARVIS: Well, she is giving you an answer.

MR. MACK: No.

Q (By Mr. Mack) My question was, how is it that Detroit - the City of Detroit--is financially responsible and accountable for the management of our Workforce funds, but it has no people to oversee those funds?

ARBITRATOR ROUMELL: And she is answering that.

MR. JARVIS: She is answering that.

MR. MACK: She--well--

ARBITRATOR ROUMELL: Let her answer.

THE WITNESS: So again, the City of Detroit remains the grant recipient, but the power that is given to the board chair through the Workforce Investment Act and the chief elected official gives them the authority and the responsibility to designate a fiscal and administrative agent that will oversee these funds responsible.

Again, based on the State's issues that were outlined in the letter, a decision was made by the board chair and the Mayor and approved by the State to change the administrative and fiscal agent to Detroit Employment Solutions Corp.

(Tr. 85-87).

The City is financially responsible for the management of the grant money that is administered by DES as it was with the Department of Workforce Development. DES is using the same building previously operated by the Department of Workforce Development without any compensation to the City and the tenant in the building is the City. (Tr. 106-107). DES is using the same equipment and computers that were used by the Department of Workforce Development which are still owned by the City. (Tr. 399). This equipment contains the City serial numbers marked upon said equipment. (Tr. 400). The website of the Michigan State Department of Licensing and Regulatory Affairs shows that the Detroit Employment Solutions Corporation has the same I.D. number as the Workforce Development Board. (Tr. 765-767).

The grant money that previously was used to fund the Department of Workforce Development has been or is intended to be shifted to the DES.

By any conceivable definition, this record establishes that the DES is a successor in the

Department of Workforce Development. The same management at the time of the hearing; same employees; same funding source except for \$1,500. The City of Detroit is responsible for the grants. The same space and City of Detroit equipment being used, governed by the Workforce Development Board.

### Department of Human Services

The Department of Human Services assists low income members of the community by providing them with basic human needs. (Tr 259). The Department is 100% grant funded. (Tr. 262). The Head Start Grant amounts to about \$50 million that DHS received annually, most recently from November 1, 2011 through October 21, 2012. (Tr. 263-264). The Head Start Grant is a direct award from the Federal government to the City. (Tr. 263). Another significant grant that is awarded to the City is the Community Service Block Grant. The City received varying amounts for this grant, but received it annually, and most recently received \$6.8 million for October 1, 2011 through September 30, 2012 (Tr. 265). Cecily McClellan, a former center operations manager within the Department of Human Services, testified that the State had been withholding CSBG money from the City. (Tr. 196-197).

There had been a request from the Director of the Michigan Department of Human Services, Maura Corrigan, to de-designate as a Community Action Agency and to stop receiving CSBG funds. Ms. Corrigan supported de-designation because of problems with DHS being in compliance (Tr. 230). She wanted a non-profit to become the recipient of the grant and perform the services and not the City of Detroit. Director Corrigan had threatened an adversarial de-designation hearing. The Mayor had favored a voluntary de-designation. (Tr. 198-200). The City Council initially refused on March 16<sup>th</sup>, but later in June acquiesced. (Tr. 202).

The whole issue of designation was against a background where the State had delayed payments to the City. The dispute regarding use of City workers had centered compliance issues. (Tr. 230). Specifically "disallowance[s]" regarding grant money expenditures. (Tr. 287). There was some testimony that the State would not release the funds so long as it was city employees working on the projects (Tr. 215). DHS Planning Manager Sheila Washington-Bond indicated that the State would not release the funds if it was City workers doing the work. (Tr. 215). And Usula Holland, the Current Director of the Department of Human Services, testified that the State was very clear they did not want the City of Detroit to provide direct program service delivery. (Tr. 285-286).

The situation was as such that the State had already begun the process of an adversarial de-designation of the City. (Tr. 286). It was as an alternative that the city council acquiesced and all DHS staff were laid off. (Tr. 202, 209). After the lay offs, the State released the CSBG funds that had been withheld. (Tr. 300).

The City submits a new plan to the State every year for CSBG funds. The plan for the 2011-2012 year as originally submitted was similar to the 2010-2011 year, and was rejected by the State. (Tr. 272-273). These grant dollars were only awarded upon the State's recent approval of the Community Action Agency's revised plan for the 2011-2012 year. (Tr. 272-273). A material difference in the plan, and primary contingency upon which the State would grant the CSBG funds, is that the City would commit to go out of the business. (Tr. 285-286). As a result the State finally accepted the proposal and released the funds to be deposited with the City. (Tr. 301).

The understanding between the State and the City that the City would get out of the

business is even acknowledged by the Union in its post hearing brief: "The reason the City laid off the workers is because it committed to doing so to the State." (UB 14).

The City is self de-designating as a Community Action Agency and acting as only a temporary agent to contract these limited services funded by the CSBG out to the Detroit Rescue Mission and Salvation Army in the interim while the State looks for a new agency. (Tr. 299-301). This is not a permanent arrangement, as the State only released the funds contingent upon the City agreeing to no longer perform the work in the future. Prior to the Salvation Army and Detroit Rescue Mission taking the work, very little CSBG work had been performed between October, 2011 and February, 2012. And the City had done no CSBG work between February and June 2012. (Tr. 268).

Regarding the Head Start grant, the city has clearly indicated through its actions that it no longer wishes to stay in the business of providing those services. Head Start funds come directly from the federal government. Head Start is being ended. (Tr. 317). The State cut funding that provided weatherization utility assistance. (Tr. 246).

Ursula Holland is Director of Human Services. She acknowledged that the Department had 15 AFSCME employees, but they have been laid off. As she explained, "Our role is strictly closeout and interim provider". (Tr. 693). Ms. Holland explained that the City no longer has the weatherization program; that the federal government has identified another provider for the Head Start program. As she explained, these programs have been ended and Detroit will not be awarded these programs in the future. (Tr. 694-695).

## Discussion

### 1. Contract

In presenting its grievance, Council 25 and its affiliated Locals 457, 273 and 1642 rely on the following provisions of the Master Agreement between the Council and the City of Detroit for the period July 1, 2008 - June 30, 2012:

#### Article 1 - RECOGNITION OF UNION

- A. Pursuant to and in accordance with all applicable provisions of Act 336 of the Public Act of 1947, as amended, the Employer does hereby recognize the Union as the sole and exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other terms and conditions of employment for the term of this Agreement of all employees of the Employer included in the bargaining units described in Exhibit 1, attached.

\* \* \*

- E. When an operational function remains unchanged, but changes location, representation rights shall not be affected.
- F. In all other changes of operational functions, the employee has the right to retain membership in the Union.

#### Article 2 - MANAGEMENT RIGHTS AND RESPONSIBILITIES

Consistent with the express terms of this Agreement:

- A. The Union recognizes the prerogatives of the City to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority as set forth in the Charter and the Home Rule Act.

#### Article 19 - CONTRACTUAL WORK

- A. The City is genuinely interested in maintaining maximum employment for all seniority employees covered by this Agreement, consistent with the needs of the City. Therefore, in making these determinations the City intends always to keep the interest of the City's employees in mind.
- B. The right of contracting or subcontracting is vested in the City. The right to contract or subcontract shall not be used for the



purpose or intention of undermining the Union nor to discriminate against any of its members nor shall any seniority employee be laid off or demoted or caused to suffer a reduction in overtime work as a direct and immediate result of work performed by an outside contractor.

- C. In cases of contracting or subcontracting, including renewal of contracts, affecting employees covered by this Agreement, the City will hold advance discussion with the Union prior to letting the contract. The Union representatives will be advised of the nature, scope and approximate days of work to be performed and the reasons (equipment, manpower, etc.) why the City is contemplating contracting out the work.

#### Article 21 - MAINTENANCE OF CONDITIONS

Wages, hours, conditions of employment and current proper practices which are beneficial to the employees at the execution of this Agreement, shall, except as provided and improved herein, be maintained during the term of this Agreement. Changes must be mutually agreed upon by the City and the Union.

#### Article 42 - SUCCESSOR CLAUSE

This Agreement shall be binding upon the successors and assignees of the parties hereto, and no provisions, terms or obligations herein contained shall be affected, modified, altered, or changed to the detriment of the other party in any respect whatsoever by the consolidation, merger, sale, transfer, lease, or assignment of either party hereto, or affected, modified, altered, or changed in any respect whatsoever by a change of any kind of the ownership or management of either party hereto of any separable, independent segment of their party hereto.

By any definition, the Institute for Population Health is the alter ego of the City of Detroit Department of Health and Wellness Promotion. The City has transferred a majority of the functions of the Department of Health and Wellness Promotion to the IPH – services which by State statute the City is obligated to provide. In doing so, the City's Chief Health Officer, along with the Deputy Director of the Health Department were among the incorporators of the IPH and are the Chief Executive Officer and Chief Operating Officer, respectively, of IPH. Loretta Davis

and Betsy Pash presented conflicting testimony as to how their City salaries would be paid or reimbursed or whether their salaries would be paid by IPH. IPH would be funded by the State and Federal grants that had been received by the City.

The evidence was overwhelming that IPH was formed and steps were taken prior to June 30, 2012 to execute the plans to transfer the Health Department work. The incorporation took place in April 2012. The State's approval was obtained in June 2012. Plans to layoff were announced as early as May 2012. The layoff plans were delayed by the injunction which was issued prior to June 30, 2012. Yet, after the injunction expired, IPH still continued to employ 110 City employees to perform the former City work required by State statute. (Tr. 358).

Finally, if there is any doubt that IPH is not the alter ego of the City of Detroit Health Wellness Promotion Department, the intention is that IPH employees are going to perform the same duties and work performed as City of Detroit employees is the fact, as just noted, IPH has found itself unable to operate, at least temporarily, without using City of Detroit employees to perform duties that they were performing prior to June 30, 2012.

As to the Department of Workforce Development, the same analysis would apply. Before the contract expired, the City was planning to shift the functions of the Workforce Development Department to the Detroit Employment Solutions Corporation. By June 28, 2012, a governance agreement had been signed between the DES and the Workforce Policy Board (a Board that was appointed by the Mayor) providing for the transfer of the Department to DES. On June 30<sup>th</sup>, Pamela Moore, who had been Department Chair resigned and became President and CEO of DES. Calvin Sharp was Deputy Director of the Department of Workforce Development and became Chairman of the Board of DES. The 48 employees of the Department of Workforce

Development were given notice on June 29, 2012 that they would be laid off. Because of the injunction, they were not laid off until July 13. Eighteen were rehired on July 16 by DES. DES continued use of City facilities and City equipment.

As already noted, 99.9% of DES funding came from grants of State and Federal sources usually passed through the City.

By any definition, DES is the alter ego for the City. The planning and the action to implement both IPH and DES before June 30, 2012 and even the use of City employees after June 30, 2012 even beyond the expiration of the injunction confirms the alter ego status.

This Arbitrator finds as a fact that the IPH and the DES in labor parlance were alter egos to the City as the alter ego doctrine has been developed both by the Courts, the NLRB and arbitrators, including that the successor employers are bound by collective bargaining obligations. *See, NLRB v. Allcoast Transfer Inc.*, 780 F.2d 576 (6<sup>th</sup> Cir. 1986). *Also see*, the comments of Arbitrator Wolff in *Clark Food Service, Inc.*, 115 LA 1734 (2001), where he analyzes the NLRB standard as well as the standard of the courts in applying the alter ego doctrine.

However, the circumstances here can also be analyzed from the aspect that the City violated Article 1.A, E and F and Article 19. As this Arbitrator has concluded, the IPH and DES are alter egos of the Departments of Health and Wellness Promotion and Workforce Development. For this reason, this Arbitrator also concludes within the meaning of Article 1.E that the operational function remained unchanged. Therefore, those representation rights shall not be affected. Thus, as Arbitrator Chymy in *County of Santa Clara*, 97 LA 635 (1991), in interpreting similar recognition clauses, found the transfer of bargaining unit work to non-

bargaining unit employees violated the recognition clause. Transferring of work formerly performed by AFSCME employees in the Department of Health and Wellness Promotion and Workforce Development to IPH and DES violated the recognition clause.

A third reason why the City violated the 2008-2012 contract is Article 19. As noted, Article 19. B does provide that: "The right to contract or subcontract shall not be used for the purpose or intention of undermining the Union nor to discriminate against any of its members nor shall any seniority employee be laid off ... as a direct and immediate result of work performed by an outside contractor."

This is the intended result of both IPH and DES. Ms. Pash acknowledged that the IPH had employed an employment agency to recruit employees. As of the date of the last arbitration hearing, DES had employed 18 City employees, but DES expected to hire other employees who may not necessarily be City employees which could result in a violation of Article 19. Not to hire laid off City employees from the two Departments – Health and Workforce – would seem to undermine both the employees and the Union when the corporations can be construed as contractors, successors and alter egos.

As already noted, this grievance was filed on May 31, 2012 before the expiration of the 2008-2012 Master Agreement expiring on June 30, 2012. As further noted, there were activities that took place by the City prior to June 30, 2012 in preparation for the transfer of the work of the Department of Public Health and Wellness Promotion and the Department of Workforce Development to IPH and DES.

A dispute "arises under the contract" when material facts and occurrences arose before the expiration of the Collective Bargaining Agreement, even though some facts occur after the

expiration. See, *South Central Power Co. v. International Brotherhood of Electrical Workers Local Union 2359*, 186 F3d 733 (6<sup>th</sup> Cir. 1999), where the court analyzes the Supreme Court's decision on this point in *Nolde Bros. Inc. v. Local No. 358 Bakery and Confectionary Workers Union*, 430 U.S. 243 (1977), and *Litton Financial Printing Division v. NLRB*, 501 U.S. 190 (1991).

The point is that under the expired contract which the Union sought to enforce prior to the expiration of the contract by filing this grievance, because the City had taken steps, in the view of the Union, and which the Arbitrator agrees at least as to two Departments, violates the Union and the employees it represented of accumulated vested rights. The Union had the vested right to represent the employees under Article 1 and Article 42. The employees and the Union had the right not to be undermined pursuant to Article 19.B and the employees had certain rights under Article 19.B. These rights survived the expiration of the contract.

This point is emphasized by the Sixth Circuit as recently as this summer in *United Steel, Paper and Forestry vs. American Standard Corp.*, \_\_ Fed Appx, 2012 WL 2354365, 193 LRRM 2816 (6<sup>th</sup> Cir. Ky., June 21, 2012), where the contract was terminated on July 1, 2008. The employer had refused to extend the contract beyond that date for a separation pay provision in the contract. The employer closed the plant but refused to pay any of the employees separation pay. The Union grieved. The Employer refused to arbitrate. The Union sought to compel arbitration to court. The Sixth Circuit held that the separation pay accrued and vested under the expired contract, holding that the grievance for lack of separation pay filed after termination of the contract was arbitral. As the Sixth Circuit noted, "We conclude that the separation pay right in the CBA, accrued under the CBA." This ruling came even though the grievance was filed after

the contract had expired.

In this case, the grievance was filed before the contract expired. And the City was taking steps to violate the Master Agreement prior to its expiration, even though some of the actions violating the Agreement did not occur until after the contract was expired. For example, some of the layoffs were prevented by virtue of Judge Baxter's injunction until after July 13, 2012. Some layoffs were delayed for practical reasons.

As to the Department of Human Services, nearly all of the grants going to the Department of Human Services that were funding programs as a Community Action Agency have expired or been cut. This started with the weatherization utility assistance program being cut. (Tr. 246) The City has continually indicated, by permitting these grants to expire or the funding to be cut, that it is no longer looking to provide these services. (Tr. 199). The City has proposed a plan to the State that is largely to reimburse already CSBG incurred costs. (Tr 268). The CSBG grant money that is in excess of this reimbursement is provided as a one time exception and only under the express understanding that the City is to self de-designate and no longer to provide these services. The State has simply found it expedient to use the City as an agent to temporarily pass through this last fund to the Salvation Army and Detroit Rescue Mission while the State selects a new grant recipient for the oncoming fiscal year. The City should not be forced to provide services for which it has continually indicated it is trying to get out of the business of providing. As long as this is the last year the city accepts CSBG funds, and the State eventually contracts directly with a new agent for the performance of these tasks there is no violation by the City with regard to scaling back activities of the Department of Human Services.

The point is that both the State of Michigan and the Federal government have selected or

are in the process of selecting agencies other than the City of Detroit to furnish the services that were previously performed by Human Services. Even Ms. Holland is being transferred to another City Department because her job is being eliminated due to the actions that were initiated primarily by the State. It is a far different situation than the IPH or DES situation and for this reason the Arbitrator finds no basis for a contract violation as to what occurred in Human Services.

Having reached this point in the analysis, the Arbitrator turns to the brief filed by the City's Attorney which this Arbitrator, because of his emphasis, has chosen to quote in its totality as follows:

**EMPLOYER CITY OF DETROIT'S POST HEARING BRIEF**

Now comes, the City of Detroit, by and through its attorney, Andrew Jarvis, I support of its post hearing brief states the following:

**I. INTRODUCTION**

On March 16, 2011, Public Act 4 of 2011 was enacted by the legislature. Section 4a of PA 4 suspended Section 15(1) of PERA for employers subject to a consent agreement. On April 4, 2012, the City of Detroit and the State of Michigan entered into a consent agreement pursuant to PA 4.

On June 20, 2012, The City of Detroit sent a letter to all Union President stating: "This letter serves as notification that in accordance with our collective bargaining agreement, the City hereby provides ten (10) days written notice of its intent to terminate the collective bargaining agreement as of July 1, 2012."

On July 18, 2012 the City of Detroit sent a letter to all Union Officials. This letter included the City Employment Terms (CET). The letter indicated that the language was approved by the Financial Advisory Board on June 28, 2012 and July 12, 2012, and submitted to Council for approval. City Council voted not to approve the CET. On July 17, 2012, pursuant to the FSA, the CET was implemented by order of the Program Management Director effective July 18, 2012.<sup>1</sup>

It is with this background that Judge Baxter order expedited

Arbitration in this matter. The Union also filed a companion MERC Unfair Labor Practice Charge C 12 F-123, alleging as alleged in the Civil case which was the catalyst for the grievance that the City breached its duty to bargain in good faith. The Union also alleged that the Successor Language contained in the Master Agreement between the City and the Union somehow survives the execution of the Final Stability Agreement between the City and the State of Michigan as proscribed under Public Act 4 which in turn eliminated of the Duty to Bargain under MCL 423.215. The Union attempts to advance the argument that MCL 423.211 and MCL 423.210 are in place despite P.A. 4 and the Final Stability Agreement. This argument was soundly addressed in the *Decision and Recommended Order*<sup>1</sup> in the companion MERC case.

Under PA 4, there was a suspension of the duty to bargain under PERA. That suspension persisted until the board of canvassers certified the repeal provisions and placed the issue of PA 4 repeal on the ballot. The actions complained of in this matter, and the implementation of the CET, occurred at a time that there was no duty to bargain.

Under the Unions theory, anything previously done under P A 4 is void now that PA 4 is suspended. The Union has not presented any legal support for this claim. This Court already ruled in *Robert v. Detroit Board of Education*, Wayne County No. 12-010545 that actions taken while PA 4 was in effect survive and stand<sup>3</sup>

Furthermore the relief sought by the Union in this matter is for the Arbitrator to Order the Chief Executive of the City of Detroit to take grant monies from the Federal and State government(s) and restart the operations of Departments that the City has decided not to provide. This goes far beyond the four corners of the Collective Bargaining Agreement and the Arbitrator would become the *de facto* Chief Executive of the City of Detroit.

### CONCLUSION

It is an unfortunate economic fact of life that public employers in the State of Michigan have and will continue to have situations which cost cutting is necessary for continued financial solvency. Personnel costs in the form of wages and benefits are a large component of the overall cost of services including the elimination of services provided by the City of Detroit and its various Departments .

For all of the foregoing reasons, City of Detroit, respectfully requests that the Arbitrator deny the Unions Grievance *in toto*.

<sup>1</sup> See Exhibit I



<sup>2</sup> See Exhibit 2

<sup>3</sup> Exhibit 3, Transcript from *Robert v. Detroit Board of Education* pp. 39-40.

Exhibit 2 attached to the brief was the decision of Michigan Employment Relations Commission Administrative Law Judge David M. Peltz in *City of Detroit -and- Coalition of the City of Detroit Unions and American Federation of State, County and Municipal Employees, Council 25*, Case No. C12 F-125, Docket No. 12-001181-MERC, dated August 20, 2012. In his opinion, ALJ Peltz found at page 8:

So these other provisions all derive from, when they make reference to the duty to bargain, they derive from the obligations set forth in Section 15 (1) of the Act, they are 'not the source of that obligation. Based on the statutory language itself, I find that by enacting PA 4 and amending Section 15 of PERA, the Legislature intended to relieve public employers found to be in a state of financial stress or emergency and subject to a consent agreement from the obligation to collectively bargain.

ALJ Peltz recommended to the Michigan Employment Relations Commission that it may issue an order dismissing the unfair labor practice charge filed by the Coalition of Detroit Unions and AFSCME Council 25 against the City of Detroit, charging the City with a failure to bargain in good faith concerning the implementation by the City of new terms and conditions of employment unilaterally on or about July 1, 2012.

The case had been assigned to ALJ Peltz who explained the background of the case when he wrote:

This case arises from an unfair-labor practice charge filed on July 2, 2012, by the Coalition of Detroit Unions, a group comprised of thirty-three labor organizations representing employees of the City of Detroit, and by the American Federation of State, County and Municipal Employees (AFSCME), Council 25. The charge alleges that the City violated PERA when, on or about July 1, 2012, it unilaterally implemented new terms and conditions of employment for City employees, and by refusing to provide information to the Unions concerning those changes. Respondent contends that its actions were

authorized by Section 14a(10), MCL 141.1514a(1) of the Local Government & School District Fiscal Accountability Act, Public Act 4 of 2011, and by a recent amendment to Section 15 of PERA.<sup>1</sup>

<sup>1</sup> This matter was previously consolidated with Case No. C12 D-065; Docket No. 12-000577, in which the same Unions assert that the City violated its duty to bargain in good faith under PERA by failing or refusing to submit tentative agreements to Respondent's City Council for ratification. Additional proceedings are still pending in that matter.

Judge Peltz went on to explain the circumstances upon which the parties asked him to rule at page 2:

On August 8, 2012, the State Board of Canvassers voted to certify a referendum for the November ballot which, if passed, would repeal PA 4. Pursuant to Const 1963, art 2, Section 9 and MCL 168.477(2), the Board's action had the effect of suspending PA 4 pending the results of the upcoming election. As a result of the suspension of PA 4, the City acknowledges that Section 15(1) of PERA once again applies and that Respondent has a duty to negotiate in good faith with the Unions over terms and conditions of employment for members of Charging Parties' bargaining units. Nevertheless, both parties indicated that they wished to proceed with oral argument in this matter in order to clarify whether the City acted lawfully in implementing new terms and conditions of employment in July of 2012 while PA 4 was in effect.

Attached to the City's brief was Exhibit 3, the transcript of the Motion for Injunctive Relief plus the Ruling thereof in Case No. 12-010545-AW, Wayne County Circuit Court, *Roy Roberts v. Rev. David Murray, et al and Detroit Board of Education*. In that case, the Honorable John A. Murray, Judge of the Circuit Court, issued injunctive relief in effect upholding the status quo. In doing so, he in effect echoed the belief that actions taken by Roy Roberts pursuant to Public Act 4 prior to certification of the ballot initiative as to Public Act 4 by the Board of Canvassers remained valid for at pages 38-40, in ruling on the point, Judge Murphy stated:

Plaintiff Roy Roberts asks that we enter a status quo order allowing him to exclusively run the Detroit Public Schools notwithstanding the upcoming referendum vote on Public Act No.4.

Defendants believe that as a result of the upcoming referendum vote on Public Act 4, plaintiff has no basis in the interim to exercise any authority over the Detroit Public Schools.

Further, Public Act 4 repealed Public Act 72 and plaintiff cannot exercise authority under this former law.

This court disagrees with defendant's position on this latter point and finds that the actions of the plaintiff up to August 8, 2012 shall have – I will restate that.

The actions up to August 8, 2012 shall be maintained as part of a status quo order.

Article 2 Section 9 of our Michigan Constitution provides no law as to which the power of referendum properly has been invoked shall be effective thereafter unless approved by a majority of the electors voting thereon at the next general election.

August 8, 2012, I believe, is the date the State Board of Canvassers certified the referendum.

My interpretation of this constitutional provision is consistent with MCL 168.477(2). It reads in part:

" ... A law that is the subject of the referendum continues to be effective until the referendum is properly invoked which occurs when the Board of State Canvassers makes its official declaration of the sufficiency of the referendum petitions ... "

Any further action taken by the plaintiff under Public Act 4 after August 8, 2012 would not be effective. He is powerless to act except in those areas we will discuss next. But first let me clarify. The status quo going forward includes actions taken by the plaintiff up through the date the State Board of Canvassers certifies the referendum.

The Rulings by ALJ Peltz and Judge Murphy may represent the external law as it affects the duty to bargain during the time that PA 4 was in effect. However, the reference to the Peltz/Murphy rulings do not resolve the issue before this Arbitrator. It must be emphasized that this Arbitrator has found that the City, before the Master Agreement was terminated, namely, prior to June 30, 2012, and prior to the City's unilaterally imposed City Employment Terms, took

specific steps both as to the Departments of Health and Wellness Promotion and Workforce Development, as explained in this Opinion, to violate provision of the Master Agreement in effect prior to June 30, 2012 and in particular Articles 1, 19 and 42. And this Arbitrator has been called upon to interpret the Master Agreement pursuant to Article 8.B.

### The Remedy

Essentially, as to both the Department of Health and Wellness Promotion and IPH and the Department of Workforce Development and DES, this Arbitrator has found that in each case the City has violated Article 1 as to representation rights, and Article 19, contracting and subcontracting for the purposes of undermining the Union and the employees it represented, resulting in the layoff of seniority employees. Furthermore, by any definition, both IPH and DES, within the meaning of Article 42, are alter egos of the Health and Wellness Promotion Department and Department of Workforce Development, respectively, and therefore, successor employers. To repeat, how can anybody reach any other conclusion when the Chief Health Officer of the City admits that she is acting in a dual capacity for both the City and the IPH, along with her Deputy. In the case of DES, the Mayor appointed Workforce Development Board controlled DES and the former Director of the Department of Workforce Development is now the CEO, along with her former Deputy, who is Chairman of the Board, who perform the same functions that they performed for the City.

In formulating a remedy in such situations, arbitrators when finding a violation of a successor clause or elements of subcontracting have remanded the case back to the parties for a hearing on damages. *See, e.g., Marley-Wyllan Co.*, 88 LA 978 (Jacobowski, 1987); *Boatman Co.*, 91 LA 489 (Har, 1988).

Another approach has been taken by arbitrators where the arbitrator has ordered the company to cease and desist from allowing non-bargaining unit personnel from performing work of bargaining unit employees. *See, e.g., Dayton Power and Light Co.*, 111 LA 954 (Modjeska, 1998).

Similar results can be found in the public sector. In *County of Santa Clara*, 97 LA 635 (1991), Arbitrator Chvany, finding that the County violated the recognition, classification and wage provisions of the applicable agreement, ordered the County to cease and desist from transferring work to non-bargaining unit employees.

In *Clark Food Service, Inc.*, 115 LA 1734 (2001), Arbitrator Wolff ordered the successor employer to be bound to follow the contract of the parent employer under the facts of that case.

This Arbitrator has emphasized repeatedly in this Opinion and in this Remedy section that in regard to the IPH and the DES that the relationship between the City and the Department of Health and Wellness Promotion and the Department of Workforce Development and the Board of Workforce Development was virtually indistinguishable, particularly at the leadership level; that in this case that the remedy should be of the type suggested by Arbitrator Wolff in *Clark Food Service, Inc.* because of the obvious violation of the successor clause as well as the Article 19.B contractual work clause and what turned out to be, when one listened to the testimony, a violation of Article 1, Recognition.

And, again, to continue to emphasize the point, this was all planned and began to be executed prior to the June 30, 2012 termination of the July 1, 2008 - June 30, 2012 Master Agreement.

However, for the reasons stated in this Opinion, there is no basis to grant relief as to

Human Services and, therefore, as to Human Services, the grievance will be denied.

### A W A R D

1. The grievance as to the Department of Health and Wellness Promotion is granted with the following relief:

- A. The City shall direct that the Institute of Population Health and its President and Chief Executive Officer and Chief Operating Officer, who also serve as the City's Health Officer and Director of the City's Department of Health and Wellness Promotion and Deputy Director of the City's Department of Health and Wellness Promotion to recognize AFSCME Council 25 and its applicable Locals as representative of all employees in any positions of the type that were performed by AFSCME represented employees under the 2008-2012 Master Agreement in the Department of Health and Wellness Promotion that are now employed or will be employed by IPH in the future.
- B. If IPH has hired or hires any employee who is not a laid off City of Detroit AFSCME represented employee in positions or their equivalent, previously held by AFSCME represented employees under the 2008-2012 Master Agreement in the Department of Health and Wellness Promotion to perform duties formerly performed in the Department of Health and Wellness Promotion, then the former AFSCME represented employees who held said positions either in the Department of Health and Wellness

Promotion or IPH and had been laid off shall be reinstated in said positions and be paid back pay and benefits from the time they were laid off, either by IPH or the City of Detroit's Department of Health and Wellness Promotion.

- C. The City shall cease and desist transferring any work previously done or performed by the City of Detroit's Health and Wellness Promotion Department prior to June 30, 2012 to IPH unless IPH recognizes AFSCME and its Local(s) and honors this Award in its totality.
- D. The City shall cease and desist from or assisting in the transferring of any grants to IPH unless IPH honors this Award in its totality in recognition that it is the alter ego of the City of Detroit and successor as discussed in the Opinion.
- E. It is the intent of this Award, as permitted by law, that IPH be obligated to bargain with AFSCME Council 25 as to wages, hours and other conditions of employment for the employees referred to in Paragraph 1.A above in recognition that it is the alter ego of the City of Detroit and successor as discussed in the Opinion.
- F. As to the planned layoffs testified to by Ms. Pash to take effect on September 28, 2012 (see Transcript 356), the City and IPH are bound to comply with Paragraph 1.B of this Award and not hire replacements in positions or their equivalent previously held by AFSCME members under the 2008-2012 Master Agreement in the Department of Health and

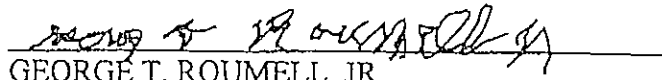
Wellness Promotion to perform duties formerly performed in the Department of Health and Wellness Promotion while there are former AFSCME members who performed those duties under the 2008-2012 Master Agreement who are on layoff or will be laid off.

2. The grievance as to the Workforce Development Department is hereby granted and the remedy shall be as follows:

- A. The City shall direct the Detroit Employment Solutions and Workforce Development Board to recognize AFSCME Council 25 and its applicable Locals as representative of all employees in any positions of the type that were performed by AFSCME represented employees under the 2008-2012 Master Agreement in the Department of Workforce Development that are now employed or will be employed by DES in the future.
- B. If DES has hired or hires any employee who is not a laid off City of Detroit AFSCME represented employee in positions or their equivalent, previously held by AFSCME represented employees under the 2008-2012 Master Agreement in the Department of Workforce Development to perform duties formerly performed in the Department of Workforce Development, then the former AFSCME represented employees who held said positions either in DES or the Department of Workforce Development and had been laid off shall be reinstated in said positions and be paid back pay from the time they were laid off, either by DES or the City of Detroit's Department of Workforce Development.



- C. The City shall cease and desist transferring any work previously done or performed by the City of Detroit Workforce Development Department prior to June 30, 2012 to DES unless DES recognizes AFSCME and its Locals and honors this Award in its totality.
- D. The City shall cease and desist from or assisting in the transferring of any grants to DES unless DES honors this Award in its totality in recognition that it is the alter ego of the City of Detroit and successor as discussed in the Opinion.
- E. It is the intent of this Award, as permitted by law, that DES be obligated to bargain with AFSCME Council 25 as to wages, hours and other conditions of employment for the employees referred to in Paragraph 2.A above in recognition that it is the alter ego of the City of Detroit and successor as discussed in the Opinion.
3. The grievance as to Human Services is denied.
4. The Arbitrator reserves jurisdiction, at the request of either party within six (6) months of this Award, to address disputes concerning the relief provided in this Award.

  
GEORGE T. ROUMELL, JR.  
Arbitrator

September 26, 2012

# EXHIBIT 13

**STATE OF MICHIGAN  
IN THE CIRCUIT FOR THE COUNTY OF WAYNE**

---

**AMERICAN FEDERATION OF STATE,  
COUNTY AND MUNICIPAL EMPLOYEES  
COUNCIL 25, and its affiliated LOCALS 457,  
273 and 1642, ALBERT GARRETT, LAURIE  
WALKER, SCECILLA HUNT, and GINA  
THOMPSON,**

Plaintiffs,

vs.

**CITY OF DETROIT, LORETTA DAVIS  
and PAMELA MOORE,**

Defendants.

/s/ Rita Causey

Case No. 12-007708-CL

Hon. Wendy M. Baxter  
12-007708-CL

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WAYNE COUNTY CLERK  
1/8/2013 4:37:23 PM  
CATHY M. GARRETT

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---

**ORDER GRANTING PLAINTIFFS MOTION TO ENFORCE ARBITRATION AWARD  
AND DENYING DEFENDANTS' MOTION TO VACATE ARBITRATION AWARD**

At a session of said Court, held in the City of  
Detroit, County of Wayne, and State of Michigan, 1/8/2013  
on \_\_\_\_\_

Present: WENDY M BAXTER  
Circuit Court Judge

Upon Arbitrator George Roumell issuing an Arbitration Award, dated September 26,  
2012, concerning the dispute in the above-captioned case, following Plaintiffs' grievance, and

Upon the Plaintiffs having filed a Motion to Enforce The Roumell Arbitration Award,  
following this Court's Order that Plaintiffs' grievance be arbitrated, and

Upon Defendant City of Detroit filing a Motion to Partially Vacate The Roumell Arbitration Award, and the Intervenor Detroit Workforce Development Board filing a brief in Opposition to the Plaintiffs Motion to Enforce The Arbitration Award, and

Upon the Court having heard oral argument on November 16, 2012, the Court being fully advised in the premises:

**IT IS HEREBY ORDERED** that Plaintiff's Motion to Enforce the George Roumell Arbitration Award is hereby granted, for the reasons stated on the record. The Arbitration Award is hereby enforced by this Court.

**IT IS FURTHER ORDERED** that Defendants' Motion to Partially Vacate the Arbitration Award is denied, for the reasons stated on the record.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
/s/ Wendy M. Baxter

CIRCUIT COURT JUDGE

## **ITEM 6**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN**

-----	X	
	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
-----	X	

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**SEVENTH AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT  
(September 16, 2014)**

---

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ATTORNEYS FOR THE DEBTOR

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## INTRODUCTION

The City of Detroit proposes the following plan for the adjustment of its debts pursuant to and in accordance with chapter 9 of the Bankruptcy Code.

A discussion of the City's organizational structure, operations, capital structure and events leading to the commencement of the City's Chapter 9 Case, as well as a summary and description of the Plan, risk factors and other related matters, is included in the Disclosure Statement. Retirees of the City will receive a supplement summarizing important information relevant to their entitlement to benefits (the "Retiree Supplement"). Other agreements and documents, which have been or will be Filed with the Bankruptcy Court, are referenced in the Plan or the Disclosure Statement and are available for review.

The City encourages all of its creditors to read the Plan, the Disclosure Statement and the other material that has been approved for use in soliciting votes on the Plan and encourages holders of claims for pensions and other post-employment benefits to read the Retiree Supplement and to consider the information included on the Ballot before casting a vote to accept or reject the Plan and before choosing among available treatment options.

## ARTICLE I

## DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

### A. Defined Terms.

Capitalized terms used in the Plan have the meanings set forth in this Section I.A. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules.

1. "2005 COPs" means, collectively, the Detroit Retirement Systems Funding Trust 2005 Certificates of Participation Series 2005-A, issued by the Detroit Retirement Systems Funding Trust 2005 pursuant to the 2005 COPs Agreement, in an initial principal amount of \$640 million, bearing interest at 4.0% to 4.948%.
2. "2005 COPs Agreement" means the Trust Agreement by and between the COP Service Corporations and U.S. Bank National Association, as trustee, dated June 2, 2005, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.
3. "2006 COPs" means, collectively, the (a) Detroit Retirement Systems Funding Trust 2006 Certificates of Participation Series 2006-A, issued by the Detroit Retirement Systems Funding Trust 2006 pursuant to the 2006 COPs Agreement, in an initial principal amount of \$148.5 million, bearing interest at 5.989%; and (b) Detroit Retirement Systems Funding Trust 2006 Certificates of Participation Series 2006-B, issued by the Detroit Retirement Systems Funding Trust 2006 pursuant to the 2006 COPs Agreement, in an initial principal amount of \$800 million, bearing interest at a floating rate.
4. "2006 COPs Agreement" means the Trust Agreement by and between the COP Service Corporations and U.S. Bank National Association, as trustee, dated June 12, 2006, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.
5. "2014 DWSD Refinancing Obligations" means, collectively, the (i) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014D, (ii) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014E, (iii) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014F, (iv) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014G, (v) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014A, (vi) City of Detroit, Michigan, Detroit Water and Sewerage

Department Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014B, (vii) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Bonds, Series 2014C, and (viii) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Bonds, Series 2014D.

6. "2014 Revenue and Revenue Refinancing Bonds" means, collectively, one or more series of Sewage Disposal System Revenue and Revenue Refunding Bonds and Water Supply System Revenue Refunding Bonds.

7. "2014 Revenue Refinancing Bonds" means, collectively, the Michigan Finance Authority's (i) Local Government Loan Program Revenue Bonds, Series 2014C-4 (Insured) (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (ii) Local Government Loan Program Revenue Bonds, Series 2014C-5 (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (iii) Local Government Loan Program Revenue Bonds, Series 2014C-6 (Insured) (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (iv) Local Government Loan Program Revenue Bonds, Series 2014C-7 (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (v) Local Government Loan Program Revenue Bonds, Series 2014D-1 (Insured) (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (vi) Local Government Loan Program Revenue Bonds, Series 2014D-2 (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (vii) Local Government Loan Program Revenue Bonds, Series 2014D-3 (Insured) (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, and (viii) Local Government Loan Program Revenue Bonds, Series 2014D-4 (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds.

8. "36th District Court" means the district court for the thirty-sixth judicial district of the State.

9. "36th District Court Settlement" means the settlement between the City and the Settling 36th District Court Claimants, substantially on the terms set forth on Exhibit I.A.9.

10. "Active Employee" means an active employee of the City on and after the Confirmation Date.

11. "Actual Return" means, for each Fiscal Year during the period beginning July 1, 2003 and ending June 30, 2013, the actual net return percentage on invested GRS assets for that Fiscal Year; provided that, if the actual net return percentage on invested GRS assets for any given Fiscal Year is greater than 7.9%, the Actual Return for that Fiscal Year shall be 7.9%, and if the actual net return percentage on invested GRS assets for any given Fiscal Year is less than 0.0%, the Actual Return for that Fiscal Year shall be 0.0%.

12. "Ad Hoc Committee of DWSD Bondholders" means, collectively, Blackrock Financial Management, Inc., Eaton Vance Management, Fidelity Management & Research Company, Franklin Advisers, Inc. and Nuveen Asset Management.

13. "Adjusted Pension Amount" means the GRS Adjusted Pension Amount or the PFRS Adjusted Pension Amount, as applicable.

14. "Administrative Claim" means a Claim against the City arising on or after the Petition Date and prior to the Effective Date for a cost or expense of administration related to the Chapter 9 Case that is entitled to priority or superpriority under sections 364(c)(1), 503(b) or 507(b)(2) of the Bankruptcy Code, including (a) Claims, pursuant to section 503(b)(9) of the Bankruptcy Code, for the value of goods received by the City in the 20 days

immediately prior to the Petition Date and sold to the City in the ordinary course of the City's operations and (b) any Allowed Claims for reclamation under section 546(c)(1) of the Bankruptcy Code or section 2-702 of the Uniform Commercial Code; provided that no claim for professional fees or any other costs or expenses incurred by any official or unofficial creditors' committee or any member thereof shall be considered an Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order.

15. "ADR Injunction" means the injunction set forth at Section I.B of the ADR Procedures.

16. "ADR Procedures" means the alternative dispute resolution procedures approved by the ADR Procedures Order, as such procedures may be modified by further order of the Bankruptcy Court.

17. "ADR Procedures Order" means the Order, Pursuant to Sections 105 and 502 of the Bankruptcy Code, Approving Alternative Dispute Resolution Procedures to Promote the Liquidation of Certain Prepetition Claims (Docket No. 2302), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on December 24, 2013, as it may be subsequently amended, supplemented or otherwise modified.

18. "Affiliate" shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

19. "Allowed Claim(s)" means: (a) a Claim, proof of which has been timely Filed by the applicable Bar Date (or for which Claim under express terms of the Plan, the Bankruptcy Code or a Final Order of the Bankruptcy Court, a proof of Claim is not required to be Filed); (b) a Claim (i) that is listed in the List of Creditors, (ii) that is not identified on the List of Creditors as contingent, unliquidated or disputed and (iii) for which no proof of Claim has been timely Filed; (c) a Claim allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; (d) a Claim designated as allowed in a stipulation or agreement between the City and the Holder of the Claim that is Filed; or (e) a Claim designated as allowed in a pleading entitled "Designation of Allowed Claims" (or a similar title of the same import) that is Filed; provided that with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered allowed only if and to the extent that (x) no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (y) if an objection is so interposed, the Claim shall have been allowed by a Final Order. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed to be an Allowed Claim unless and until such Entity pays in full the amount that it owes the City. "Allow" and "Allowing" shall have correlative meanings.

20. "Ambac" means Ambac Assurance Corporation.

21. "Annuity Savings Fund" means that sub-account and pension benefit arrangement that is part of the GRS and operated by the trustees of the GRS.

22. "Annuity Savings Fund Excess Amount" means the following: (a) for an ASF Current Participant who has not received any distributions from the Annuity Savings Fund, the difference between (i) the value of such participant's Annuity Savings Fund account as of June 30, 2013 and (ii) the value of such participant's Annuity Savings Fund account as of June 30, 2013 calculated using the Actual Return; (b) for an ASF Current Participant who has received any distribution from the Annuity Savings Fund other than a total distribution, the difference between (i) the sum of (A) the value of such participant's Annuity Savings Fund account as of June 30, 2013 and (B) all distributions received by such participant from the Annuity Savings Fund during the ASF Recoupment Period and (ii) the sum of (A) the value of such participant's Annuity Savings Fund account as of June 30, 2013 calculated using the Actual Return and (B) the value of the participant's distribution calculated as of the date of distribution using the Actual Return through such date; and (c) for an ASF Distribution Recipient, the difference between (i) the value of such ASF Distribution Recipient's Annuity Savings Fund account as of the date of distribution from the Annuity Savings Fund, provided such date falls within the ASF Recoupment Period, and (ii) the value of such participant's Annuity Savings Fund account as of such date, calculated using the Actual Return. For purposes of this definition, the value of a participant's Annuity Savings Fund account as of any date will include the principal amount of any loans to the participant from his Annuity Savings Fund account that are outstanding as of such date or that were defaulted during the ASF Recoupment Period.

23. "ASF/GRS Reduction" means, with respect to a Holder of a GRS Pension Claim who is a retiree who is receiving a monthly pension as of June 30, 2014 or such retiree's later-surviving beneficiary, the 4.5% reduction in the Current Accrued Annual Pension amount described in Section I.A.202, plus the ASF Recoupment.

24. "ASF Current Participant" means a person who (a) participates in the GRS, (b) participated in the Annuity Savings Fund at any time during the ASF Recoupment Period and (c) is not an ASF Distribution Recipient.

25. "ASF Distribution Recipient" means a person who (a) participates in the GRS, (b) participated in the Annuity Savings Fund at any time during the ASF Recoupment Period and (c) has received a total distribution from the Annuity Savings Fund.

26. "ASF Election Date" means the date that is 35 days after the date on which the ASF Election Form is mailed.

27. "ASF Election Form" means a form to be mailed to each ASF Distribution Recipient with the ASF Election Notice to allow such ASF Distribution Recipient to elect the ASF Recoupment Cash Option.

28. "ASF Election Notice" means a notice to be mailed to each ASF Distribution Recipient notifying such ASF Distribution Recipient of the ASF Recoupment Cash Option and providing such recipient with an ASF Election Form.

29. "ASF Final Cash Payment Date" means the later of (a) 90 days after the Effective Date or (b) 50 days after the date of mailing of an ASF Final Cash Payment Notice.

30. "ASF Final Cash Payment Notice" means a notice to be provided by GRS to each ASF Distribution Recipient who timely elects the ASF Recoupment Cash Option indicating the amount of such ASF Distribution Recipient's ASF Recoupment Cash Payment.

31. "ASF Recoupment" means the amount to be deducted from an ASF Current Participant's Annuity Savings Fund account or an ASF Distribution Recipient's monthly pension check, as applicable, pursuant to the formulae set forth in Section II.B.3.r.ii.D.

32. "ASF Recoupment Cap" means, for both ASF Current Participants and ASF Distribution Recipients, 20% of the highest value of such participant's Annuity Savings Fund account during the ASF Recoupment Period. For purposes of this definition, the value of a participant's Annuity Savings Fund account as of any date will include the principal amount of any loans to the participant from such participant's Annuity Savings Fund account that are outstanding as of such date or that were defaulted during the ASF Recoupment Period.

33. "ASF Recoupment Cash Option" means an election that may be exercised by an ASF Distribution Recipient to pay the total amount of such ASF Distribution Recipient's ASF Recoupment in a single lump sum.

34. "ASF Recoupment Cash Payment" means the amount of the cash payment that an ASF Distribution Recipient who elects the ASF Recoupment Cash Option will be required to pay on account of such ASF Distribution Recipient's ASF Recoupment.

35. "ASF Recoupment Period" means the period beginning July 1, 2003 and ending June 30, 2013.

36. "Assigned UTGO Bond Tax Proceeds" means the rights to the proceeds of the UTGO Bond Tax Levy in an amount equal to the principal and interest payable on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation), which rights shall be assigned to a designee or designees of the City pursuant to the UTGO Settlement Agreement, substantially on the terms set forth on Exhibit I.A.355.

37. "Assured" means, together, Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc., and Assured Guaranty Corp.



38. "Ballot" means the ballot upon which a Holder of an Impaired Claim entitled to vote shall cast its vote to accept or reject the Plan and make certain elections provided for in the Plan.

39. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as now in effect or hereafter amended.

40. "Bankruptcy Court" means the United States Bankruptcy Court for the Eastern District of Michigan having jurisdiction over the Chapter 9 Case, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 or the General Order of the District Court pursuant to § 151 of title 28 of the United States Code, the District Court.

41. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the general, local and chambers rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to the Chapter 9 Case.

42. "Bar Date" means the applicable bar date by which a proof of Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including a Bar Date Order and the Confirmation Order.

43. "Bar Date Order" means any order of the Bankruptcy Court establishing Bar Dates for Filing proofs of Claim in the Chapter 9 Case, including the Order, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (Docket No. 1782), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on November 21, 2013, as it may be amended, supplemented or otherwise modified.

44. "Bond Agent" means a trustee, paying agent or similar Entity, as applicable, under the Bond Documents.

45. "Bond Claims" means, collectively, the DWSD Bond Claims, the DWSD Revolving Bond Claims, the General Obligation Bond Claims, the HUD Installment Note Claims and the Secured GO Bond Claims.

46. "Bond Documents" means, collectively, the DWSD Bond Documents, the DWSD Revolving Bond Documents, the General Obligation Bond Documents, the HUD Installment Note Documents and the Secured GO Bond Documents.

47. "Bond(s)" means, individually or collectively, the DWSD Bonds, the DWSD Revolving Bonds, the General Obligation Bonds, the HUD Installment Notes or the Secured GO Bonds.

48. "Bondholder" means any beneficial or record holder of a Bond.

49. "Bond Insurance Policies" means those policies, surety policies or other instruments insuring any Bond and obligations related thereto, including all ancillary and related documents that may obligate the City to pay any amount to a Bond Insurer for any reason.

50. "Bond Insurance Policy Claim" means a Claim held by a Bond Insurer arising under or in connection with a Bond Insurance Policy.

51. "Bond Insurer" means any party, other than the City, that has issued a Bond Insurance Policy.

52. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

53. "Cash" means legal tender of the United States of America and equivalents thereof.

54. "Causes of Action" means, without limitation, any and all actions, causes of action, controversies, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether known or

unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Effective Date, including without limitation (a) claims and causes of action under sections 502(d), 510, 544, 545, 547, 548, 549(a), 549(c), 549(d), 550, 551 and 553 of the Bankruptcy Code and (b) any other avoidance or similar claims or actions under the Bankruptcy Code or under similar or related state or federal statutes or common law, and, in the case of each Cause of Action, the proceeds thereof, whether received by judgment, settlement or otherwise.

55. "CFSEM Supporting Organization" means the Foundation for Detroit's Future, a supporting organization of, and an Entity legally separate from, the Community Foundation for Southeast Michigan, solely in its capacity as a participant in the DIA Settlement.

56. "Chapter 9 Case" means the bankruptcy case commenced by the City under chapter 9 of the Bankruptcy Code, captioned as *In re City of Detroit, Michigan*, Case No. 13-53846 (Bankr. E.D. Mich.), and currently pending before the Bankruptcy Court.

57. "City" means the City of Detroit, Michigan.

58. "City Council" means the duly-elected City Council of the City.

59. "City Parking Assets" means, collectively, the City's right, title and interest in (a) the Parking Garages, (b) operating revenue received by the City generated by the Parking Garages, (c) revenues collected from fines received by the City related to tickets issued for parking violations (other than any such revenue that would otherwise be paid to the 36th District Court), (d) revenue received by the City generated by parking meters owned by the City and (e) revenue received by the City generated by "boot and tow" operations conducted by the City.

60. "Claim" means a claim, as defined in section 101(5) of the Bankruptcy Code, against the City.

61. "Claims and Balloting Agent" means Kurtzman Carson Consultants, LLC, in its capacity as Bankruptcy Court-appointed claims and balloting agent for the Chapter 9 Case.

62. "Claims Objection Bar Date" means the deadline for objecting to a Claim, which shall be on the date that is the latest of (a) 180 days after the Effective Date, subject to extension by an order of the Bankruptcy Court, (b) 90 days after the Filing of a proof of Claim for such Claim and (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court, which other period may be set without notice to Holders of Claims.

63. "Claims Register" means the official register of Claims maintained by the Claims and Balloting Agent.

64. "Class" means a class of Claims, as described in Section II.B.

65. "Class 9 Settlement Asset Pool" means (a) either: (i) the New C Notes or (ii) in the event of a disposition or monetization of the City Parking Assets prior to distribution of the New C Notes, the proceeds from such disposition or monetization, in an amount not less than \$80 million; and (b) the Class 9 Settlement Credits.

66. "Class 9 Eligible City Asset" means those assets identified on Exhibit I.A.66.

67. "Class 9 Settlement Credits" means assignable, transferable settlement credits in the aggregate amount of \$25 million that may be applied to offset not more than 50% of the purchase price of a Class 9 Eligible City Asset; provided that, in all cases, to apply a Class 9 Settlement Credit, the owner thereof must (a) be the final party selected in a procurement process or auction conducted by the City and (b) otherwise satisfy all other elements of the procurement or auction process applicable to a particular Class 9 Eligible City Asset (in each of (a) and (b), without regard to such owner's offsetting any portion of the purchase price with such Class 9 Settlement Credit and irrespective of such owner's ability to apply any Class 9 Settlement Credit).

68. "COLAs" means the cost of living adjustments made to annual pension benefits pursuant to collective bargaining agreements, other contracts or ordinances (as applicable) to account for the effects of inflation, which adjustments sometimes are called "escalators" in such collective bargaining agreements, other contracts or ordinances.

69. "Confirmation" means the entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 9 Case.

70. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket in the Chapter 9 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

71. "Confirmation Hearing" means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued.

72. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 943 of the Bankruptcy Code, as it may be subsequently amended, supplemented or otherwise modified.

73. "Contract Administration Agreement 2005" means the Contract Administration Agreement dated June 2, 2005, by and among the COP Service Corporations, the Detroit Retirement Systems Funding Trust 2005, the COP Contract Administrator and the COP Swap Counterparties.

74. "Contract Administration Agreement 2006" means the Contract Administration Agreement dated June 12, 2006, by and among the COP Service Corporations, the Detroit Retirement Systems Funding Trust 2006, the COP Contract Administrator and the COP Swap Counterparties.

75. "Contract Administration Agreements" means, together, the Contract Administration Agreement 2005 and the Contract Administration Agreement 2006.

76. "Convenience Claim" means a Claim that would otherwise be an Other Unsecured Claim that is (a) an Allowed Claim in an amount less than or equal to \$25,000.00; or (b) in an amount that has been reduced to \$25,000.00 pursuant to an election made by the Holder of such Claim; provided that, where any portion(s) of a single Claim has been transferred, (y) the amount of all such portions will be aggregated to determine whether a Claim qualifies as a Convenience Claim and for purposes of the Convenience Claim election and (z) unless all transferees make the Convenience Claim election on the applicable Ballots, the Convenience Claim election will not be recognized for such Claim.

77. "COP Agent" means a contract administrator, trustee, paying agent or similar Entity, as applicable, under the COP Documents.

78. "COP Agent Fees" means reasonable, actual and documented fees payable to the COP Agent for services rendered or expenses incurred in accordance with and pursuant to the terms of the COPs Documents.

79. "COP Claim" means a Claim under or evidenced by the COP Service Contracts. For the avoidance of doubt, except as provided in any Final Order of the Bankruptcy Court, the definition of COP Claim shall include any Claim (other than a COP Swap Claim) on account of any act, omission or representation (however described) based upon, arising out of or relating to: (a) the issuance, offering, underwriting, purchase, sale, ownership or trading of any COPs (to the extent any such Claim is not a Subordinated Claim); (b) the COP Service Corporations; (c) any COP Service Contracts; (d) the 2005 COPs Agreement; (e) the 2006 COPs Agreement; (f) the Detroit Retirement Systems Funding Trust 2005; (g) the Detroit Retirement Systems Funding Trust 2006; (h) the Contract Administration Agreement 2005; (i) the Contract Administration Agreement 2006; (j) any allegations that have been made or could have been made by or against the City or any other person in the COP Litigation; or (k) any policy of insurance relating to the COPs.

80. "COP Contract Administrator" means Wilmington Trust, National Association, as successor to U.S. Bank, N.A.

81. "COP Documents" means, collectively, the COP Service Contracts, the 2005 COPs Agreement, the 2006 COPs Agreement and the Contract Administration Agreements.

82. "COP Insurance Policies" means those certain policies or other instruments insuring the 2005 COPs issued under the 2005 COPs Agreement and the 2006 COPs issued under the 2006 COPs Agreement, including all ancillary and related documents that may obligate the City to pay any amount to a COP Insurer for any reason.

83. "COP Insurance Policies Claim" means a Claim held by a COP Insurer arising under or in connection with a COP Insurance Policy.

84. "COP Insurer" means any party, other than the City, that has issued a COP Insurance Policy.

85. "COP Litigation" means the adversary proceeding captioned as *City of Detroit, Michigan v. Detroit General Retirement System Service Corporation, Detroit Police and Fire Retirement System Service Corporation, Detroit Retirement Systems Funding Trust 2005 and Detroit Retirement Systems Funding Trust 2006*, Case No. 14-04112 (Bankr. E.D. Mich.), filed in the Chapter 9 Case on January 31, 2014.

86. "COP Litigation Counsel" means counsel to the Litigation Trust in the COP Litigation.

87. "COP Service Contracts" means, collectively, the (a) the GRS Service Contract 2005, dated May 25, 2005, by and between the City and the Detroit General Retirement System Service Corporation; (b) the PFRS Service Contract 2005, dated May 25, 2005, by and between the City and the Detroit Police and Fire Retirement System Service Corporation; (c) the GRS Service Contract 2006, dated June 7, 2006, by and between the City and the Detroit General Retirement System Service Corporation; and (d) the PFRS Service Contract 2006, dated June 7, 2006, by and between the City and the Detroit Police and Fire Retirement System Service Corporation, as each of the foregoing may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

88. "COP Service Corporations" means, collectively, the Detroit General Retirement System Service Corporation and the Detroit Police and Fire Retirement System Service Corporation.

89. "COP Swap Agreements" means the 1992 ISDA Master Agreements (Local Currency Single Jurisdiction) between the COP Service Corporations and the COP Swap Counterparties, as set forth on Exhibit I.A.89, together with all ancillary and related instruments and agreements, as the same may have been subsequently amended, restated, supplemented or otherwise modified.

90. "COP Swap Claim" means a Claim by the COP Swap Counterparties arising under the COP Swap Documents.

91. "COP Swap Collateral Agreement" means the Collateral Agreement among the City, the COP Service Corporations, the COP Swap Collateral Agreement Custodian and the COP Swap Counterparties, together with all ancillary and related instruments and agreements.

92. "COP Swap Collateral Agreement Custodian" means U.S. Bank National Association as custodian under the COP Swap Collateral Agreement or any successor custodian.

93. "COP Swap Counterparties" means UBS AG and Merrill Lynch Capital Services, Inc., as successor to SBS Financial Products Company LLC, under the COP Swap Documents.

94. "COP Swap Documents" means the COP Swap Agreements and the COP Swap Collateral Agreement.

95. "COP Swap Exculpated Parties" means the COP Swap Counterparties and their affiliates and each of their respective present and former (a) officers, (b) directors, (c) employees, (d) members, (e) managers, (f) partners and (g) attorneys, attorneys-in-fact and other advisors, in each case solely in their capacity as such.

96. "COP Swap Settlement" means that Settlement and Plan Support Agreement among the City and the COP Swap Counterparties filed with the Bankruptcy Court on the docket of the Chapter 9 Case on March 26, 2014 (Docket No. 3234), as the same may be subsequently amended, restated, supplemented or otherwise modified in accordance therewith.

97. "COP Swap Settlement Approval Order" means the order entered by the Bankruptcy Court approving the COP Swap Settlement (Docket No. 4094).

98. "COP Syncora Swap Insurance Policies" shall mean policy numbers CA03049E, CA03049D, CA3049C and CA03049B issued by XL Capital Assurance Inc.

99. "COPs" means, collectively, the 2005 COPs and the 2006 COPs.

100. "Counties" means, collectively, Macomb County, Oakland County and Wayne County.

101. "Cure Amount Claim" means a Claim based upon the City's defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the City under section 365 of the Bankruptcy Code to the extent such Claim is required to be cured by section 365 of the Bankruptcy Code.

102. "Current Accrued Annual Pension" means, with respect to any Holder of a Pension Claim, the amount of annual pension benefits that the applicable Retirement System (a) is obligated to pay to such Holder as of June 30, 2014 to the extent such Holder is retired or a surviving beneficiary and receiving, or terminated from City employment and eligible to receive, a monthly pension as of such date or (b) would be obligated to pay such Holder upon his or her future retirement to the extent such Holder is actively employed by the City on June 30, 2014, assuming such Holder's annual pension is frozen as of June 30, 2014, and such Holder is no longer able to accrue pension benefits after such date under the current terms and conditions of the applicable Retirement System, in either case as reflected on the books and records of the applicable Retirement System as of June 30, 2014.

103. "Current GRS Retiree Adjustment Cap" means, if the funding from the State Contribution Agreement and the DIA Settlement is received, an ASF/GRS Reduction in an amount not to exceed 20% of the Current Accrued Annual Pension of a person who was a current retiree as of June 30, 2014.

104. "CUSIP" means the nine-character identifier (consisting of letters and numbers) that uniquely identifies any particular issue of DWSD Bonds.

105. "Detroit General Retiree" means a retired employee or surviving beneficiary of a retired employee of a department of the City who (a) is not a Detroit Police and Fire Retiree, (b) retired (or is a surviving beneficiary of one who retired) on or before December 31, 2014 and (c) is a Holder of an OPEB Claim.

106. "Detroit General VEBA" means a voluntary employees' beneficiary association established in accordance with section 501(c)(9) of the Internal Revenue Code of 1986, as amended, and regulations thereunder that provides health benefits to Detroit General VEBA Beneficiaries and certain of their dependents.

107. "Detroit General VEBA Beneficiary" means a Holder of an Allowed OPEB Claim who is a Detroit General Retiree.

108. "Detroit General VEBA Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Detroit General VEBA, in substantially the form attached hereto as Exhibit I.A.108.

109. "Detroit Police and Fire Retiree" means a retired employee or surviving beneficiary of a retired employee of the Detroit Police Department or the Detroit Fire Department who (a) was not an employee of the Emergency Medical Services Division of the Detroit Fire Department, (b) is a Holder of an OPEB Claim and (c) retired (or was a surviving beneficiary of one who retired) on or before December 31, 2014.

110. "Detroit Police and Fire VEBA" means a voluntary employees' beneficiary association established in accordance with section 501(c)(9) of the Internal Revenue Code of 1986, as amended, and regulations thereunder that provides health benefits to Detroit Police and Fire VEBA Beneficiaries and certain of their dependents.

111. "Detroit Police and Fire VEBA Beneficiary" means a Holder of an Allowed OPEB Claim that is a Detroit Police and Fire Retiree.

112. "Detroit Police and Fire VEBA Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Detroit Police and Fire VEBA, in substantially the form attached hereto as Exhibit I.A.112.

113. "Detroit Retirement Systems Funding Trust 2005" means the funding trust established pursuant to the 2005 COPs Agreement.

114. "Detroit Retirement Systems Funding Trust 2006" means the funding trust established pursuant to the 2006 COPs Agreement.

115. "Development Agreement" means that certain development agreement by and between the City and Pike Point Holdings, LLC, a wholly owned indirect subsidiary of Syncora, in substantially the form attached hereto as Exhibit I.A.115, including all exhibits thereto, and in any case in form and substance reasonably acceptable to the City and Syncora.

116. "DIA" means The Detroit Institute of Arts, a museum and cultural institution located at 5200 Woodward Avenue, Detroit, Michigan 48202.

117. "DIA Assets" means the "Museum Assets" as defined in the DIA Settlement Documents.

118. "DIA Corp." means The Detroit Institute of Arts, a Michigan non-profit corporation.

119. "DIA Direct Funders" means DIA Corp. and those DIA Funders whose commitments to contribute monies in furtherance of the DIA Settlement are made directly to the CFSEM Supporting Organization.

120. "DIA Funders" means those persons, businesses, business-affiliated foundations and other foundations from which DIA Corp. secures commitments, whether before or after the Effective Date, to contribute monies or otherwise secures contributions of monies in support of DIA Corp.'s payment obligations under the DIA Settlement, whether paid directly to the CFSEM Supporting Organization or to DIA Corp. for the purpose of supporting DIA Corp.'s payments to the CFSEM Supporting Organization.

121. "DIA Funding Parties" means the Foundations and the DIA Direct Funders.

122. "DIA Proceeds" means, collectively, the irrevocable funding commitments described in Section IV.E.1.

123. "DIA Proceeds Default Amount" means a reduction in the Adjusted Pension Amount of a Holder of a Pension Claim (or a surviving beneficiary) by virtue of a DIA Proceeds Payment Default, as determined by the trustees of the GRS or the PFRS, the aggregate amount of which shall be commensurate with the pertinent DIA Proceeds Payment Default.

124. "DIA Proceeds Payment Default" means a default that has not been cured during any applicable grace period, as determined by the trustees of the GRS or the PFRS, by one or more DIA Funding Parties respecting

material amounts scheduled to be paid to the City in accordance with the DIA Settlement that the City, in turn, is required to pay over to the GRS or the PFRS in accordance with the terms and conditions of the Plan.

125. "DIA Settlement" means the comprehensive settlement regarding the DIA Assets, as described at Section IV.E and as definitively set forth in the DIA Settlement Documents, the principal terms of which are attached hereto as Exhibit I.A.125.

126. "DIA Settlement Documents" means the definitive documentation to be executed in connection with the DIA Settlement, in substantially the form attached hereto as Exhibit I.A.126, which documents substantially conform to the term sheet attached hereto as Exhibit I.A.125.

127. "Disbursing Agent" means the disbursing agent(s) appointed pursuant to Section V.A.

128. "Disclosure Statement" means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan and has been prepared and distributed by the City and approved by the Bankruptcy Court in the Disclosure Statement Order, as the same may be amended, supplemented or otherwise modified.

129. "Disclosure Statement Order" means the Order Approving the Proposed Disclosure Statement (Docket No. 4401), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on May 5, 2014, approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code, as it may have been subsequently amended, supplemented or otherwise modified.

130. "Discounted Value" means the net present value of all Net DWSD Transaction Proceeds to be received immediately or in the future utilizing a 6.75% discount rate.

131. "Dismissed Syncora Litigation" means all litigation pending between the City and Syncora (including all appeals) arising out of or related to, and withdraw all motions or objections pending in, the Chapter 9 Case, including the litigation set forth on Exhibit I.A.131, which litigation shall be dismissed or withdrawn as set forth in the Syncora Settlement Agreement.

132. "Disputed Claim" means any Claim that is not Allowed.

133. "Disputed COP Claims Reserve" means the reserve for Disputed COP Claims established pursuant to Section II.B.3.p.iii.B.1.

134. "Distribution" means any initial or subsequent payment or transfer made on account of an Allowed Claim under or in connection with the Plan.

135. "Distribution Amount" means the principal amount of \$42,500,000 for each of the COP Swap Counterparties, plus interest, on and after October 15, 2014, on the unpaid Net Amount at the rate applicable to obligations under the Postpetition Financing Agreement, payable in cash in the manner set forth in the COP Swap Settlement Agreement.

136. "Distribution Date" means any date on which a Distribution is made.

137. "Distribution Record Date" means 5:00 p.m., Eastern Time, on the Confirmation Date.

138. "District Court" means the United States District Court for the Eastern District of Michigan.

139. "Document Website" means the internet site address <http://www.kccllc.net/Detroit>, at which the Plan, the Disclosure Statement and all Filed Exhibits to the Plan shall be available to any party in interest and the public, free of charge.

140. "Downtown Development Authority Claims" means Claims in respect of the Downtown Development Authority Loans.

141. "Downtown Development Authority Loans" means loans made pursuant to that certain Loan Agreement, dated August 26, 1991, by and between the City and the City of Detroit Downtown Development Authority, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements.

142. "DRCEA" means the Detroit Retired City Employees Association.

143. "DWSD" means the Detroit Water and Sewerage Department, which is a department of the City.

144. "DWSD Authority" means an authority that may be formed pursuant to a DWSD Authority Transaction to conduct many or all of the operations currently conducted by DWSD as described in Section IV.A.3.

145. "DWSD Authority Transaction" means the potential formation (including the potential transfer of certain assets owned by DWSD) and operation of the DWSD Authority, as described in Section IV.A.3.

146. "DWSD Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Bond Documents, including a Claim for principal and interest on the DWSD Bonds.

147. "DWSD Bond Documents" means the ordinances passed, resolutions adopted, orders issued or indentures executed with respect to the DWSD Bonds, as set forth on Exhibit I.A.147, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

148. "DWSD Bonds" means the secured bonds issued pursuant to the DWSD Bond Documents, as set forth on Exhibit I.A.147.

149. "DWSD CVR" means a single series of contingent value right certificates representing the right to receive 50% of the Net DWSD Transaction Proceeds received by the General Fund on account of a Qualifying DWSD Transaction.

150. "DWSD Exculpated Parties" means, collectively, the DWSD Settlement Parties and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

151. "DWSD Revolving Bond Claims" means, collectively, the DWSD Revolving Sewer Bond Claims and the DWSD Revolving Water Bond Claims.

152. "DWSD Revolving Bond Documents" means, collectively, the DWSD Revolving Sewer Bond Documents and the DWSD Revolving Water Bond Documents.

153. "DWSD Revolving Bonds" means, collectively, the DWSD Revolving Sewer Bonds and the DWSD Revolving Water Bonds.

154. "DWSD Revolving Sewer Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Revolving Sewer Bond Documents, including a Claim for principal and interest on the DWSD Revolving Sewer Bonds.

155. "DWSD Revolving Sewer Bond Documents" means the ordinances passed, resolutions adopted or indentures or agreements executed with respect to the DWSD Revolving Sewer Bonds, as set forth on Exhibit I.A.155, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.



156. "DWSD Revolving Sewer Bonds" means the secured bonds issued pursuant to the DWSD Revolving Sewer Bond Documents, as set forth on Exhibit I.A.155.

157. "DWSD Revolving Water Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Revolving Water Bond Documents, including a Claim for principal and interest on the DWSD Revolving Water Bonds.

158. "DWSD Revolving Water Bond Documents" means the ordinances passed, resolutions adopted or indentures or agreements executed with respect to the DWSD Revolving Water Bonds, as set forth on Exhibit I.A.158, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

159. "DWSD Revolving Water Bonds" means the secured bonds issued pursuant to the DWSD Revolving Water Bond Documents, as set forth on Exhibit I.A.158.

160. "DWSD Series" means an individual issue of DWSD Revolving Bonds having the same lien priority, issue date and series designation.

161. "DWSD Settlement Date" means the date prior to the Effective Date upon which each of (i) consummation of the purchase of the DWSD Tendered Bonds, (ii) issuance of the 2014 DWSD Refinancing Obligations and (iii) issuance of the 2014 Revenue Refinancing Bonds occurs, which date is identified as September 4, 2014 in the DWSD Tender Invitations (subject to rescheduling to a date earlier or later than that date by the City in its sole discretion).

162. "DWSD Settlement Parties" means, collectively, Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance Inc., Berkshire Hathaway Assurance Corp., Financial Guaranty Insurance Company (solely in its capacity as a DWSD Bond Insurer and solely if it provides any consents required to effectuate the DWSD Tender), NPMFG, the Ad Hoc Committee of DWSD Bondholders and U.S. Bank National Association, as trustee for the DWSD Bonds.

163. "DWSD Tender" means the offers, subject to acceptance at the City's election and in its sole discretion, to purchase for cancellation some or all of the DWSD Bonds that have been tendered and accepted in connection with, and on the terms provided in, the DWSD Tender Invitations.

164. "DWSD Tendered Bonds" means the DWSD Bonds that have been tendered for purchase or cancellation pursuant to the DWSD Tender.

165. "DWSD Tender Invitations" means the invitations and accompanying disclosure statements sent by the City to holders of DWSD Bonds on August 7, 2014, in the form of those collectively attached as Exhibits 8A and 8B to the DWSD Tender Motion.

166. "DWSD Tender Motion" means the Motion of the Debtor for a Final Order Pursuant to (I) 11 U.S.C. §§ 105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 6644), Filed by the City on August 11, 2014.

167. "DWSD Tender Order" means the Order, Pursuant to (I) 11 U.S.C. §§ 105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 7028), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on August 25, 2014.

168. "Effective Date" means the Business Day, as determined by the City, on which each applicable condition contained in Section III.A has been satisfied or waived.

169. "Eligible Pensioner" means a Holder of a Pension Claim who is eligible to receive an Income Stabilization Payment because such Holder (a) is, as of the Effective Date, at least 60 years of age or is a minor child receiving survivor benefits from GRS or PFRS and (b) has an aggregate annual household income equal to or less than 140% of the Federal Poverty Level in 2013 (as determined by reference to their (or in the case of minor children, their legal guardian's) 2013 income tax returns or equivalent documentation); provided, that no new persons will be eligible to receive Income Stabilization Payments at any time in the future, and any minor child receiving survivor benefits shall cease to be an Eligible Pensioner after he or she turns 18 years of age.

170. "Emergency Manager" means Kevyn D. Orr, in his capacity as emergency manager for the City serving in accordance with PA 436 or any successor emergency manager.

171. "Employee Health and Life Insurance Benefit Plan" means the Employee Health and Life Insurance Benefit Plan, a welfare benefit plan sponsored and administered by the City, which provides health, dental, vision care and life insurance benefits to (a) all officers and employees of the City who were employed on the day preceding the effective date of the benefit plan, and who continue to be employed by the City on and after the Effective Date and (b) substantially all retired officers and employees of the City.

172. "Employees Death Benefit Board of Trustees" means the governing board of the City of Detroit Employee Health and Life Insurance Benefit Plan, which operates and administers the Employees Death Benefit Plan.

173. "Employees Death Benefit Plan" means the City of Detroit Employee Death Benefit Plan, a pre-funded defined benefit plan and trust administered by the Employees Death Benefit Board of Trustees that provides supplemental death benefits to active and retired officers and employees of the City.

174. "Entity" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

175. "Estimated Future Liability" means the Income Stabilization Payments anticipated to be made from GRS or PFRS, as applicable, in the future in order for the respective Retirement System to fulfill the obligation to make Income Stabilization Payments, as determined by the respective Retirement System's board of trustees in the year 2022, provided that the State has not issued a certificate of default under the State Contribution Agreement with respect to the Retirement System at any time prior to 2022.

176. "Excess Assets" means the amount by which, if at all, the Income Stabilization Fund of either GRS or PFRS is credited with assets in excess of its Estimated Future Liability.

177. "Excess New B Notes" means the New B Notes in the aggregate face amount of \$15.44 million, representing the difference between (a) the New B Notes that would have been distributed to Syncora had its asserted COP Claim for principal and interest in Class 9 been Allowed in full and (b) the New B Notes to be provided to Syncora as partial consideration pursuant to the terms of the Syncora Settlement.

178. "Exculpated Parties" means, collectively and individually, (a) the RDPFFA and its board of trustees/directors, attorneys, advisors and professionals, (b) the DRCEA and its board of trustees/directors, attorneys, advisors and professionals, (c) the postpetition officers of the Detroit Police Lieutenants and Sergeants Association, (d) the postpetition officers of the Detroit Police Command Officers Association, (e) GRS and its postpetition professional advisors, (f) PFRS and its postpetition professional advisors, (g) Gabriel, Roeder, Smith & Company, (h) the COP Swap Exculpated Parties, (i) the LTGO Exculpated Parties, (j) the UTGO Exculpated Parties, (k) the DWSD Exculpated Parties, (l) the RDPMA Exculpated Parties and (m) the Syncora Exculpated Parties. For the avoidance of doubt, Exculpated Parties shall not include the COP Service Corporations.

179. "Executory Contract" means a contract to which the City is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

180. "Exhibits" means, collectively, the documents listed on the "Table of Exhibits" included herein, all of which will be made available on the Document Website once they are Filed. The City reserves the right, in

accordance with the terms hereof, to modify, amend, supplement, restate or withdraw any of the Exhibits after they are Filed and shall promptly make such changes available on the Document Website.

181. "Exit Facility" means a credit facility that will be entered into by the City, the Exit Facility Agent and the other financial institutions party thereto on the Effective Date on substantially the terms set forth on Exhibit I.A.181.

182. "Exit Facility Agent" means the agent under the Exit Facility.

183. "Face Amount" means either (a) the full stated amount claimed by the holder of such Claim in any proof of Claim Filed by the Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim specifies only a liquidated amount; (b) if no proof of Claim is Filed by the Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the List of Creditors, provided that such amount is not listed as disputed, contingent or unliquidated; or (c) the amount of the Claim (i) acknowledged by the City in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or (iii) proposed by City, if (A) no proof of Claim has been Filed by the Bar Date or has otherwise been deemed timely Filed under applicable law and such amount is not listed in the List of Creditors or is listed in List of Creditors as disputed, contingent or unliquidated or (B) the proof of Claim specifies an unliquidated amount (in whole or in part).

184. "Federal Poverty Level" means the poverty guidelines issued each year in the *Federal Register* by the United States Department of Health and Human Services.

185. "Fee Examiner" means Robert M. Fishman, in his capacity as the fee examiner appointed pursuant to the Fee Examiner Order.

186. "Fee Examiner Order" means the Order Appointing Fee Examiner (Docket No. 383), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on August 19, 2013, as it may have been amended, supplemented or otherwise modified.

187. "Fee Examiner Parties" means, collectively, (a) the Fee Examiner and (b) all counsel and other professionals advising the Fee Examiner whose fees and expenses are subject to the Fee Review Order.

188. "Fee Review Order" means the Fee Review Order (Docket No. 810), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on September 11, 2013, as it may have been amended, supplemented or otherwise modified, including pursuant to the Order Amending and Clarifying Fee Review Order of September 11, 2013 (Docket No. 5150), entered on May 29, 2014.

189. "Fee Review Professionals" means, collectively, (a) those professionals retained by the City and the Retiree Committee to render services in connection with the Chapter 9 Case who seek payment of compensation and reimbursement of expenses from the City for postpetition services pursuant to and in accordance with the Fee Review Order, (b) those additional professionals retained by third parties to provide services in connection with the Chapter 9 Case that seek reimbursement by or payment from the City or any of its departments and are, or are determined (by Bankruptcy Court order or otherwise) to be, subject to the Fee Review Order or the terms of this Plan and (c) the Fee Examiner Parties. For the avoidance of doubt, any professionals retained by any official committee appointed in the Chapter 9 Case other than the Retiree Committee are not Fee Review Professionals.

190. "Fee Review Professional Fees" means the fees and expenses of the Fee Review Professionals incurred during the period beginning on the Petition Date and ending on the Effective Date.

191. "File," "Filed," or "Filing" means file, filed or filing with the Bankruptcy Court or the Claims and Balloting Agent, as applicable, in the Chapter 9 Case.

192. "Final Order" means an order or judgment of the Bankruptcy Court, or any other court of competent jurisdiction, as entered on the docket in the Chapter 9 Case or the docket of any other court of competent

jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move, under Bankruptcy Rule 9023 or Rule 59 of the Federal Rules of Civil Procedure, for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed shall not prevent such order from being a Final Order.

193. "Financial Review Commission" means the financial review commission appointed under Section 4 of the Financial Review Commission Act.

194. "Financial Review Commission Act" means Public Act 181 of 2014 of the State, also known as the Michigan Financial Review Commission Act, Michigan Compiled Laws §§ 141.1631, *et seq.*

195. "Fiscal Year" means a fiscal year for the City, commencing on July 1 of a year and ending on June 30 of the following year. A Fiscal Year is identified by the calendar year in which the Fiscal Year ends, such that, for example, the 2015 Fiscal Year is the Fiscal Year commencing on July 1, 2014, and ending on June 30, 2015.

196. "Foundations" means those entities identified on Exhibit B to the summary of the material terms of the DIA Settlement, which is attached hereto as Exhibit I.A.125.

197. "General Fund" means the primary governmental fund and the chief operating fund of the City, which fund accounts for several of the City's primary services, including police, fire, public works, community and youth services.

198. "General Obligation Bond Claims" means, collectively, the Limited Tax General Obligation Bond Claims and the Unlimited Tax General Obligation Bond Claims.

199. "General Obligation Bond Documents" means, collectively, the Limited Tax General Obligation Bond Documents and the Unlimited Tax General Obligation Bond Documents.

200. "General Obligation Bonds" means, collectively, the Limited Tax General Obligation Bonds and the Unlimited Tax General Obligation Bonds.

201. "GRS" means the General Retirement System of the City of Detroit.

202. "GRS Adjusted Pension Amount" means, with respect to a Holder of a GRS Pension Claim, the Current Accrued Annual Pension payable to such Holder as adjusted in accordance with the following formulas:

(a) If Classes 10 and 11 vote to accept the Plan, and funding is received from the DIA Settlement and the State Contribution Agreement: for a Holder of a GRS Pension Claim who is (i) either retired and receiving a monthly pension or a surviving beneficiary or (ii) an Active Employee or a terminated employee with a right to receive a GRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus an additional 4.5% reduction in the Current Accrued Annual Pension amount, plus the ASF Recoupment, provided that ASF Recoupment shall not apply to a surviving beneficiary of a retiree who died prior to June 30, 2014; and

(b) If Classes 10 and 11 do not vote to accept the Plan or funding is not received from the DIA Settlement and the State Contribution Agreement: for a Holder of a GRS Pension Claim who is (i) either retired and receiving a monthly pension or a surviving beneficiary or (ii) an Active Employee or a terminated employee with a right to receive a GRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus an additional 27% reduction in the

Current Accrued Annual Pension amount, plus the ASF Recoupment; provided that ASF Recoupment shall not apply to a surviving beneficiary of a retiree who died prior to June 30, 2014; and provided further, that with respect to Holders who are Active Employees, in the event the unfunded liabilities of the GRS for the plan year ending June 30, 2014 are greater than the unfunded liabilities of the GRS as of June 30, 2013, the monthly pension amount shall be decreased to the extent necessary to ensure that there is no change in the amount of the underfunding between Fiscal Years 2013 and 2014.

203. "GRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City or any participants in GRS, their heirs or beneficiaries or by the GRS or any trustee thereof or any other Entity acting on the GRS's behalf, against the City or any fund managed by the City (including, but not limited to, the General Fund, the water fund, the sewage disposal fund, the Detroit General Retirement System Service Corporation fund or the pension funds) based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law for (a) any pension, disability or other post-retirement payment or distribution in respect of the employment of current or former employees or (b) the payment by the GRS to persons who at any time participated in, were beneficiaries of or accrued post-retirement pension or financial benefits under the GRS.

204. "GRS Restoration Payment" means an addition to the pension benefits that comprise the GRS Adjusted Pension Amount as described in Exhibit II.B.3.r.ii.C.

205. "Holder" means an Entity holding a Claim.

206. "HUD Installment Note Claims" means any Claim against the City arising under or evidenced by the HUD Installment Note Documents, including a Claim for principal and interest on the HUD Installment Notes.

207. "HUD Installment Note Documents" means the promissory notes executed with respect to the HUD Installment Notes, as set forth on Exhibit I.A.207, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

208. "HUD Installment Notes" means, collectively, the secured notes issued under the HUD Installment Note Documents, as set forth on Exhibit I.A.207.

209. "Impaired" means, with respect to a Class or a Claim, that such Class or Claim is impaired within the meaning of section 1124 of the Bankruptcy Code.

210. "Income Stabilization Benefit" means a supplemental pension benefit in an amount necessary to ensure that (a) each Eligible Pensioner's total household income is equal to 130% of the Federal Poverty Level in 2013 or (b) the annual pension benefit payment payable to each Eligible Pensioner equals 100% of the annual pension benefit payment actually received by the Eligible Pensioner in 2013, whichever amount is lower.

211. "Income Stabilization Benefit Plus" means a supplemental pension benefit in an amount necessary to ensure that (a) an Eligible Pensioner's estimated adjusted annual household income (as determined by the applicable Retirement System) in a given calendar year is equal to 105% of the Federal Poverty Level for such year or (b) the annual pension benefit payment payable to an Eligible Pensioner equals 100% of the Eligible Pensioner's Current Accrued Annual Pension, plus COLAs, whichever amount is lower.

212. "Income Stabilization Payments" means the Income Stabilization Benefit and the Income Stabilization Benefit Plus, which will be paid from the Income Stabilization Fund in each of GRS and PFRS to Eligible Pensioners in accordance with the State Contribution Agreement.

213. "Income Stabilization Fund" means a separate recordkeeping sub-account that will be established in each of GRS and PFRS for the sole purpose of paying Income Stabilization Payments to Eligible Pensioners. The assets credited to these sub-accounts will be invested on a commingled basis with the GRS and PFRS assets, as applicable, and will be credited with a pro rata portion of the applicable Retirement System's earnings and losses.

214. "Indirect 36th District Court Claim" means any claim arising in connection with a Cause of Action against the 36th District Court, solely to the extent that (a) the 36th District Court is entitled to receive funding from the City to satisfy any such claim and (b) any Claim for such funding by the 36th District Court is resolved pursuant to the Plan and the 36th District Court Settlement.

215. "Indirect Employee Indemnity Claim" means any claim against an employee or former employee of the City with respect to which such employee has an Allowed Claim against the City for indemnification or payment or advancement of defense costs based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law.

216. "Insured LTGO Bonds" means those Limited Tax General Obligation Bonds that are insured by the LTGO Insurer.

217. "Investment Committee" means, as applicable, the investment committee established by GRS or PFRS for the purpose of making recommendations to, and approving certain actions by, the respective Retirement System's board of trustees or making determinations and taking action under, and with respect to certain matters described in, the State Contribution Agreement.

218. "Liabilities" means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, derivative claims, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure or other occurrence taking place on or prior to the Effective Date.

219. "Lien" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

220. "Limited Tax General Obligation Bond Claim" means any Claim against the City arising under or evidenced by the Limited Tax General Obligation Bond Documents, including a Claim for principal and interest on the Limited Tax General Obligation Bonds.

221. "Limited Tax General Obligation Bond Documents" means the resolutions adopted and orders issued with respect to the Limited Tax General Obligation Bonds, as set forth on Exhibit I.A.221, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

222. "Limited Tax General Obligation Bonds" means, collectively, the unsecured bonds issued under the Limited Tax General Obligation Bond Documents, as set forth on Exhibit I.A.221.

223. "Liquidity Event" shall be deemed to occur only if the City has at all times complied with its obligations under the COP Swap Settlement to use its best efforts to secure sufficient exit financing as set forth therein, but is nonetheless unable to secure sufficient exit financing to pay the Net Amount on or promptly following the Effective Date.

224. "List of Creditors" means the Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (together with the summaries and schedules attached thereto), attached as Exhibit A to the Notice of Filing of Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (Docket No. 1059), Filed by the City on September 30, 2013, as such list, summaries or schedules may be amended, restated, supplemented or otherwise modified.

225. "Litigation Trust" means a trust to be established on the Effective Date to which the City will transfer all of its rights and interest in the COP Litigation.

226. "Litigation Trustee" means the trustee of the Litigation Trust, which shall be selected by the LTGO Insurer and the Retiree Committee and must be acceptable to the City.

227. "LTGO Distribution Agent" means U.S. Bank National Association, in its capacity as agent under a distribution agreement to be entered into in connection with the LTGO Settlement Agreement or such other entity as may be agreed to among the parties to the LTGO Settlement Agreement.

228. "LTGO Exculpated Parties" means (a) the LTGO Insurer, (b) BlackRock Financial Management, solely in its capacity as a Holder of Limited Tax General Obligation Bonds, and (c) their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, consultants, financial advisors and investment bankers, solely in their capacity as such.

229. "LTGO Independent Party" means an entity chosen by the Retiree Committee, the LTGO Insurer and the City to resolve certain disputes regarding the COP Litigation involving the City, VEBA Trust Representatives or the LTGO Insurer pursuant to the LTGO Settlement Agreement.

230. "LTGO Insurer" means Ambac, solely in its capacity as insurer of certain of the City's obligations with respect to the Limited Tax General Obligation Bonds.

231. "LTGO Litigation Parties" means, collectively, the LTGO Insurer, the VEBA Trust Representatives and the City.

232. "LTGO Settlement Agreement" means the comprehensive settlement regarding Limited Tax General Obligation Bond Claims and related Bond Insurance Policy Claims, substantially in the form attached hereto as Exhibit I.A.232.

233. "Macomb County" means the County of Macomb, Michigan.

234. "Mayor" means the duly-elected mayor of the City.

235. "MFA" means the Michigan Finance Authority.

236. "Municipal Obligation" means the local government municipal obligation to be delivered by the City to the MFA in accordance with the LTGO Settlement Agreement and applicable law.

237. "NPF" means National Public Finance Guarantee Corporation.

238. "Net Amount" means the Distribution Amount less the sum of all quarterly payments received by the COP Swap Counterparties under the COP Swap Collateral Agreement in respect of amounts owed under the COP Swap Agreements since January 1, 2014.

239. "Net DWSD Transaction Proceeds" means (a) the cash proceeds received by or for the benefit of, or for attribution to, the General Fund as a result of a Qualifying DWSD Transaction less (1) any cash payments made by or on behalf of the General Fund in connection with a Qualifying DWSD Transaction, (2) any cash payments previously anticipated or projected to be contributed to GRS by DWSD but for the Qualifying DWSD Transaction and (3) any cash payments previously anticipated or projected to be received by or on behalf of the General Fund but for the Qualifying DWSD Transaction; and (b) any other net payments, assumption of scheduled monetary liability or cancellation of indebtedness or other monetary obligations that inures to the direct benefit of the General Fund as a result of the Qualifying DWSD Transaction. In applying this definition, the City and the Restoration Trust (or the Retiree Committee if prior to the Effective Date) will work to develop a schedule of Net DWSD Transaction Proceeds at the time of the Qualifying DWSD Transaction that will inform any Value Determination (if requested) and allow the parties to subsequently track actual results and adjust applicable pension restoration levels accordingly.

240. "New B Notes" means the unsecured bonds to be issued by the City pursuant to the New B Notes Documents, substantially on the terms set forth on Exhibit I.A.240.

241. "New B Notes Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New B Notes, in substantially the form attached hereto as Exhibit I.A.241.

242. "New C Notes" means the unsecured bonds to be issued by the City pursuant to the New C Notes Documents, substantially on the terms set forth on Exhibit I.A.242 and in any case in form and substance reasonably acceptable to the City and Syncora.

243. "New C Notes Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New C Notes, in substantially the form attached hereto as Exhibit I.A.243 and in any case in form and substance reasonably acceptable to the City and Syncora.

244. "New GRS Active Pension Plan" means the terms and conditions for future accrual and payment of pensions for active non-public safety employees of the City or another entity that participates in GRS in connection with employment service performed on and after July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.244.a and the material terms of which are attached hereto as Exhibit I.A.244.b.

245. "New GRS Active Pension Plan Formula" means an accrual rate for active employee participants in the GRS for benefits earned for service on or after July 1, 2014 that equals the product of (a) 1.5% multiplied by (b) an employee's average base compensation over such employee's final 10 years of service, multiplied by (c) such employee's years of service after July 1, 2014. For purposes of this definition, base compensation will exclude overtime, longevity or other bonuses, and unused sick leave, and the New GRS Active Pension Plan Formula will be part of a hybrid program that will contain rules to shift funding risk to participants in the event of underfunding of hybrid pensions, and mandate minimum retirement ages for unreduced pensions.

246. "New LTGO Bond Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New LTGO Bonds, in substantially the form attached as an exhibit to the LTGO Settlement Agreement.

247. "New LTGO Bonds" means the bonds to be issued by the City pursuant to the New LTGO Bond Documents, substantially on the terms set forth on Schedule 1 of the LTGO Settlement Agreement.

248. "New PFRS Active Pension Plan" means the terms and conditions for future accrual and payment of pensions for active public safety employees of the City in connection with employment service performed on and after July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.248.a and the material terms of which are set forth at Exhibit I.A.248.b.

249. "New PFRS Active Pension Plan Formula" means an accrual rate for active employee participants in the PFRS for benefits earned on or after July 1, 2014 that equals the product of (a) 2.0% multiplied by (b) an employee's average base compensation over the employee's final five or ten years of service, as set forth on Exhibit I.A.248.b, multiplied by (c) such employee's years of service after July 1, 2014. For purposes of this definition, base compensation will mean the employee's actual base compensation and will exclude overtime, longevity or other bonuses, and unused sick leave, and the New PFRS Active Pension Plan Formula will be part of a hybrid program that will contain rules to shift funding risk to participants in the event of underfunding of hybrid pensions, and mandate minimum retirement ages for unreduced pensions.

250. "New Securities" means, collectively, the New B Notes, the New C Notes, the New LTGO Bonds and the Municipal Obligation.

251. "Non-Settling UTGO Bond Insurer" means, together, Syncora Capital Assurance Inc. and Syncora Guarantee Inc., solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds.

252. "Notice of COP Settlement Acceptance" means a notice substantially in the form attached hereto as Exhibit I.A.252 that has been submitted prior to the Effective Date.



253. "Oakland County" means the County of Oakland, Michigan.
254. "OPEB Benefits" means, collectively, post-retirement health, vision, dental, life and death benefits provided to retired employees of the City and their surviving beneficiaries pursuant to the Employee Health and Life Insurance Benefit Plan and the Employees Death Benefit Plan, including the members of the certified class in the action captioned *Weiler et. al. v. City of Detroit*, Case No. 06-619737-CK (Wayne County Circuit Court), pursuant to the "Consent Judgment and Order of Dismissal" entered in that action on August 26, 2009.
255. "OPEB Claim" means any Claim against the City for OPEB Benefits held by a retiree who retired on or before December 31, 2014 and is otherwise eligible for OPEB Benefits, and any eligible surviving beneficiaries of such retiree.
256. "Other Secured Claim" means a Secured Claim, other than a COP Swap Claim, a DWSD Bond Claim, a DWSD Revolving Bond Claim, a HUD Installment Note Claim or a Secured GO Bond Claim.
257. "Other Unsecured Claim" means any Claim that is not an Administrative Claim, a Convenience Claim, a COP Claim, a Downtown Development Authority Claim, a General Obligation Bond Claim, a GRS Pension Claim, an OPEB Claim, a PFRS Pension Claim, a Secured Claim, an Indirect 36th District Court Claim or a Subordinated Claim. For the avoidance of doubt, Section 1983 Claims and Indirect Employee Indemnity Claims are included within the definition of Other Unsecured Claim.
258. "PA 436" means Public Act 436 of 2012 of the State, also known as the Local Financial Stability and Choice Act, Michigan Compiled Laws §§ 141.1541-141.1575.
259. "Parking Garages" means, collectively, parking garages owned by the City other than that certain underground parking garage, commonly known as the "Grand Circus Parking Garage," located at 1600-01 Woodward Avenue, Detroit, Michigan.
260. "Pass-Through Obligations" means the City's obligations to the Pass-Through Recipients with respect to which the City acts, or may in the future act, as a tax-collecting agent for tax increment revenues derived from property taxes of the City and certain other taxing jurisdictions and required to be transmitted by the Treasurer of the City to the Pass-Through Recipients under their respective tax increment financing enabling statutes.
261. "Pass-Through Recipients" means, collectively, the (a) City of Detroit Downtown Development Authority, (b) Local Development Finance Authority, (c) Detroit Brownfield Redevelopment Authority and (d) City of Detroit Eight Mile/Woodward Corridor Improvement Authority, each of which are separate legal entities from the City.
262. "Pension Claim" means a GRS Pension Claim or a PFRS Pension Claim.
263. "Petition Date" means July 18, 2013.
264. "PFRS" means the Police and Fire Retirement System of the City of Detroit.
265. "PFRS Adjusted Pension Amount" means, with respect to a Holder of a PFRS Pension Claim, the Current Accrued Annual Pension payable to such Holder as adjusted in accordance with the following formulas:
- (a) If Classes 10 and 11 vote to accept the Plan, and funding is received from the DIA Settlement and the State Contribution Agreement: Holders of PFRS Pension Claims will continue to receive their Current Accrued Annual Pension, but COLAs from and after June 30, 2014 shall be 45% of the COLAs provided for in police and fire collective bargaining agreements, other contracts or ordinances; and
  - (b) If Classes 10 and 11 do not vote to accept the Plan or funding is not received from the DIA Settlement and the State Contribution Agreement: (i) for a Holder of a PFRS Pension Claim who is (A) either retired and receiving a monthly pension or a surviving beneficiary or (B) a terminated employee with a right to

receive a PFRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs; and (ii) for a Holder of a PFRS Pension Claim who is an Active Employee, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus elimination of the deferred retirement option plan feature of PFRS for certain Active Employees who have not already irrevocably elected to participate in the feature; provided that, with respect to Holders that are Active Employees, in the event the unfunded liabilities of the PFRS for the plan year ending June 30, 2014 are greater than the unfunded liabilities of the PFRS as of June 30, 2013, the monthly pension amount shall be reduced to the extent necessary to ensure that there is no change in the amount of the underfunding between Fiscal Years 2013 and 2014.

266. "PFRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City, their heirs or beneficiaries or by the PFRS or any trustee thereof or any other Entity acting on the PFRS's behalf, against the City or any fund managed by the City (including, but not limited to, the General Fund, the Police and Fire Retirement System Service Corporation fund or the pension funds) based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law for (a) any pension, disability, or other post-retirement payment or distribution in respect of the employment of such current or former employees or (b) the payment by the PFRS to persons who at any time participated in, were beneficiaries of or accrued post-retirement pension or financial benefits under the PFRS.

267. "PFRS Restoration Payment" means an addition to the pension benefits that comprise the PFRS Adjusted Pension Amount as described in Exhibit II.B.3.q.ii.C.

268. "Plan" means this plan of adjustment and all Exhibits attached hereto or referenced herein, as the same may be amended, restated, supplemented or otherwise modified.

269. "Plan COP Settlement" means the comprehensive settlement regarding COP Claims on terms and conditions described in Section II.B.3.p.iii.A.

270. "Plan Supplement" means any supplement to the Plan containing Exhibits that were not Filed as of the date of the entry of the Disclosure Statement Order.

271. "Pledged Property" means the collateral pledged by the City under the COP Swap Collateral Agreement or Ordinance No. 05-09 of the City.

272. "Postpetition Financing Agreement" means, collectively, (a) the Bond Purchase Agreement by and among the City and Barclays Capital, Inc., as purchaser, (b) the Financial Recovery Bond Trust Indenture by and among the City and UMB Bank, N.A., as trustee, and (c) all ancillary and related instruments and agreements approved by the Bankruptcy Court pursuant to the Postpetition Financing Order.

273. "Postpetition Financing Order" means the Order Pursuant to 11 U.S.C. §§ 105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay (Docket No. 3067) entered by the Bankruptcy Court on the docket of the Chapter 9 Case on April 2, 2014, approving the Postpetition Financing Agreement.

274. "Postpetition Financing Claims" means any Claim against the City under or evidenced by (a) the Postpetition Financing Agreement and (b) the Postpetition Financing Order.

275. "Prior GRS Pension Plan" means the terms and conditions of the GRS in effect as of June 30, 2014 and applicable to benefits accrued by members of GRS prior to July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.275.

276. "Prior PFRS Pension Plan" means the terms and conditions of the PFRS in effect as of June 30, 2014 and applicable to benefits accrued by members of PFRS prior to July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.276.

277. "Pro Rata" means, when used with reference to a distribution of property to Holders of Allowed Claims in a particular Class or other specified group of Claims, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a)(i) the amount of property to be distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims. Until all Disputed Claims in a Class or other specified group of Claims are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating a Pro Rata distribution of property to holders of Allowed Claims in such Class or group of Claims.

278. "Professional Fee Reserve" means the reserve for Fee Review Professional Fees established pursuant to Section IV.N.1.

279. "Qualifying DWSD Transaction" means a potential transaction involving the transfer to a third party (including but not limited to a lease) of a majority of the assets of, or the right to operate and manage, the City's water or sewage disposal systems currently operated by the DWSD in one or a series of related transactions.

280. "RDPFFA" means the Retired Detroit Police and Fire Fighters Association.

281. "RDPMA" means the Retired Detroit Police Members Association.

282. "RDPMA Exculpated Parties" means the RDPMA and its board of trustees/directors, attorneys, advisors and professionals, solely in their capacity as such.

283. "Reinstated" means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim entitles the Holder or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) the cure of any such default other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) the reinstatement of the maturity of such Claim as such maturity existed before such default; (iii) compensation of the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensation of the Holder of such Claim for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the Holder. "Reinstated" and "Reinstatement" shall have correlative meanings.

284. "Related Entity" means, with respect to any Entity, such Entity's Affiliates, predecessors, successors and assigns (whether by operation of law or otherwise), and with respect to any of the foregoing their respective present and former Affiliates and each of their respective current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity, and any Entity claiming by or through any of them (including their respective officials, officers, directors, employees, managers, advisors and professionals).

285. "Released Parties" means, collectively and individually, the Retiree Committee, the members of the Retiree Committee, the Retiree Committee Professionals, the Foundations, DIA Corp., the DIA Funders and their Related Entities and the CFSEM Supporting Organization and its Related Entities.

286. "Restoration Trust" means a trust to be established pursuant to the Restoration Trust Agreement to (a) hold the DWSD CVR and enforce rights related to its terms and (b) consult with the trustees and the Investment Committee of PFRS or GRS with respect to restoration rights affecting retirees of PFRS or GRS, respectively; provided, however, that the Restoration Trust shall not have any right to initiate enforcement proceedings against the

trustees or Investment Committee of either PFRS or GRS with respect to Special Restoration or the general rules governing pension restoration as provided for in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C.

287. "Restoration Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Restoration Trust, in substantially the form attached hereto as Exhibit I.A.287.

288. "Restructured UTGO Bonds" means the bonds to be issued by the MFA to the current Holders of Unlimited Tax General Obligation Bond Claims, the Settling UTGO Bond Insurers and the Non-Settling UTGO Bond Insurer in the amount of \$287,560,790 pursuant to the UTGO Settlement Agreement, which bonds shall be limited obligations of the MFA and shall be secured as more particularly described in the UTGO Settlement Agreement.

289. "Retiree Classes" means Classes 10, 11 and 12, as set forth in Section II.B.

290. "Retiree Committee" means the official committee of retired employees first appointed by the United States Trustee in the Chapter 9 Case on August 22, 2013 (Docket No. 566), as such committee may be reconstituted, solely in its capacity as such.

291. "Retiree Committee Professionals" means those professionals retained by the Retiree Committee to render services in connection with the Chapter 9 Case that seek payment of compensation and reimbursement of expenses from the City for postpetition services pursuant to and in accordance with the Fee Review Order, solely in their capacity as such.

292. "Retiree Health Care Litigation" means the adversary proceeding captioned as *Official Committee of Retirees of the City of Detroit, Michigan, et al. v. City of Detroit, Michigan, et al.*, Case No. 14-04015 (Bankr. E.D. Mich.), filed in the Chapter 9 Case on January 9, 2014.

293. "Retiree Health Care Settlement Agreement" means the Settlement Agreement, effective February 14, 2014, between the parties to the Retiree Health Care Litigation, pursuant to which such parties agreed to certain modifications to the changes in retiree health care benefits that the City was otherwise to implement on March 1, 2014, a copy of which is attached hereto as Exhibit I.A.293.

294. "Retirement System Indemnity Obligations" means any and all obligations of the City, as of the Petition Date, to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of any party in connection with any Causes of Action relating in any way to either GRS or PFRS or the management, oversight, administration or activities thereof, as such obligations may be as provided for in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements.

295. "Retirement Systems" means, collectively, the GRS and the PFRS.

296. "Section 115" means section 115 of the Internal Revenue Code of 1986, as amended.

297. "Section 1983 Claim" means any Claim against the City, its employees or both arising under 42 U.S.C. § 1983 that has not been settled, compromised or otherwise resolved and with respect to which Claim a lawsuit was pending before the District Court on or prior to the Petition Date.

298. "Secured Claim" means a Claim that is secured by a Lien on property in which the City has an interest or that is subject to valid setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder's interest in the City's interest in such property or to the extent of the amount subject to valid setoff, as applicable, as determined pursuant to section 506 of the Bankruptcy Code.

299. "Secured GO Bond Claims" means, collectively, the Secured GO Series 2010 Claims, the Secured GO Series 2010(A) Claims, the Secured GO Series 2012(A)(2) Claims, the Secured GO Series 2012(A2-B) Claims, the Secured GO Series 2012(B) Claims and the Secured GO Series 2012(B2) Claims.

300. "Secured GO Bond Documents" means, collectively, the Secured GO Series 2010 Bond Documents, the Secured GO Series 2010(A) Bond Documents, the Secured GO Series 2012(A)(2) Bond Documents, the Secured GO Series 2012(A2-B) Bond Documents, the Secured GO Series 2012(B) Bond Documents and the Secured GO Series 2012(B2) Bond Documents.

301. "Secured GO Bonds" means, collectively, the Secured GO Series 2010 Bonds, the Secured GO Series 2010(A) Bonds, the Secured GO Series 2012(A)(2) Bonds, the Secured GO Series 2012(A2-B) Bonds, the Secured GO Series 2012(B) Bonds and the Secured GO Series 2012(B2) Bonds.

302. "Secured GO Series 2010 Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2010 Bonds, as set forth on Exhibit I.A.300, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

303. "Secured GO Series 2010 Bonds" means the secured \$249,790,000 Distributable State Aid General Obligation (Limited Tax) Bonds, Series 2010, issued pursuant to the Secured GO Series 2010 Bond Documents.

304. "Secured GO Series 2010 Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2010 Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010 Bonds.

305. "Secured GO Series 2010(A) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2010(A) Bonds, as set forth on Exhibit I.A.300, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

306. "Secured GO Series 2010(A) Bonds" means the secured \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds – Direct Payment), issued pursuant to the Secured GO Series 2010(A) Bond Documents.

307. "Secured GO Series 2010(A) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2010(A) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010(A) Bonds.

308. "Secured GO Series 2012(A)(2) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(A)(2) Bonds, as set forth on Exhibit I.A.300, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

309. "Secured GO Series 2012(A)(2) Bonds" means the secured \$38,865,000 Self-Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A)(2), issued pursuant to the Secured GO Series 2012(A)(2) Bond Documents.

310. "Secured GO Series 2012(A)(2) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(A)(2) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010(A)(2) Bonds.

311. "Secured GO Series 2012(A2-B) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(A2-B) Bonds, as set forth on Exhibit I.A.300, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

312. "Secured GO Series 2012(A2-B) Bonds" means the secured \$53,520,000 Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B), issued pursuant to the Secured GO Series 2012(A2-B) Bond Documents.

313. "Secured GO Series 2012(A2-B) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(A2-B) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(A2-B) Bonds.

314. "Secured GO Series 2012(B) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(B) Bonds, as set forth on Exhibit I.A.300, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

315. "Secured GO Series 2012(B) Bonds" means the \$6,405,000 General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation), Series 2012(B), issued pursuant to the Secured GO Series 2012(B) Bond Documents.

316. "Secured GO Series 2012(B) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(B) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(B) Bonds.

317. "Secured GO Series 2012(B2) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(B2) Bonds, as set forth on Exhibit I.A.300, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

318. "Secured GO Series 2012(B2) Bonds" means the \$30,730,000 Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2), issued pursuant to the Secured GO Series 2012(B2) Bond Documents.

319. "Secured GO Series 2012(B2) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(B2) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(B2) Bonds.

320. "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, or any similar federal, state, or local law.

321. "Settling 36th District Court Claimants" means (a) the 36th District Court, (b) Local 917 of the American Federation of State, County and Municipal Employees, (c) Local 3308 of the American Federation of State, County and Municipal Employees and (d) those individuals identified as "Individual Claimants" on the term sheet attached hereto as Exhibit I.A.9.

322. "Settling COP Claimant" means a holder of a COP Claim that elects prior to the Effective Date to participate in the Plan COP Settlement as to all COP Claims held by it and its Affiliates. For the avoidance of doubt, Settling COP Claimants include those holders of COP Claims that are the subject of either (a) a Notice of COP Settlement Acceptance or (b) the Syncora Settlement Documents.

323. "Settling UTGO Bond Insurers" means, collectively, Ambac, Assured and NPMF and each of their respective successors and assigns, solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds.

324. "Special Restoration" means the potential restoration or replacement of benefit reductions imposed by the Plan in connection with a Qualifying DWSD Transaction, as described in Section IV.F.

325. "State" means the state of Michigan.

326. "State Contribution" means payments to be made to GRS and PFRS by the State or the State's authorized agent for the purpose of funding Adjusted Pension Amounts in an aggregate amount equal to the net present value of \$350 million payable over 20 years using a discount rate of 6.75%, pursuant to the terms of the State Contribution Agreement.

327. "State Contribution Agreement" means the definitive documentation to be executed in connection with the comprehensive settlement regarding Pension Claims as described in Section IV.D, in substantially the form attached hereto as Exhibit I.A.327.

328. "State Related Entities" means, collectively: (a) all officers, legislators, employees, judges and justices of the State; (b) the Governor of the State; (c) the Treasurer of the State; (d) all members of the Local Emergency Financial Assistance Loan Board created under the Emergency Municipal Loan Act, Michigan Compiled Laws §§ 141.931-141.942; (e) each of the State's agencies and departments; and (f) the Related Entities of each of the foregoing.

329. "Stay Extension Order" means the Order Pursuant to Section 105(a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non-Officer Employees and (C) Agents and Representatives of the Debtor (Docket No. 166), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on July 25, 2013, as it may be amended, supplemented or otherwise modified.

330. "Stub UTGO Bonds" means Unlimited Tax General Obligation Bonds in the principal amount of \$43,349,210 that, from and after the Effective Date, will (a) be reinstated, (b) remain outstanding and (c) be payable from the UTGO Bond Tax Levy, as more particularly described in the UTGO Settlement Agreement.

331. "Subject COP Litigation Action" means any of the following actions, if proposed to be taken by the Litigation Trustee: (a) replacing the COP Litigation Counsel with new counsel to the Litigation Trust in the COP Litigation; (b) a determination not to appeal an adverse decision on any claim or defense related to the COP Litigation; or (c) the voluntary dismissal of a substantive claim or counterclaim in the COP Litigation or termination by any other means of the COP Litigation.

332. "Subject COP Litigation Settlement" means any settlement with a Holder or Holders of COP Claims that proposes to release from the Disputed COP Claims Reserve to such Holder(s) a Pro Rata share of New B Notes (or equivalent currency) based on 40% or more of the face amount of COP Claims held by such Holder(s).

333. "Subordinated Claim" means a Claim of the kind described in sections 726(a)(3) or 726(a)(4) of the Bankruptcy Code or Claims subordinated under sections 510(b) or 510(c) of the Bankruptcy Code.

334. "Swap Insurance Policies" means those policies or other instruments insuring the COP Swap Agreements and obligations related thereto.

335. "Syncora" means, collectively, Syncora Guarantee, Inc. and Syncora Capital Assurance Inc.

336. "Syncora Exculpated Parties" means Syncora and their Related Entities, solely with respect to issues arising in connection with Syncora's capacity as holder or insurer of Class 8 Claims and Class 9 Claims.

337. "Syncora Settlement" means the comprehensive settlement with Syncora, as described at Section IV.J and as definitively set forth in the Syncora Settlement Documents.

338. "Syncora Settlement Documents" means the definitive documentation to be executed in connection with the Syncora Settlement, in substantially the form attached hereto as Exhibit I.A.338, and in any case in form and substance reasonably acceptable to the City and Syncora.

339. "Tax" means: (a) any net income, alternative or add-on minimum, gross income, gross receipts, gross margins, sales, use, stamp, real estate transfer, mortgage recording, ad valorem, value added, transfer,

franchise, profits, license, property, payroll, employment, unemployment, occupation, disability, excise, severance, withholding, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a transferee or successor or a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other Entity.

340. "Top-Off Payments" means the payments to be made to the Settling UTGO Bond Insurers pursuant to the UTGO Settlement Agreement if a Trigger Event occurs in amounts equal to the product of: (a) the amount by which the recovery received by Holders of Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as applicable, under the Plan exceeds 69.5% of the aggregate amount of all such Allowed Claims in such Class, multiplied by (b) the quotient of (i) \$100.5 million, divided by (ii) the sum of (x) 30.5% of the aggregate amount of all Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as the case may be, and (y) \$100.5 million.

341. "Tort Claim" means any Claim that has not been settled, compromised or otherwise resolved that arises out of allegations of personal injury or wrongful death claims and is not a Section 1983 Claim.

342. "Trigger Event" means the receipt by Holders of Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as applicable, of consideration pursuant to the Plan of 69.5% or more of the aggregate amount of all of the Allowed Claims in such Class. For purposes of determining whether a Trigger Event has occurred, all actual recoveries for Holders of Allowed Limited Tax General Obligation Bond Claims and Allowed COP Claims shall be determined by discounting the payments made to such Classes using a 5% discount rate back to the date of Confirmation.

343. "Tunnel Lease" means that certain lease agreement by and between the City and the Detroit Windsor Tunnel LLC (as successor to Detroit & Canada Tunnel Corporation), dated as of March 20, 1978, as it may be amended, restated, supplemented or otherwise modified, in any case in form and substance reasonably acceptable to the City and Syncora.

344. "Unexpired Lease" means a lease to which the City is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

345. "Unimpaired" means, with respect to a Class or a Claim, that such Class or Claim is not Impaired.

346. "United States Trustee" means the Office of the United States Trustee for the Eastern District of Michigan.

347. "Unlimited Tax General Obligation Bond Claim" means any Claim against the City arising under or evidenced by the Unlimited Tax General Obligation Bond Documents, including a Claim for principal and interest on the Unlimited Tax General Obligation Bonds.

348. "Unlimited Tax General Obligation Bond Documents" means the resolutions passed and orders issued with respect to the Unlimited Tax General Obligation Bonds, as set forth on Exhibit I.A.348, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

349. "Unlimited Tax General Obligation Bonds" means, collectively, the bonds issued under the Unlimited Tax General Obligation Bond Documents, as set forth on Exhibit I.A.348.

350. "Unsecured Claim" means a Claim that is not a Secured Claim or an Administrative Claim.

351. "Unsecured Pro Rata Share" means, when used with reference to a Distribution of New B Notes to Holders of Allowed Claims within Classes 9, 12, 13 and 14 entitled to receive a distribution of New B Notes, the



proportion that an Allowed Claim bears to the sum of all Allowed Claims and Disputed Claims within such Classes. Until all Disputed Claims in a Class are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating the Unsecured Pro Rata Share of property to be distributed to Holders of Allowed Claims in such Class, unless otherwise ordered by the Bankruptcy Court.

352. "UTGO Bond Tax Levy" means that portion of the proceeds of the ad valorem tax millage levies pledged to and on account of the Unlimited Tax General Obligation Bonds.

353. "UTGO Exculpated Parties" means, collectively, Ambac, Assured and NPFG, solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds, and each of their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, consultants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

354. "UTGO Litigation" means, together, the adversary proceedings filed in the Chapter 9 Case on November 8, 2013, captioned as *National Public Finance Guarantee Corporation and Assured Guaranty Municipal Corporation v. City of Detroit, Michigan, et al.*, Case No. 13-05309 (Bankr. E.D. Mich.), and *Ambac Assurance Corporation v. City of Detroit, Michigan, et al.*, Case No. 13-05310 (Bankr. E.D. Mich.), to the extent that such proceedings relate to the Unlimited Tax General Obligation Bonds.

355. "UTGO Settlement Agreement" means that certain Settlement Agreement, dated as of July 18, 2014, among the City and the Settling UTGO Bond Insurers, substantially in the form attached hereto as Exhibit I.A.355.

356. "Value Determination" means a valuation of the expected Net DWSD Transaction Proceeds.

357. "VEBA Trust Representatives" means (a) the chair of the board of trustees of the Detroit General VEBA and (b) the chair of the board of trustees of the Detroit Police and Fire VEBA.

358. "Voting Deadline" means the deadline fixed by the Bankruptcy Court in the Disclosure Statement Order for submitting Ballots to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

359. "Wayne County" means the Charter County of Wayne, Michigan.

## **B. Rules of Interpretation and Computation of Time.**

### **1. Rules of Interpretation.**

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference herein to an existing document or Exhibit Filed or to be Filed shall mean such document or Exhibit, as it may have been or may be amended, restated, supplemented or otherwise modified pursuant to the Plan, the Confirmation Order or otherwise; (d) any reference to an Entity as a Holder of a Claim includes that Entity's successors, assigns and Affiliates; (e) all references to Sections or Exhibits are references to Sections and Exhibits of or to the Plan; (f) the words "herein," "hereunder," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the extent not inconsistent with any other provision of this Section.

## **2. Computation of Time.**

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

## **ARTICLE II CLASSIFICATION OF CLAIMS; CRAMDOWN; EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Pursuant to sections 1122 and 1123 of the Bankruptcy Code, Claims are classified under the Plan for all purposes, including voting, Confirmation and Distribution. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, as described in Section II.A, have not been classified and thus are excluded from the Classes described in Section II.B.1. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim qualifies within the description of such other Class. Notwithstanding the foregoing, in no event shall any Holder of an Allowed Claim be entitled to receive payments or Distributions under the Plan that, in the aggregate, exceed the Allowed amount of such Holder's Claim.

### **A. Unclassified Claims.**

#### **1. Payment of Administrative Claims.**

##### **a. Administrative Claims in General.**

Except as specified in this Section II.A.1, and subject to the bar date provisions herein, unless otherwise agreed by the Holder of an Administrative Claim and the City, or ordered by the Bankruptcy Court, each Holder of an Allowed Administrative Claim will receive, in full satisfaction of such Allowed Administrative Claim, Cash in an amount equal to such Allowed Administrative Claim either: (1) on the Effective Date or as soon as reasonably practicable thereafter; or (2) if the Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which such Administrative Claim becomes an Allowed Claim. No Claim of any official or unofficial creditors' committee or any member thereof for professionals' fees or other costs and expenses incurred by such creditors' committee or by a member of such creditors' committee shall constitute an Allowed Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order.

##### **b. Claims Under the Postpetition Financing Agreement.**

Unless otherwise agreed by Barclays Capital, Inc. pursuant to the Postpetition Financing Agreement, on or before the Effective Date, Postpetition Financing Claims that are Allowed Administrative Claims will be paid in Cash equal to the amount of those Allowed Administrative Claims.

#### **2. Bar Dates for Administrative Claims.**

##### **a. General Bar Date Provisions.**

Except as otherwise provided in Section II.A.2.b, Section II.A.2.c or in a Bar Date Order or other order of the Bankruptcy Court, unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the City no later than 45 days after the Effective Date. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date will be forever barred from asserting such Administrative Claims against the City or its property, and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the City and the requesting party by the later of (i) 150 days after the Effective Date, (ii) 60 days after the Filing of the applicable request for payment of Administrative Claims or (iii) such other period of limitation as may be specifically fixed by a Final Order for objecting to such

Administrative Claims. The foregoing procedures shall be specified in the Confirmation Order and the notice of entry of the Confirmation Order and served on all parties in interest.

**b. Ordinary Course Claims**

Holders of Claims based on Liabilities incurred by the City after the Petition Date in the ordinary course of its operations will not be required to File or serve any request for payment or application for allowance of such Claims. Such Claims will be paid by the City, pursuant to the terms and conditions of the particular transaction giving rise to such Claims, without further action by the Holders of such Claims or further action or approval of the Bankruptcy Court.

**c. Claims Under the Postpetition Financing Agreement.**

Holders of Administrative Claims that are Postpetition Financing Claims will not be required to File or serve any request for payment or application for allowance of such Claims. Such Administrative Claims will be satisfied pursuant to Section II.A.1.b.

**d. No Modification of Bar Date Order.**

The Plan does not modify any other Bar Date Order, including Bar Dates for Claims entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.

**B. Classified Claims.**

**1. Designation of Classes.**

The following table designates the Classes and specifies whether such Classes are Impaired or Unimpaired by the Plan.

CLASS	NAME	IMPAIRMENT
<i>Secured Claims</i>		
1A	All Classes of DWSD Bond Claims (One Class for each CUSIP of DWSD Bonds, as set forth on Exhibit I.A.147)	Unimpaired
1B	All Classes of DWSD Revolving Sewer Bond Claims (One Class for each DWSD Series of DWSD Revolving Sewer Bonds, as set forth on Exhibit I.A.155)	Unimpaired/Nonvoting
1C	All Classes of DWSD Revolving Water Bond Claims (One Class for each DWSD Series of DWSD Revolving Water Bonds, as set forth on Exhibit I.A.158)	Unimpaired/Nonvoting
2A	Secured GO Series 2010 Claims	Unimpaired/Nonvoting
2B	Secured GO Series 2010(A) Claims	Unimpaired/Nonvoting
2C	Secured GO Series 2012(A)(2) Claims	Unimpaired/Nonvoting
2D	Secured GO Series 2012(A2-B) Claims	Unimpaired/Nonvoting
2E	Secured GO Series 2012(B) Claims	Unimpaired/Nonvoting
2F	Secured GO Series 2012(B2) Claims	Unimpaired/Nonvoting
3	Other Secured Claims	Unimpaired/Nonvoting

CLASS	NAME	IMPAIRMENT
4	HUD Installment Notes Claims	Unimpaired/Nonvoting
5	COP Swap Claims	Impaired/Voting
6	Claims Previously Classified in Class 6 Paid in Full	N/A
<i>Unsecured Claims</i>		
7	Limited Tax General Obligation Bond Claims	Impaired/Voting
8	Unlimited Tax General Obligation Bond Claims	Impaired/Voting
9	COP Claims	Impaired/Voting
10	PFRS Pension Claims	Impaired/Voting
11	GRS Pension Claims	Impaired/Voting
12	OPEB Claims	Impaired/Voting
13	Downtown Development Authority Claims	Impaired/Voting
14	Other Unsecured Claims	Impaired/Voting
15	Convenience Claims	Impaired/Voting
16	Subordinated Claims	Impaired/Nonvoting
17	Indirect 36th District Court Claims	Impaired/Voting

## 2. Subordination; Reservation of Rights to Reclassify Claims.

Except with respect to Bond Insurance Policy Claims, the allowance, classification and treatment of Allowed Claims and the respective Distributions and treatments specified in the Plan take into account the relative priority and rights of the Claims in each Class and all contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise. Except as expressly set forth herein, consistent with section 510(a) of the Bankruptcy Code, nothing in the Plan shall, or shall be deemed to, modify, alter or otherwise affect any right of a Holder of a Claim to enforce a subordination agreement against any Entity other than the City to the same extent that such agreement is enforceable under applicable nonbankruptcy law. Pursuant to section 510 of the Bankruptcy Code, the City reserves the right to reclassify any Disputed Claim in accordance with any applicable contractual, legal or equitable subordination. For the avoidance of doubt, this Section II.B.2 shall not affect or limit the application of section 509 of the Bankruptcy Code or any similar doctrine to Bond Insurance Policy Claims, which are preserved for enforcement by the City or by the relevant Bond Insurer.

## 3. Treatment of Claims.

### a. Class 1A – DWSD Bond Claims.

#### i. Classification and Allowance.

DWSD Bond Claims relating to each CUSIP of DWSD Bonds shall be separately classified, as reflected on Exhibit I.A.147, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Bond Claims shall be deemed Allowed in the amounts set forth on Exhibit I.A.147.

**ii. Treatment.**

Each Holder of an Allowed DWSD Bond Claim shall have its Allowed DWSD Bond Claim Reinstated on the Effective Date, unless such Holder agrees to a different treatment of such Claim. All votes and elections previously delivered in Class 1A shall not be counted and shall be of no force and effect. Any Allowed Secured Claims for fees, costs and expenses under the DWSD Bond Documents arising in connection with such Allowed DWSD Bond Claims shall be paid in full in Cash once Allowed pursuant to the DWSD Tender Order, by agreement of the parties or by order of the Bankruptcy Court. In addition, all claims for fees, costs and expenses authorized pursuant to or in accordance with the DWSD Tender Order shall be paid as provided therein.

**b. Class 1B – DWSD Revolving Sewer Bond Claims**

**i. Classification and Allowance.**

DWSD Revolving Sewer Bond Claims relating to each DWSD Series of DWSD Revolving Sewer Bonds shall be separately classified, as reflected on Exhibit I.A.155, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Revolving Sewer Bond Claims shall be deemed Allowed in the aggregate amounts set forth on Exhibit I.A.155.

**ii. Treatment.**

On the Effective Date, each Holder of an Allowed DWSD Revolving Sewer Bond Claim shall have its Allowed DWSD Revolving Sewer Bond Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**c. Class 1C – DWSD Revolving Water Bond Claims**

**i. Classification and Allowance.**

DWSD Revolving Water Bond Claims relating to each DWSD Series of DWSD Revolving Water Bonds shall be separately classified, as reflected on Exhibit I.A.158, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Revolving Water Bond Claims shall be deemed Allowed in the amounts set forth on Exhibit I.A.158.

**ii. Treatment.**

On the Effective Date, each Holder of an Allowed DWSD Revolving Water Bond Claim shall have its Allowed DWSD Revolving Water Bond Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**d. Class 2A – Secured GO Series 2010 Claims.**

On the Effective Date, (i) the Secured GO Series 2010 Claims shall be deemed Allowed in the aggregate amount of \$252,475,366 and (ii) each Holder of an Allowed Secured GO Series 2010 Claim shall have its Allowed Secured GO Series 2010 Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**e. Class 2B – Secured GO Series 2010(A) Claims.**

On the Effective Date, (i) the Secured GO Series 2010(A) Claims shall be deemed Allowed in the aggregate amount of \$101,707,848 and (ii) each Holder of an Allowed Secured GO Series 2010(A) Claim shall have its Allowed Secured GO Series 2010(A) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**f. Class 2C – Secured GO Series 2012(A)(2) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(A)(2) Claims shall be deemed Allowed in the aggregate amount of \$39,254,171 and (ii) each Holder of an Allowed Secured GO Series 2012(A)(2) Claim shall have its Allowed Secured GO Series 2012(A)(2) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**g. Class 2D – Secured GO Series 2012(A2-B) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(A2-B) Claims shall be deemed Allowed in the aggregate amount of \$54,055,927 and (ii) each Holder of an Allowed Secured GO Series 2012(A2-B) Claim shall have its Allowed Secured GO Series 2012(A2-B) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**h. Class 2E – Secured GO Series 2012(B) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(B) Claims shall be deemed Allowed in the aggregate amount of \$6,469,135 and (ii) each Holder of an Allowed Secured GO Series 2012(B) Claim shall have its Allowed Secured GO Series 2012(B) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**i. Class 2F – Secured GO Series 2012(B2) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(B2) Claims shall be deemed Allowed in the aggregate amount of \$31,037,724 and (ii) each Holder of an Allowed Secured GO Series 2012(B2) Claim shall have its Allowed Secured GO Series 2012(B2) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**j. Class 3 – Other Secured Claims.**

On the Effective Date, each Holder of an Allowed Other Secured Claim shall have its Allowed Other Secured Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**k. Class 4 – HUD Installment Note Claims.**

On the Effective Date, (i) the HUD Installment Note Claims shall be deemed Allowed in the aggregate amount of \$90,075,004 and (ii) each Holder of a HUD Installment Note Claim shall have its Allowed HUD Installment Note Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**l. Class 5 – COP Swap Claims.**

**i. Allowance.**

The COP Swap Claims shall be deemed Allowed as Secured Claims, which, solely for purposes of distributions from the City, will be equal to the Distribution Amount.

**ii. Treatment.**

Each Holder of an Allowed COP Swap Claim, in full satisfaction of such Allowed Claim, shall receive, either: (A) within thirty days following the Effective Date, the Net Amount in full in cash, provided that until paid in cash in full, such Secured Claims will remain secured by the Pledged Property; or (B) solely in the case of a Liquidity Event, the Net Amount in cash in full within 180 days following the Effective Date, provided that (1) other than with respect to net proceeds used to repay the Postpetition Financing Agreement, to the extent permitted by law but without taking into consideration any limitations imposed by the City, including in any ordinance or resolution of the City, the first dollars of any net cash proceeds of any financing or refinancing

consummated in connection with, or subsequent to, the consummation of such Plan and either (a) supported by the full faith and credit of the City or (b) payable from the general fund of the City, will be used to pay the Net Amount, (2) the City will continue to comply with its obligations under the COP Swap Settlement and the COP Swap Settlement Approval Order until the Net Amount is paid in cash in full, (3) until paid in cash in full, such Secured Claims will remain secured by the Pledged Property, (4) from and after the Effective Date, the unpaid Net Amount will accrue interest at the rate applicable to obligations under the Postpetition Financing Agreement plus 1.5% with the interest obligation likewise being secured by the Pledged Property and (5) the COP Swap Counterparties will receive from the City on the Effective Date a deferral fee in cash equal to 1.0% of the Net Amount to be shared equally between them.

**m. Class 6.**

[Claims previously classified in Class 6 paid in full – Paragraph intentionally left blank]

**n. Class 7 – Limited Tax General Obligation Bond Claims.**

**i. Allowance.**

On the Effective Date, the Limited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$163,544,770.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, (A) each Holder of an Allowed Limited Tax General Obligation Bond Claim that is not attributable to the Insured LTGO Bonds and (B) the LTGO Insurer with respect to those Allowed Limited Tax General Obligation Bond Claims attributable to the Insured LTGO Bonds, in full satisfaction of such Allowed Claim(s), shall receive, on or as soon as reasonably practicable after the Effective Date, (X) a Pro Rata share of, at the City's option, (1) \$55,000,000 in Cash or (2) the New LTGO Bonds and (Y) distributions from the Disputed COP Claims Reserve in accordance with Section II.B.3.p.iii.B.

The City will use its best efforts to prepay the New LTGO Bonds on the Effective Date or as soon as reasonably practicable thereafter from the proceeds of the Exit Facility. If the City cannot prepay all of the New LTGO Bonds on the Effective Date or as soon as reasonably practicable thereafter, the City will use its best efforts to prepay as much of the New LTGO Bonds as reasonably possible, and the LTGO Settlement Parties will accept such partial prepayment. Upon a partial prepayment of the New LTGO Bonds, such New LTGO Bonds will be redeemed by lot.

**iii. Impact of UTGO Settlement.**

Pursuant to the UTGO Settlement Agreement, the City has agreed that (a) the Plan shall not permit the Holders of Allowed Limited Tax General Obligation Bond Claims to recover more on a percentage basis on account of such Allowed Limited Tax General Obligation Bond Claims than the Holders of Allowed Unlimited Tax General Obligation Bond Claims recover on a percentage basis on account of such Allowed Unlimited Tax General Obligation Bond Claims, as such percentage recoveries are projected on the terms set forth in the UTGO Settlement Agreement at Confirmation; and (b) if a Trigger Event occurs, the Settling UTGO Bond Insurers shall receive Top-Off Payments (as set forth in Section IV.C).

**o. Class 8 – Unlimited Tax General Obligation Bond Claims.**

**i. Allowance.**

On the Effective Date, the Unlimited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$388,000,000.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Unlimited Tax General Obligation Bond Claim, in full satisfaction of such Allowed Claim, shall receive, on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of Restructured UTGO Bonds as set forth in Schedules 1a and 1b to the UTGO Settlement Agreement. Those Holders identified on Schedule 1a of the UTGO Settlement Agreement shall retain ownership of the Stub UTGO Bonds, subject to Sections I.A.36 and IV.C, which Stub UTGO Bonds shall be reinstated.

**p. Class 9 – COP Claims.**

**i. Disputed.**

Except with respect to the COP Claims of the Settling COP Claimants, the COP Claims are Disputed Claims and are not Allowed by the Plan, and the City reserves all rights to (A) object to, avoid or subordinate such Claims on any and all available grounds, including through the assertion of any and all grounds asserted in the COP Litigation, and (B) assign the right to object to, avoid or subordinate such Claims or the City's rights in the COP Litigation to the Litigation Trust. If the City seeks to settle the COP Litigation on terms other than those set forth herein, the City will use its best efforts to reach agreement with the Retiree Committee or the Detroit General VEBA and the Detroit Police and Fire VEBA, as applicable, on any such settlement.

**ii. Assignment.**

Those COP Claims or portions thereof that relate to, and are measured by, the payment schedule under the COPs shall be deemed assigned to the beneficial holders of the COPs on a Pro Rata basis on and as of the Effective Date, solely for purposes of facilitating Distributions under this Plan and for no other purpose. Each beneficial holder shall be deemed to receive such COP Claims or portions thereof in an amount equal to the proportion that the unpaid principal amount of such holder's COPs bears to the aggregate unpaid principal amount of all COPs.

**iii. Treatment.**

**A. Plan COP Settlement Option.**

Each holder of a COP Claim may settle issues related to the allowance and treatment thereof and become a Settling COP Claimant as to all of the COP Claims held by such holder and its Affiliates by submitting to the City a Notice of COP Settlement Acceptance prior to the Effective Date. On the Effective Date, (1) each Settling COP Claimant shall sell all, but not less than all, of such Settling COP Claimant's COP Claims to the Litigation Trust and (2) the Litigation Trust shall provide to each such Settling COP Claimant its Pro Rata share of (a) the Class 9 Settlement Asset Pool and (b) New B Notes in the face amount of \$97,690,000, such that its Pro Rata share shall be calculated as an amount equal to the proportion that the unpaid principal amount plus accrued prepetition interest of COPs held by such Settling COP Claimant bears to the aggregate unpaid principal amount of all COPs plus all accrued prepetition interest thereon. On the Effective Date, any assets not subject to the Plan COP Settlement remaining in the Class 9 Settlement Asset Pool will revert to the City.

The City has granted the LTGO Settlement Parties, on behalf of the holders of Allowed Limited Tax General Obligation Bond Claims in Class 7, and the Retiree Committee consent rights regarding pre-Effective Date settlements of the COP Litigation if and as permitted under applicable non-bankruptcy law. On the Effective Date, on account of such consent rights, the Excess New B Notes shall be distributed as follows: (1) \$11.03 million to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the New B Notes allocated to each pursuant to Sections II.B.3.s.ii.A and II.B.3.s.ii.B; (2) \$4.19 million to be distributed Pro Rata among holders of Allowed Limited Tax General Obligation Bond Claims in Class 7; and (3) \$0.22 million to be distributed Pro Rata among holders of Allowed Other Unsecured Claims in Class 14. With respect to the distribution of the Excess New B Notes, on April 1, 2015, the City shall pay the interest then due on the Excess New B Notes and shall also prepay the October 1, 2015 interest payment on the Excess New B Notes (as a consequence of which, no interest



payment shall be made on the Excess New B Notes on October 1, 2015). The VEBA's may not sell or otherwise transfer their right, title or interest in the Excess New B Notes prior to the October 2, 2015.

The LTGO Settlement Parties have consented to the Syncora Settlement, including the adjustment of the LTGO Settlement Parties' share of the residual interests in the Disputed COP Claims Reserve by \$1.1 million (corresponding to a distribution on account of COP Claims held by Syncora allowed or purchased at 60.358%). The LTGO Settlement Parties' recovery on the residual interest in the Disputed COP Claim Reserve on account of a pre-Effective Date settlement shall be 27% of the Disputed COP Claim Reserve in New B Notes or other equivalent value reasonably acceptable to Ambac, without affecting the 65% share allocable to Holders of Claims in Class 12.

The LTGO Settlement Parties have consented to any pre-Effective Date settlement of any Class 9 Claim held or insured by Financial Guaranty Insurance Company (1) if the settlement does not cause a Distribution of New B Notes from the Disputed COP Claims Reserve on account of such settled claims being allowed or purchased at more than 60.358% (or equivalent value) or (2) if such settlement exceeds 60.358%, the settlement otherwise adjusts commensurately the LTGO Settlement Parties' residual interest in the Disputed COP Claims Reserve (or otherwise provides commensurate equivalent value reasonably acceptable to Ambac) to reflect any increase from 60.358%, in each case without affecting the 65% share allocable to Holders of Allowed Class 12 Claims.

As part of the Plan COP Settlement, each Settling COP Claimant shall pay to the COP Agent such claimant's Pro Rata share of any Allowed Claim for COP Agent Fees held by the COP Agent with such Pro Rata share calculated as an amount equal to the proportion that the unpaid principal amount plus accrued prepetition interest of COPs held by such Settling COP Claimant bears to the aggregate unpaid principal amount of all COPs plus all accrued prepetition interest thereon; provided that Syncora and any Settling COP Claimant not participating in the COP Litigation shall pay to the COP Agent only its respective Pro Rata share of that portion of COP Agent Fees that does not include any fees for services rendered or expenses incurred in connection with the COP Litigation.

## **B. Non-Settling Holders.**

Each beneficial holder of COPs shall receive the following treatment on account of its COP Claims unless such holder agrees to a different treatment of such Claims:

### **1. Disputed COP Claims Reserve.**

On the Effective Date, the City shall establish the Disputed COP Claims Reserve. The Disputed COP Claims Reserve shall contain: (a) an Unsecured Pro Rata Share of New B Notes calculated as if such Disputed COP Claims were Allowed in an amount equal to the aggregate amount of unpaid principal and interest as of the Petition Date for the COPs not subject to the Plan COP Settlement (or such other amount as may be required by an order of the Bankruptcy Court) and (b) any distributions made on account of New B Notes held in the Disputed COP Claims Reserve.

### **2. Distributions From The Disputed COP Claims Reserve.**

If and to the extent that Disputed COP Claims become Allowed Claims after the Effective Date (either through resolution of an objection to a Disputed COP Claim or through a settlement thereof) and except as set forth in the Syncora Settlement Documents, the COP Agent shall be sent a Distribution on behalf of the Holders of such Allowed Claims from the Disputed COP Claims Reserve of no less than (a) the portion of New B Notes held in the Disputed COP Claims Reserve initially allocated to the Disputed COP Claims that became Allowed Claims; and (b) any distributions received by the Disputed COP Claims Reserve on account of such portion of New B Notes. Upon the entry of a Final Order resolving any objection to, or approving a settlement related to, any Disputed COP Claim and after all Distributions to the holders of such resolved or settled Disputed COP Claims have been made or provided for: (a) an amount of New B Notes or distributions thereon in an amount equal to the costs, fees and expenses related to the COP Litigation incurred by the Litigation Trust from and after the Effective Date shall be distributed to the City, on the terms set forth in Section IV.I; and (b) following such distribution, the New B Notes

and any distributions thereon remaining in the Disputed COP Claims Reserve shall be distributed as follows: (i) 65% to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the New B Notes allocated to each pursuant to Sections II.B.3.s.ii.A and II.B.3.s.ii.B; (ii) 20% to be distributed Pro Rata among holders of Allowed Limited Tax General Obligation Bond Claims in Class 7; and (iii) 15% to be distributed Pro Rata among holders of Allowed Other Unsecured Claims in Class 14.

**iv. Impact of UTGO Settlement.**

Pursuant to the UTGO Settlement Agreement, the City has agreed that (a) the Plan shall not permit the Holders of Allowed COP Claims to recover more on a percentage basis on account of such Allowed COP Claims than the Holders of Allowed Unlimited Tax General Obligation Bond Claims recover on a percentage basis on account of such Allowed Unlimited Tax General Obligation Bond Claims, as such percentage recoveries are projected on the terms set forth in the UTGO Settlement Agreement at Confirmation; and (b) if a Trigger Event occurs, the Settling UTGO Bond Insurers shall receive Top-Off Payments (as set forth in Section IV.C).

**q. Class 10 – PFRS Pension Claims.**

**i. Allowance.**

The PFRS Pension Claims shall be allowed in an aggregate amount equal to the sum of approximately \$1,250,000,000.

**ii. Treatment.**

**A. Contributions to PFRS.**

During the Fiscal Years from the Effective Date through Fiscal Year 2023, annual contributions shall be made to fund benefits accrued under the Prior PFRS Pension Plan only in the amounts identified on Exhibit II.B.3.q.ii.A. The exclusive source for such contributions shall be certain DIA Proceeds and a portion of the State Contribution. After June 30, 2023, (1) PFRS will receive certain additional DIA Proceeds and (2) the City will contribute sufficient funds required to pay each Holder of a PFRS Pension Claim his or her PFRS Adjusted Pension Amount in accordance with and as modified by the terms and conditions contained in the Plan and the Prior PFRS Pension Plan, in accordance with the State Contribution Agreement and exhibits thereto. Nothing in this Plan prevents any non-City third party from making additional contributions to or for the benefit of PFRS if such party chooses to do so.

**B. Investment Return Assumption.**

During the period that ends on June 30, 2023, the trustees of the PFRS, or the trustees of any successor trust or pension plan, shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the PFRS that shall be 6.75%.

**C. Modification of Benefits for PFRS Participants.**

During the period that ends no earlier than June 30, 2023, the pension benefits payable to each Holder of a PFRS Pension Claim shall be equal to the PFRS Adjusted Pension Amount for such Holder, provided that such PFRS Adjusted Pension Amount shall be (1) automatically reduced by the DIA Proceeds Default Amount in the event of a DIA Proceeds Payment Default and (2) increased by any PFRS Restoration Payment.

Restoration of all or a portion of the modified pension benefits will be provided in accordance with the methodology set forth on Exhibit II.B.3.q.ii.C. For purposes of calculating a PFRS Restoration Payment, market value of assets shall not include any City contributions through June 30, 2023, other than those listed on Exhibit II.B.3.q.ii.A or any State contributions if the PFRS trustees fail to comply with the requirements described in the State Contribution Agreement. In the event that the Foundations and DIA Corp. accelerate all or a portion of

their funding commitments described in Section IV.E.1 prior to June 30, 2023, the incremental portion of the acceleration will not count towards pension restoration.

**D. Contingent Payment Rights.**

The City will issue the DWSD CVR to the Restoration Trust for the benefit of Holders of Pension Claims, as described in Section IV.F.

**E. Accrual of Future Benefits.**

Each Holder of a PFRS Pension Claim who is an Active Employee shall receive, in addition to his or her PFRS Adjusted Pension Amount, as such amount may be modified herein, such additional pension benefit for service on or after July 1, 2014 consistent with the terms and conditions of the New PFRS Active Pension Plan Formula and the New PFRS Active Pension Plan.

**F. Governance.**

On or as soon as reasonably practicable after the Effective Date, an Investment Committee shall be established under PFRS in accordance with the State Contribution Agreement. The Investment Committee shall be vested with the authority and responsibilities set forth in the State Contribution Agreement for a period of 20 years following the Effective Date.

**G. No Changes in Terms for Ten Years.**

**Except as may be required to maintain the tax-qualified status of the PFRS or to comply with the terms of the Plan, the City, the trustees of the PFRS and all other persons or entities shall be enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of the PFRS, or any successor plan or trust, that govern the calculation of pension benefits (including the PFRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior PFRS Pension Plan, the PFRS Restoration Payment, the New PFRS Active Pension Plan Formula and the terms of the New PFRS Active Pension Plan) or against any action that governs the selection of the investment return assumption described in Section II.B.3.q.ii.B, the contribution to the PFRS or the calculation or amount of PFRS pension benefits for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.**

**H. State Contribution Agreement.**

The State Contribution Agreement, the effectiveness of which is contingent upon the acceptance of the Plan by Classes 10 and 11, shall include the following principal terms: (1) the State, or the State's authorized agent, will distribute the State Contribution for the benefit of Holders of Pension Claims; and (2) the Plan shall provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

**r. Class 11 – GRS Pension Claims.**

**i. Allowance.**

The GRS Pension Claims shall be allowed in an aggregate amount equal to the sum of approximately \$1,879,000,000.

**ii. Treatment.**

**A. Contributions to GRS.**

During the Fiscal Years from the Effective Date through Fiscal Year 2023, annual contributions shall be made to fund benefits accrued under the Prior GRS Pension Plan only in the amounts identified on Exhibit II.B.3.r.ii.A. The exclusive sources for such contributions shall be certain pension-related, administrative and restructuring payments received from the DWSD equal to approximately \$428.5 million, a portion of the State Contribution, certain DIA Proceeds, a portion of the Assigned UTGO Bond Tax Proceeds and certain revenues from City departments and the Detroit Public Library. After June 30, 2023, (1) certain DIA Proceeds shall be contributed to the GRS and (2) the City will contribute such additional funds as are necessary to pay each Holder of a GRS Pension Claim his or her GRS Adjusted Pension Amount in accordance with and as modified by the terms and conditions contained in the Plan and the Prior GRS Pension Plan, in accordance with the State Contribution Agreement and exhibits thereto. Nothing in this Plan prevents any non-City third party from making additional contributions to or for the benefit of GRS if such party chooses to do so.

**B. Investment Return Assumption**

During the period that ends on June 30, 2023, the board of trustees of the GRS, or the trustees of any successor trust or pension plan, shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the GRS that shall be 6.75%.

**C. Modification of Benefits for GRS Participants.**

During the period that ends no earlier than June 30, 2023, the pension benefits payable to each Holder of a GRS Pension Claim shall be equal to the GRS Adjusted Pension Amount for such Holder, provided that such GRS Adjusted Pension Amount shall be (1) automatically reduced by the DIA Proceeds Default Amount in the event of a DIA Proceeds Payment Default and (2) increased by any GRS Restoration Payment.

Restoration of all or a portion of the modified pension benefits will be provided in accordance with the methodology set forth on Exhibit II.B.3.r.ii.C. For purposes of calculating a GRS Restoration Payment, market value of assets shall not include any City contributions through June 30, 2023, other than those listed on Exhibit II.B.3.r.ii.A or any State contributions if the GRS trustees fail to comply with the requirements described in the State Contribution Agreement. In the event that the Foundations and DIA Corp. accelerate all or a portion of their funding commitments described in Section IV.E.1 prior to June 30, 2023, the incremental portion of the acceleration will not count towards pension restoration.

**D. Annuity Savings Fund Recoupment.**

**1. ASF Current Participants.**

On or as soon as reasonably practicable after the Effective Date, the Annuity Savings Fund Excess Amount will be calculated for each ASF Current Participant and will be deducted from such participant's Annuity Savings Fund account and be used to fund the accrued pension benefits of all GRS participants; provided, however, that in no event shall the amount deducted from an ASF Current Participant's Annuity Savings Fund account exceed the ASF Recoupment Cap. In the event that the amount credited to an ASF Current Participant's Annuity Savings Fund account as of the Effective Date is less than such participant's Annuity Savings Fund Excess Amount, the ASF Current Participant will be treated as an ASF Distribution Recipient to the extent of the shortfall.

**2. ASF Distribution Recipients.**

**i. Monthly Deduction**

For each ASF Distribution Recipient that does not elect the ASF Recoupment Cash Option described in Section II.B.3.r.ii.D.2.ii and in the case of any ASF Distribution Recipient that elected the ASF

Recoupment Cash Option but does not timely deliver the ASF Recoupment Cash Payment to the GRS, the Annuity Savings Fund Excess Amount will: (A) be calculated and converted into monthly annuity amounts based on common actuarial assumptions (such as the ASF Distribution Recipient's life expectancy, gender and, if not already retired, expected date of retirement) and amortized using a 6.75% interest rate; and (B) then be deducted from the ASF Distribution Recipient's monthly pension check; provided, however, that in no event shall the total amount deducted from an ASF Distribution Recipient's monthly pension checks exceed the ASF Recoupment Cap or, if applicable, the Current GRS Retiree Adjustment Cap.

## **ii. Single Lump Sum Payment**

Each ASF Distribution Recipient shall be afforded the ASF Recoupment Cash Option.

No later than seven days following the Effective Date, the City, through its Claims and Balloting Agent, shall send the ASF Election Notice and the ASF Election Form by first-class U.S. mail to each ASF Distribution Recipient. The ASF Election Form shall explain that the amount of the ASF Recoupment Cash Payment shall be equal to the total amount of ASF Recoupment shown on the ASF Distribution Recipient's Ballot, unless the aggregate amount of ASF Recoupment for all ASF Distribution Recipients electing the ASF Recoupment Cash Option exceeds \$30,000,000, in which case (A) the ASF Recoupment Cash Payment will be the ASF Distribution Recipient's Pro Rata portion of \$30,000,000, and (B) the remaining portion of the ASF Distribution Recipient's ASF Recoupment will be annuitized and deducted from the ASF Distribution Recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i.

An ASF Distribution Recipient must return his or her ASF Election Form to the Claims and Balloting Agent so that it is actually received by the Claims and Balloting Agent by the ASF Election Date.

GRS shall mail the ASF Final Cash Payment Notice no later than 14 days after the ASF Election Date. ASF Distribution Recipients shall have until the ASF Final Cash Payment Date to make the ASF Recoupment Cash Payment, which payment must be made by cashier's check or wire transfer and may not be made by personal check. If an ASF Distribution Recipient's ASF Recoupment Cash Payment is not received by the ASF Final Cash Payment Date, GRS will notify the ASF Distribution Recipient of the failure to timely pay, and ASF Recoupment will be effected through diminution of such recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i. The calculation of each electing ASF Distribution Recipient's ASF Recoupment Cash Payment shall not be adjusted under any circumstances, including as a result of default by any other electing ASF Distribution Recipient to remit his or her ASF Recoupment Cash Payment by the ASF Final Cash Payment Date.

## **E. Contingent Payment Rights.**

The City will issue the DWSD CVR to the Restoration Trust for the benefit of Holders of Pension Claims, as described in Section IV.F.

## **F. Accrual of Future Benefits.**

Each Holder of a GRS Pension Claim who is an Active Employee shall receive, in addition to his or her GRS Adjusted Pension Amount, as such amount may be modified herein, such additional pension benefit for service on or after July 1, 2014, consistent with the terms and conditions of the New GRS Active Pension Plan Formula and the New GRS Active Pension Plan.

## **G. Governance.**

On or as soon as reasonably practicable after the Effective Date, an Investment Committee shall be established under GRS in accordance with the State Contribution Agreement. The Investment Committee shall be vested with the authority and responsibilities set forth in the State Contribution Agreement for a period of 20 years following the Effective Date.

**H. No Changes in Terms for Ten Years.**

Except as may be required to maintain the tax-qualified status of the GRS or to comply with the terms of the Plan, the City, the trustees of the GRS and all other persons or entities shall be enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of the GRS, or any successor plan or trust, that govern the calculation of pension benefits (including the GRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior GRS Pension Plan, the GRS Restoration Payment, the New GRS Active Pension Plan Formula and the terms of the New GRS Active Pension Plan) or against any action that governs the selection of the investment return assumption described in Section II.B.3.r.ii.B, the contribution to the GRS, or the calculation or amount of GRS pension benefits for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.

**I. State Contribution Agreement**

The State Contribution Agreement, the effectiveness of which is contingent upon the acceptance of the Plan by Classes 10 and 11, shall include the following principal terms: (1) the State, or the State's authorized agent, will distribute the State Contribution for the benefit of Holders of Pension Claims; and (2) the Plan shall provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

**s. Class 12 – OPEB Claims.**

**i. Allowance.**

As a result of a settlement between the City and the Retiree Committee, the OPEB Claims shall be allowed in an aggregate amount equal to \$4,303,000,000.

**ii. Treatment.**

**A. Detroit General VEBA.**

Establishment of Detroit General VEBA: On or as soon as practicable following the Effective Date, the City will establish the Detroit General VEBA to provide health benefits to Detroit General VEBA Beneficiaries and certain of their dependents. The Detroit General VEBA will be governed by a seven member board of trustees that will be responsible for, among other things, management of property held by the Detroit General VEBA, administration of the Detroit General VEBA and determination of the level of and distribution of benefits to Detroit General VEBA Beneficiaries. The Detroit General VEBA Trust Agreement and related plan documentation will be substantially in the form set forth on Exhibit I.A.108. With respect to the initial appointment of the board of trustees, the Mayor will appoint one member, and the DRCEA and the Retiree Committee will each appoint three board members. The DRCEA will fill board member vacancies created by the departure of members initially appointed by the Retiree Committee or the DRCEA, and the Mayor will fill a board member vacancy created by the departure of the member appointed by the Mayor. Nothing in the Plan precludes either the Detroit General VEBA from being formed under Section 115 or the formation of a separate trust under Section 115, in each case with the City's consent, which consent will not be unreasonably withheld.

Distributions to Detroit General VEBA: On the Effective Date, the City shall distribute to the Detroit General VEBA New B Notes in the aggregate principal amount of \$218,000,000, in satisfaction of the Allowed OPEB Claims held by Detroit General VEBA Beneficiaries. The Detroit General VEBA shall also be entitled to contingent additional distributions from the Disputed COP Claims Reserve as set forth in Section II.B.3.p.iii.B.

**B. Detroit Police and Fire VEBA.**

Establishment of Detroit Police and Fire VEBA: On or as soon as practicable following the Effective Date, the City will establish the Detroit Police and Fire VEBA to provide health benefits to Detroit Police and Fire VEBA Beneficiaries and certain of their dependents. The Detroit Police and Fire VEBA will be governed by a seven member board of trustees and, for the first four years, one additional non-voting, ex-officio member. The board of trustees will be responsible for, among other things, management of property held by the Detroit Police and Fire VEBA, administration of the Detroit Police and Fire VEBA and determination of the level of and distribution of benefits to Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA Trust Agreement and related plan documentation will be substantially in the form set forth on Exhibit I.A.112. With respect to the initial appointment of the board of trustees, the Mayor will appoint one member, and the RDPFFA and the Retiree Committee will each appoint three board members. The RDPMA will appoint the non-voting, ex-officio member. The RDPFFA will fill board member vacancies created by the departure of voting members initially appointed by the Retiree Committee or the RDPFFA, and the Mayor will fill a board member vacancy created by the departure of the member appointed by the Mayor. The RDPMA will fill a non-voting, ex-officio board member vacancy created by the departure of the member initially appointed by the RDPMA, but such non-voting, ex-officio member position shall expire on December 31, 2018. Nothing in the Plan precludes either the Detroit Police and Fire VEBA from being formed under Section 115 or the formation of a separate trust under Section 115, in each case with the City's consent, which consent will not be unreasonably withheld.

Distributions to Detroit Police and Fire VEBA: On the Effective Date, the City shall distribute to the Detroit Police and Fire VEBA New B Notes in the aggregate principal amount of \$232,000,000, in satisfaction of the Allowed OPEB Claims held by Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA shall also be entitled to contingent additional distributions from the Disputed COP Claims Reserve as set forth in Section II.B.3.p.iii.B.

**C. No Further Responsibility.**

From and after the Effective Date, the City shall have no further responsibility to provide retiree healthcare or any other retiree welfare benefits. The City shall have no responsibility from and after the Effective Date to provide life insurance or death benefits to current or former employees. On the Effective Date, the Employees Death Benefit Plan will be frozen, and the City will no longer have an obligation to contribute to fund death benefits under the plan for any participant or beneficiary. The Employees Death Benefit Plan will be self-liquidating, and existing retirees who participate in the plan will be granted a one-time opportunity to receive a lump sum distribution of the present value of their actuarially determined death benefit to the extent of the plan funding. For the avoidance of doubt, the Employees Death Benefit Plan shall not be merged into or operated by either the Detroit General VEBA or the Detroit Police and Fire VEBA. The Employees Death Benefit Board of Trustees shall continue to manage the Employees Death Benefit Plan and employ the staff of the Retirement Systems to administer the disbursement of benefits thereunder, the costs of which administration shall be borne by the assets of the Employees Death Benefit Plan.

**t. Class 13 – Downtown Development Authority Claims.**

**i. Allowance.**

On the Effective Date, the Downtown Development Authority Claims shall be deemed Allowed in the amount of \$33,600,000.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Downtown Development Authority Claim, in full satisfaction of such Allowed Claim, shall receive, on or as soon as reasonably practicable after the Effective Date, an Unsecured Pro Rata Share of New B Notes.

**u. Class 14 – Other Unsecured Claims.**

**i. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Other Unsecured Claim, in full satisfaction of such Allowed Claim, shall receive (A) on or as soon as reasonably practicable after the Effective Date, an Unsecured Pro Rata Share of New B Notes and (B) distributions from the Disputed COP Claims Reserve in accordance with Section II.B.3.p.iii.B.

**v. Class 15 – Convenience Claims.**

**i. Treatment.**

Each Holder of an Allowed Convenience Claim, in full satisfaction of such Allowed Claim, shall receive Cash equal to the amount of 25% of such Allowed Claim (as reduced, if applicable, pursuant to an election by such Holder in accordance with Section I.A.76) on or as soon as reasonably practicable after the Effective Date, unless such Holder agrees to a different treatment of such Claim.

**w. Class 16 – Subordinated Claims.**

**i. Treatment.**

On the Effective Date, all Subordinated Claims shall be disallowed, extinguished and discharged without Distribution under the Plan, and Holders of Subordinated Claims shall not receive or retain any property on account of such Claims. Pursuant to section 1126(g) of the Bankruptcy Code, Class 16 is deemed to have rejected the Plan and Holders of Subordinated Claims are not entitled to cast a Ballot in respect of such Claims.

**x. Class 17 – Indirect 36th District Court Claims.**

**i. Treatment.**

Unless such Holder agrees to a different treatment of its Claim, each Holder of an Allowed Indirect 36th District Court Claim, in full satisfaction of such Allowed Claim, shall receive: (A) if the Allowed amount of such Indirect 36th District Court Claim is less than \$100,000.00, on or as soon as reasonably practicable after the Effective Date, Cash in an amount equal to 33% of the Allowed amount of such Allowed Indirect 36th District Court Claim; or (B) if the Allowed amount of such Indirect 36th District Court Claim is equal to or more than \$100,000.00, Cash equal to 33% of the Allowed amount of such Indirect 36th District Court Claim, plus simple interest on outstanding amounts at a rate of five percent per annum, payable in five equal annual installments, with the first installment to be paid on or as soon as reasonably practicable after the Effective Date and the remaining four installments to be paid on the date of the first four anniversaries of the Effective Date or, if any such date is not a Business Day, on the first Business Day thereafter.

**ii. Further Obligation of City, State and 36th District Court.**

Subject to the terms of the 36th District Court Settlement, the treatment of Allowed Indirect 36th District Court Claims set forth in Section II.B.3.x.i shall fulfill any obligation of the City and the 36th District Court that may exist with respect to all Indirect 36th District Court Claims. Nothing in Section II.B.3.x.i prevents the Holder of an Indirect 36th District Court Claim from seeking further relief or payment from the State with respect to such Indirect 36th District Court Claim to the extent such Claim is not satisfied pursuant to the Plan.

**C. Confirmation Without Acceptance by All Impaired Classes.**

The City requests Confirmation under section 1129(b) of the Bankruptcy Code in the event that any impaired Class does not accept or is deemed not to accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Plan shall constitute a motion for such relief.



## **D. Treatment of Executory Contracts and Unexpired Leases.**

### **1. Assumption.**

Except as otherwise provided in the Plan, in any contract, instrument, release or other agreement or document entered into in connection with the Plan or in a Final Order of the Bankruptcy Court, or as requested in any motion Filed by the City on or prior to the Effective Date, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, the City will be deemed to assume all Executory Contracts and Unexpired Leases to which it is a party. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan and shall be discharged. For the avoidance of doubt, the City shall assume the Tunnel Lease pursuant to this Section II.D.1.

### **2. Assumption of Ancillary Agreements.**

Each Executory Contract and Unexpired Lease assumed pursuant to Section II.D.1 will include any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such Executory Contract or Unexpired Lease, unless any such modification, amendment, supplement, restatement or other agreement is rejected pursuant to Section II.D.6 or designated for rejection in accordance with Section II.D.3.

### **3. Approval of Assumptions and Assignments.**

The Confirmation Order will constitute an order of the Bankruptcy Court approving the assumption of Executory Contracts and Unexpired Leases pursuant to Sections II.D.1 and II.D.2 (and any related assignment) as of the Effective Date, except for Executory Contracts or Unexpired Leases that (a) have been rejected pursuant to a Final Order of the Bankruptcy Court, (b) are subject to a pending motion for reconsideration or appeal of an order authorizing the rejection of such Executory Contract or Unexpired Lease, (c) are subject to a motion to reject such Executory Contract or Unexpired Lease Filed on or prior to the Effective Date, (d) are rejected pursuant to Section II.D.6 or (e) are designated for rejection in accordance with the last sentence of this paragraph. An order of the Bankruptcy Court (which may be the Confirmation Order) entered on or prior to the Confirmation Date will specify the procedures for providing notice to each party whose Executory Contract or Unexpired Lease is being assumed pursuant to the Plan of: (a) the Executory Contract or Unexpired Lease being assumed; (b) the Cure Amount Claim, if any, that the City believes it would be obligated to pay in connection with such assumption; (c) any assignment of an Executory Contract or Unexpired Lease; and (d) the procedures for such party to object to the assumption of the applicable Executory Contract or Unexpired Lease, the amount of the proposed Cure Amount Claim or any assignment of an Executory Contract or Unexpired Lease. If an objection to a proposed assumption, assumption and assignment or Cure Amount Claim is not resolved in favor of the City, the applicable Executory Contract or Unexpired Lease may be designated by the City for rejection, which shall be deemed effective as of the Effective Date.

### **4. Payments Related to the Assumption of Executory Contracts and Unexpired Leases.**

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, at the option of the City: (a) by payment of the Cure Amount Claim in Cash on the Effective Date or (b) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. If there is a dispute regarding: (a) the amount of any Cure Amount Claim, (b) the ability of the City or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to the assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code will be made within 30 days following the entry of a Final Order resolving the dispute and approving the assumption.

**5. Contracts and Leases Entered Into After the Petition Date.**

Contracts, leases and other agreements entered into after the Petition Date by the City, including (a) any Executory Contracts or Unexpired Leases assumed by the City and (b) the collective bargaining agreements identified on Exhibit II.D.5, will be performed by the City in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

**6. Rejection of Executory Contracts and Unexpired Leases.**

On the Effective Date, each Executory Contract and Unexpired Lease that is listed on Exhibit II.D.6 shall be deemed rejected pursuant to section 365 of the Bankruptcy Code. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the later of: (a) the Effective Date or (b) the resolution of any objection to the proposed rejection of an Executory Contract or Unexpired Lease. Each contract or lease listed on Exhibit II.D.6 shall be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. The City reserves its right, at any time on or prior to the Effective Date, to amend Exhibit II.D.6 to delete any Executory Contract or Unexpired Lease therefrom, thus providing for its assumption pursuant to Section II.D.1, or add any Executory Contract or Unexpired Lease thereto, thus providing for its rejection pursuant to this Section II.D.6. The City will provide notice of any amendments to Exhibit II.D.6 to the parties to the Executory Contracts or Unexpired Leases affected thereby and to the parties on the then-applicable service list in the Chapter 9 Case. Listing a contract or lease on Exhibit II.D.6 shall not constitute an admission by the City that such contract or lease is an Executory Contract or Unexpired Lease or that the City has any liability thereunder. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan shall be treated as Class 14 Claims (Other Unsecured Claims), subject to the provisions of section 502 of the Bankruptcy Code.

**7. Rejection Damages Bar Date.**

Except as otherwise provided in a Final Order of the Bankruptcy Court approving the rejection of an Executory Contract or Unexpired Lease, Claims arising out of the rejection of an Executory Contract or Unexpired Lease must be Filed with the Bankruptcy Court and served upon counsel to the City on or before the later of: (a) 45 days after the Effective Date; or (b) 45 days after such Executory Contract or Unexpired Lease is rejected pursuant to a Final Order or designated for rejection in accordance with Section II.D.3. Any Claims not Filed within such applicable time periods will be forever barred from receiving a Distribution from, and shall not be enforceable against, the City.

**8. Preexisting Obligations to the City Under Rejected Executory Contracts and Unexpired Leases.**

Pursuant to section 365(g) of the Bankruptcy Code, rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall constitute a breach of such contract or lease and not a termination thereof, and all obligations owing to the City under such contract or lease as of the date of such breach shall remain owing to the City upon rejection. Notwithstanding any applicable non-bankruptcy law to the contrary, the City expressly reserves and does not waive any right to receive, or any continuing obligation of a non-City party to provide, warranties, indemnifications or continued maintenance obligations on goods previously purchased, or services previously received, by the City from non-City parties to rejected Executory Contracts or Unexpired Leases, and any such rights shall remain vested in the City as of the Effective Date.

**9. Insurance Policies.**

From and after the Effective Date, each of the City's insurance policies (other than welfare benefits insurance policies) in existence as of or prior to the Effective Date shall be reinstated and continue in full force and effect in accordance with its terms and, to the extent applicable, shall be deemed assumed by the City pursuant to section 365 of the Bankruptcy Code and Section II.D.1. Nothing contained herein shall constitute or be deemed a waiver of any Causes of Action that the City may hold against any Entity, including any insurer under any

of the City's insurance policies. For the avoidance of doubt, nothing contained in this Section II.D.9 shall apply to reinstate or continue any obligation of the City or any fund thereof to any Bond Insurer.

### **ARTICLE III CONFIRMATION OF THE PLAN**

#### **A. Conditions Precedent to the Effective Date.**

The Effective Date will not occur, and the Plan will not be consummated, unless and until the City has determined that all of following conditions have been satisfied or waived in accordance with Section III.B:

1. The Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the City.
2. The Bankruptcy Court shall have entered an order (which may be included in the Confirmation Order) approving and authorizing the City to take all actions necessary or appropriate to implement the Plan, including the transactions contemplated by the Plan and the implementation and consummation of the contracts, instruments, settlements, releases and other agreements or documents entered into or delivered in connection with the Plan.
3. The Confirmation Order shall not be stayed in any respect.
4. All actions and all contracts, instruments, settlements, releases and other agreements or documents necessary to implement the terms and provisions of the Plan are effected or executed and delivered, as applicable, in form and substance satisfactory to the City.
5. All authorizations, consents and regulatory approvals, if any, required in connection with the consummation of the Plan have been obtained and not revoked, including all governmental and Emergency Manager consents and approvals required to carry out the terms of the LTGO Settlement Agreement.
6. Any legislation that must be passed by the State legislature to effect any term of the Plan shall have been enacted.
7. The MFA board shall have approved the issuance of the Restructured UTGO Bonds and the Restructured UTGO Bonds shall have been issued.
8. The City shall have obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of the UTGO Settlement Agreement.
9. The Plan and all Exhibits shall have been Filed and shall not have been materially amended, altered or modified from the Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or modification has been made in accordance with Section VIII.B.
10. If Classes 10 and 11 have accepted the Plan, all conditions to the effectiveness of the State Contribution Agreement and the DIA Settlement Documents have been satisfied.
11. The Syncora Settlement and the Syncora Settlement Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and Syncora, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.
12. The Development Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and Syncora, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

13. The Effective Date shall have occurred within 180 days of the entry of the Confirmation Order, unless the City requests an extension of such deadline and such deadline is extended by the Bankruptcy Court.

**B. Waiver of Conditions to the Effective Date.**

The conditions to the Effective Date set forth in Section III.A may be waived in whole or part at any time by the City in its sole and absolute discretion, except for those conditions set forth in Section III.A.7 and Section III.A.8, which conditions cannot be waived, and except for those conditions set forth in Sections III.A.11 and III.A.12, which may only be waived by the City with the prior written consent of Syncora.

**C. Effect of Nonoccurrence of Conditions to the Effective Date.**

If each of the conditions to the Effective Date is not satisfied, or duly waived in accordance with Section III.B, then, before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the City may File a motion requesting that the Bankruptcy Court vacate the Confirmation Order; provided, however, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section III.C: (1) the Plan will be null and void in all respects, including with respect to (a) the discharge of Claims pursuant to section 944(b) of the Bankruptcy Code, (b) the assumptions, assignments or rejections of Executory Contracts and Unexpired Leases pursuant to Section II.D and (c) the releases described in Section III.D.7; and (2) nothing contained in the Plan, nor any action taken or not taken by the City with respect to the Plan, the Disclosure Statement or the Confirmation Order, will be or will be deemed to be (a) a waiver or release of any Claims by or against the City, (b) an admission of any sort by the City or any other party in interest or (c) prejudicial in any manner the rights of the City or any other party in interest.

**D. Effect of Confirmation of the Plan.**

**1. Dissolution of Retiree Committee.**

On the Effective Date, the Retiree Committee, to the extent not previously dissolved or disbanded, will dissolve and disband, and the members of the Retiree Committee and their respective professionals will cease to have any role arising from or related to the Chapter 9 Case.

**2. Preservation of Rights of Action by the City.**

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b)(3)(B) of the Bankruptcy Code, the City will retain and may enforce any claims, demands, rights, defenses and Causes of Action that it may hold against any Entity, including but not limited to any and all Causes of Action against any party relating to the past practices of the Retirement Systems (including any investment decisions related to, and the management of, the Retirement Systems' respective pension plans or assets), to the extent not expressly released under the Plan or pursuant to any Final Order of the Bankruptcy Court. A nonexclusive schedule of currently pending actions and claims brought by the City is attached as Exhibit III.D.2. The City's inclusion of, or failure to include, any right of action or claim on Exhibit III.D.2 shall not be deemed an admission, denial or waiver of any claims, demands, rights or Causes of Action that the City may hold against any Entity, and all Entities are hereby notified that the City intends to preserve all such claims, demands, rights or Causes of Action.

**3. Comprehensive Settlement of Claims and Controversies.**

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim may have with respect to any Allowed Claim or any Distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of

all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements are (a) in the best interests of the City, its property and Claim Holders and (b) fair, equitable and reasonable. For the avoidance of doubt, this Section III.D.3 shall not affect or limit the application of section 509 of the Bankruptcy Code or any similar doctrine to Bond Insurance Policy Claims.

**4. Discharge of Claims.**

**a. Complete Satisfaction, Discharge and Release.**

Except as provided in the Plan or in the Confirmation Order, the rights afforded under the Plan and the treatment of Claims under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims arising on or before the Effective Date, including any interest accrued on Claims from and after the Petition Date. Except as provided in the Plan or in the Confirmation Order, Confirmation will, as of the Effective Date, discharge the City from all Claims or other debts that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (ii) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptcy Code or (iii) the Holder of a Claim based on such debt has accepted the Plan.

**b. Discharge.**

In accordance with Section III.D.4.a, except as expressly provided otherwise in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all debts of the City, pursuant to sections 524(a)(1), 524(a)(2) and 944(b) of the Bankruptcy Code, and such discharge will void any judgment obtained against the City at any time, to the extent that such judgment relates to a discharged debt; provided that such discharge will not apply to (i) debts specifically exempted from discharge under the Plan; and (ii) debts held by an Entity that, before the Confirmation Date, had neither notice nor actual knowledge of the Chapter 9 Case.

**5. Injunction.**

**On the Effective Date, except as otherwise provided herein or in the Confirmation Order,**

**a. all Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims, along with their Related Entities, shall be permanently enjoined from taking any of the following actions against or affecting the City or its property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from the Confirmation Order):**

**1. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (A) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (B) Indirect 36th District Court Claims and (C) Indirect Employee Indemnity Claims);**

**2. enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property;**

**3. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the City or its property;**

**4. asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property;**

5. proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and

6. taking any actions to interfere with the implementation or consummation of the Plan.

b. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan will be permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, or a Released Party; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan. Notwithstanding the foregoing and without limiting the injunctions in Section III.D.5.a, the Holders of Indirect 36th District Court Claims shall not be enjoined from taking any of the foregoing actions against the State or the State Related Entities with respect to Indirect 36th District Court Claims to the extent such Claims are not satisfied pursuant to the Plan.

#### 6. Exculpation.

From and after the Effective Date, to the fullest extent permitted under applicable law and except as expressly set forth in this Section, neither the City, its Related Entities (including the members of the City Council, the Mayor and the Emergency Manager), to the extent a claim arises from actions taken by such Related Entity in its capacity as a Related Entity of the City, the State, the State Related Entities, the Exculpated Parties nor the Released Parties shall have or incur any liability to any person or Entity for any act or omission in connection with, relating to or arising out of the City's restructuring efforts and the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the formulation, preparation, negotiation, dissemination, consummation, implementation, confirmation or approval (as applicable) of the Plan, the property to be distributed under the Plan, the settlements implemented under the Plan, the Exhibits, the Disclosure Statement, any contract, instrument, release or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan or the management or operation of the City; provided that the foregoing provisions shall apply to (a) the LTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the LTGO Settlement Agreement or the Plan (as it relates to the LTGO Settlement Agreement), (b) the UTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the UTGO Settlement Agreement or the Plan (as it relates to the UTGO Settlement Agreement), (c) the DWSD Exculpated Parties solely in connection with acts or omissions taken in connection with the DWSD Tender, DWSD Tender Motion or DWSD Tender Order, (d) the Syncora Exculpated Parties solely to the extent permitted by law and solely in connection with acts or omissions taken in connection with the Syncora Settlement Documents and any actions or litigation positions taken by the Syncora Exculpated Parties in the Chapter 9 Case, (e) the RDPMA Exculpated Parties and (f) the COP Agent, solely in its capacity as such and solely in connection with any Distributions made pursuant to the terms of the Plan; provided, further, that the foregoing provisions in this Section III.D.6 shall not affect the liability of the City, its Related Entities, the State, the State Related Entities, the Released Parties and the Exculpated Parties that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct or any act or omission occurring before the Petition Date. The City, its Related Entities (with respect to actions taken by such Related Entities in their capacities as Related Entities of the City), the State, the State Related Entities, the Released Parties and the Exculpated Parties shall be entitled to rely upon the advice of counsel and financial advisors with respect to their duties and responsibilities under, or in connection with, the Chapter 9 Case, the administration thereof and the Plan. This Section III.D.6 shall not affect any liability of (a) any of the COP Swap Exculpated Parties to the Syncora

Exculpated Parties or Financial Guaranty Insurance Company or (b) the Syncora Exculpated Parties or Financial Guaranty Insurance Company to any of the COP Swap Exculpated Parties.

## **7. Releases**

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement):

- a. each holder of a Claim that votes in favor of the Plan, to the fullest extent permissible under law, will be deemed to forever release, waive and discharge (which release will be in addition to the release and discharge of Claims otherwise provided herein and under the Confirmation Order and the Bankruptcy Code):
  - i. all Liabilities in any way relating to the City, the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), the Plan, the Exhibits or the Disclosure Statement, in each case that such holder has, had or may have against the City or its current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity (and, in addition to and without limiting the foregoing, in the case of any Emergency Manager, in such Emergency Manager's capacity as an appointee under PA 436); provided further, for the avoidance of doubt, that any person or entity designated to manage the Chapter 9 Case for the City after the Emergency Manager's term is terminated, whether such person or entity acts as an employee, advisor or contractor to the City or acts as an employee, agent, contractor or appointee of the State under any applicable state law, shall be treated the same as an employee of the City hereunder; and
  - ii. all Liabilities in any way relating to (A) Claims that are compromised, settled or discharged under or in connection with the Plan, (B) the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), (C) the Plan, (D) the Exhibits, (E) the Disclosure Statement or (F) the DIA Settlement, in each case that such holder has, had or may have against the City's Related Entities, the State, the State Related Entities and the Released Parties; provided, however, that any such Liability of the Foundations, the DIA Funders and the CFSEM Supporting Organization and their Related Entities shall be released only to the extent that such Liability, if any, arises from any such entity's participation in the DIA Settlement;

provided, however, that the foregoing provisions shall not affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; and provided further, however, that if Classes 10 and 11 vote to accept the Plan, but any necessary conditions precedent to the receipt of the initial funding from the State (pursuant to the State Contribution Agreement) and the DIA Funding Parties that are such as of the commencement of the Confirmation Hearing (pursuant to the DIA Settlement) that can be satisfied or waived by the applicable funding party prior to the Confirmation Hearing (including, but not limited to, adoption of relevant legislation and appropriations by the State and execution of necessary and irrevocable agreements for their funding commitments by each of the DIA Funding Parties that are such as of the commencement of the Confirmation Hearing, which conditions may not be waived) are not satisfied or waived by the applicable funding party prior to the Confirmation Hearing, then Holders of Claims in Classes 10 and 11 that voted to accept the Plan shall be deemed to have voted to reject the Plan, and the voluntary release set forth in the first sentence of this Section III.D.7.a shall not apply to Holders of Claims in Classes 10 and 11; provided, further, that nothing in this

Section III.D.7.a shall release (i) the City's obligations under the Plan or (ii) any defenses that any party may have against the City, its Related Entities, the State, the State Related Entities or the Released Parties; and

- b. if the State Contribution Agreement is consummated, each holder of a Pension Claim will be deemed to forever release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the Plan does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law or the Plan, or, with respect to pensions only, GRS or PFRS.

Notwithstanding Sections III.D.5-7 and IV.L of the Plan, except as set forth in the COP Swap Settlement, nothing in the Plan or the Confirmation Order shall or shall be deemed to provide a release by the COP Swap Counterparties of any Liabilities related to the COPs, the COP Service Corporations, the Transaction Documents (as defined in the COP Swap Settlement), the COP Swap Settlement or the COP Swap Settlement Approval Order. For the avoidance of doubt, notwithstanding Section III.D.6 of the Plan, a vote of DWSD Bond Claims or DWSD Revolving Bond Claims in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to this Section III.D.7 by a Holder of any such DWSD Bond Claims, a Holder of any such DWSD Revolving Bond Claims or the Bond Insurer insuring any such Claims of any Liabilities against the City or its Related Entities that do not arise in connection with the DWSD Bonds or the DWSD Revolving Bonds. For the further avoidance of doubt, notwithstanding anything in the Plan to the contrary, a vote of a Claim other than a DWSD Bond Claim or DWSD Revolving Bond Claim in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to this Section III.D.7 by a Holder of any such voted Claim or the Bond Insurer insuring such voted Claim of any Liabilities against the City or any other Entity arising in connection with the DWSD Bonds or DWSD Revolving Bonds.

#### **E. No Diminution of State Power**

No provision of this Plan shall be construed: (1) so as to limit or diminish the power of the State to control, by legislation or otherwise, the City in the exercise of the political or governmental powers of the City, including expenditures for such exercise; (2) so as to limit or diminish the power of the State to effect setoffs necessary to compensate the State or relieve the State of liability against funds (a) owing to the City from the State, (b) granted to the City by the State, or (c) administered by the State on behalf of the City or the federal government (including funds resulting from federal or state grants), for acts or omissions by the City (including but not limited to misappropriation or misuse of funds); and (3) as a waiver by the State of its rights as a sovereign or rights granted to it pursuant to the Tenth Amendment to the United States Constitution, or limit or diminish the State's exercise of such rights.

#### **F. Effectiveness of the Plan.**

The Plan shall become effective on the Effective Date. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.



**G. Binding Effect of Plan.**

Pursuant to section 944(a) of the Bankruptcy Code, on and after the Effective Date, the provisions of the Plan shall bind all Holders of Claims, and their respective successors and assigns, whether or not the Claim of any such Holder is Impaired under the Plan and whether or not such Holder has accepted the Plan. The releases and settlements effected under the Plan will be operative, and subject to enforcement by the Bankruptcy Court, from and after the Effective Date, including pursuant to the injunctive provisions of the Plan. Once approved, the compromises and settlements embodied in the Plan, along with the treatment of any associated Allowed Claims, shall not be subject to any collateral attack or other challenge by any Entity in any court or other forum. As such, any Entity that opposes the terms of any compromise and settlement set forth in the Plan must (1) challenge such compromise and settlement prior to Confirmation of the Plan and (2) demonstrate appropriate standing to object and that the subject compromise and settlement does not meet the standards governing bankruptcy settlements under Bankruptcy Rule 9019 and other applicable law.

**ARTICLE IV  
MEANS FOR IMPLEMENTATION OF THE PLAN**

**A. DWSD.**

**1. Rates and Revenues.**

DWSD will maintain Fiscal Year 2015 rate setting protocols for a minimum of five years, subject to certain changes necessary to stabilize water and sewer revenues. Rates will be determined by the Board of Water Commissioners or, if a DWSD Authority is formed and approved by the incorporating units' governing bodies, by the board of any such DWSD Authority. The City may seek to implement a rate stability program for City residents, which program may, among other things, (a) provide a source of funds to mitigate against rate increases, (b) enhance affordability and (c) provide a buffer against delinquent payments.

**2. DWSD CBAs.**

Collective bargaining agreements with respect to current DWSD employees that are in effect and not expired as of the Effective Date will be assumed by the City.

**3. Potential DWSD Authority Transaction.**

As a result of mediation or otherwise, it is possible that the City may enter into a DWSD Authority Transaction that includes the formation of the DWSD Authority to conduct many or all of the operations currently conducted by DWSD. Any such transaction would be subject to the approval of incorporating units and numerous other conditions. The timing of any such transaction, if it occurs at all, is not known. If any such transaction could occur, unless waived by the City in its sole discretion, the City will enter into such transaction only if Macomb County, Oakland County and Wayne County, and each of their municipal affiliates or related public corporations, withdraw with prejudice or shall have withdrawn with prejudice their objections to the Confirmation of the Plan. Any DWSD Authority Transaction shall be on terms that are consistent with all other provisions of the Plan, applicable law and orders of the Bankruptcy Court. The City shall not enter into any binding agreement with respect to or consummate any DWSD Authority Transaction prior to the Effective Date without first obtaining an order of the Bankruptcy Court approving and authorizing such DWSD Authority Transaction.

All terms and conditions in respect of any DWSD Authority Transaction set forth in (a) any DWSD Bond Document or (b) any transaction document in respect of such a DWSD Authority Transaction shall in any case include: (i) no material modifications to the source of payment and security for any DWSD Bonds or 2014 Revenue and Revenue Refinancing Bonds; (ii) an opinion of tax counsel that such transfer shall have no material adverse effect on the tax exempt status of the interest on the DWSD Bonds or 2014 Revenue and Revenue Refinancing Bonds; (iii) that the City could issue at least \$1 of additional new money DWSD Bonds in compliance with the additional bonds test set forth in the applicable DWSD Bond Documents; and (iv) ratings confirmation of any rating agency then rating the DWSD Bonds and 2014 Revenue and Revenue Refinancing Bonds. A DWSD

Authority Transaction shall not affect, impair, modify or otherwise alter the rights of any party under the DWSD Tender Order, the DWSD Bond Documents, the DWSD Revolving Bond Documents, the 2014 DWSD Refinancing Obligations, the 2014 Revenue and Revenue Refinancing Bonds or the 2014 Revenue Refinancing Bonds or any Bond Insurance Policy related to or issued in connection with any of the foregoing.

**B. The New B Notes, New C Notes and New LTGO Bonds.**

On or before the Effective Date, the City shall (a) execute the New B Notes Documents, issue the New B Notes, substantially on the terms set forth on Exhibit I.A.240, and distribute the New B Notes as set forth in the Plan; (b) execute the New C Notes Documents, issue the New C Notes, substantially on the terms set forth on Exhibit I.A.242 (and in any case in form and substance reasonably acceptable to the City and Syncora), and distribute the New C Notes as set forth in the Plan; and (c) execute the New LTGO Bond Documents, issue the New LTGO Bonds, substantially on the terms set forth on Exhibit I.A.232, and distribute the New LTGO Bonds as set forth in the Plan.

**C. The UTGO Settlement.**

On the Effective Date, the City and the Settling UTGO Bond Insurers shall consummate the UTGO Settlement Agreement, a copy of which is attached hereto as Exhibit I.A.355. The treatment of Unlimited Tax General Obligation Bond Claims under the Plan is provided for pursuant to the UTGO Settlement Agreement, which involves the settlement of, among other things, the UTGO Litigation and is subject to Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the UTGO Settlement Agreement pursuant to Bankruptcy Rule 9019.

Pursuant to the UTGO Settlement Agreement, among other things: (1) the Unlimited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$388,000,000; (2) the City shall issue the Municipal Obligation to the MFA, which in turn will issue the Restructured UTGO Bonds; (3) Holders of Allowed Unlimited Tax General Obligation Bond Claims shall be entitled to receive their Pro Rata share of \$279,618,950 of the Restructured UTGO Bonds as set forth in Schedule 1a of the UTGO Settlement Agreement; (4) the Settling UTGO Bond Insurers and the Non-Settling UTGO Bond Insurer shall be entitled to receive \$7,941,840 of the Restructured UTGO Bonds as set forth in Schedule 1b to the UTGO Settlement Agreement; and (5) a designee or designees of the City shall have the right to receive the Assigned UTGO Bond Tax Proceeds, which Assigned UTGO Bond Tax Proceeds will be distributed over a 14-year period to the Income Stabilization Funds of GRS and PFRS for the payment of Income Stabilization Payments to Eligible Pensioners and to the Retirement Systems, in accordance with applicable agreements.

Each Settling UTGO Bond Insurer shall receive, as soon as reasonably practicable after the occurrence of a Trigger Event, its allocable share of the Top-Off Payments in accordance with the terms of the UTGO Settlement Agreement.

**D. The State Contribution Agreement.**

Prior to or on the Effective Date, if Classes 10 and 11 vote to accept the Plan, the City, GRS, PFRS and the State will enter into the State Contribution Agreement, substantially on the terms set forth on Exhibit I.A.327.

**1. State Contribution.**

The State or the State's authorized agent will contribute the net present value of \$350 million payable over 20 years using a discount rate of 6.75% to GRS and PFRS for the benefit of the Holders of Pension Claims.

## **2. Income Stabilization Payments.**

The Income Stabilization Funds of GRS and PFRS will receive not less than an aggregate amount of \$20 million over 14 years of the Assigned UTGO Bond Tax Proceeds in the form of annual installment payments pursuant to a payment schedule approved by the State. Following the Effective Date, on an annual basis, GRS and PFRS will distribute such portion of the funds held in their respective Income Stabilization Fund to Eligible Pensioners entitled to receive the Income Stabilization Benefit and the Income Stabilization Benefit Plus. The Income Stabilization Benefit, which will be calculated in the first year following the Effective Date and will not increase thereafter, will be provided by the applicable Retirement System to each Eligible Pensioner. In addition, to the extent that an Eligible Pensioner's estimated adjusted annual household income (as determined by the applicable Retirement System) in any calendar year after the first year of the income stabilization program is less than 105% of the Federal Poverty Level for such year, the applicable Retirement System will distribute the Income Stabilization Benefit Plus to such Eligible Pensioner.

In the event that, in 2022 (provided that the State has not issued a certificate of default under the State Contribution Agreement with respect to GRS or PFRS, as applicable, at any time prior to 2022), it is the opinion of at least 75% of the independent members of the Investment Committee of GRS or PFRS, as applicable, that the Income Stabilization Fund of the applicable Retirement System is credited with Excess Assets, the respective Investment Committee may recommend that the Excess Assets, in an amount not to exceed \$35 million, be used to fund the Adjusted Pension Amounts payable by the applicable Retirement System. In the event that any funds remain in the Income Stabilization Fund of each or either of GRS or PFRS on the date upon which no Eligible Pensioners under the applicable Retirement System are living, such funds shall be used to fund the Adjusted Pension Amounts payable by the applicable Retirement System.

## **3. Conditions to State's Participation.**

The payment of the State Contribution by the State or the State's authorized agent is conditioned upon satisfaction of the conditions precedent set forth in the State Contribution Agreement, including, among other things, the following: (a) the Confirmation Order becoming a Final Order no later than December 31, 2014, which Confirmation Order must contain certain provisions as set forth in the State Contribution Agreement, including a requirement that the governing documents of GRS and PFRS be amended to include (i) the governance terms and conditions set forth in the State Contribution Agreement and (ii) the Income Stabilization Funds and Income Stabilization Payments; (b) the occurrence of the Effective Date no later than April 1, 2015; (c) acceptance of the Plan by Classes 10 and 11, which Plan must be in form and substance reasonably acceptable to the State and contain certain release provisions; (d) the Retiree Committee's endorsement of the Plan, including a letter from the Retiree Committee recommending that Classes 10 and 11 vote in favor of the Plan, or equivalent assurances from member organizations representing a majority of retirees in Classes 10 and 11; (e) active support of the Plan by, a release of and covenant not to sue the State from, and an agreement not to support in any way the litigation described in subsection (f) of this Section by, the City, the Retiree Committee, the Retirement Systems and certain unions and retiree associations, or equivalent assurances of litigation finality; (f) cessation of all litigation, or equivalent assurances of finality of such litigation, including the cessation of funding of any litigation initiated by any other party, as it relates to the City, (i) challenging PA 436 or any actions taken pursuant to PA 436 or (ii) seeking to enforce Article IX, Section 24 of the Michigan Constitution; (g) evidence satisfactory to the State of an irrevocable commitment by the Foundations (excluding the Special Foundation Funders, as that term is defined in the DIA Settlement Documents) to fund \$366 million (or the net present value thereof) as part of the DIA Settlement, as provided in Section IV.E.1; and (h) evidence satisfactory to the State of an irrevocable commitment by DIA Corp. to fund \$100 million (or the net present value thereof) as part of the DIA Settlement, as provided in Section IV.E.1.

The State shall File and serve via the Court's electronic case filing and noticing system a notice that the conditions precedent to the State's payment of the State Contribution have been satisfied or otherwise addressed pursuant to the procedures outlined in the State Contribution Agreement no later than ten days after all such conditions have been satisfied or otherwise addressed.

#### **4. Release of Claims Against the State and State Related Entities.**

The State Contribution Agreement requires that the Plan provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

#### **E. The DIA Settlement.**

On the Effective Date, the City and the DIA Corp. will enter into the DIA Settlement, pursuant to which (1) the DIA Funding Parties that are such as of the Effective Date have committed to assist in the funding of the City's restructured legacy pension obligations and (2) the City has agreed to enter into certain transactions that will cause the DIA to remain in the City in perpetuity, as described in and subject to the terms and conditions of the DIA Settlement Documents, and to otherwise make the DIA Assets available for the benefit of the residents of the City and the Counties and the citizens of the State. The DIA Settlement Documents attached hereto as Exhibit I.A.126 will qualify the description of the DIA Settlement in the Plan, Disclosure Statement and Exhibit I.A.125. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the DIA Settlement pursuant to Bankruptcy Rule 9019.

##### **1. Funding Contributions.**

The DIA Settlement will be funded as follows: (a) irrevocable commitments in an aggregate amount of at least \$366 million by the Foundations (excluding the Special Foundation Funders, as that term is defined in the DIA Settlement Documents); and (b) in addition to its continuing commitments outside of the DIA Settlement, irrevocable commitments in an aggregate amount of \$100 million from the DIA Direct Funders (including the commitment of the Special Foundation Funders, as that term is defined in the DIA Settlement Documents, and subject to certain adjustments as set forth in the DIA Settlement Documents), the payment of which \$100 million will be guaranteed by DIA Corp., subject to the terms of the DIA Settlement Documents. The foregoing commitments shall be funded over the course of the 20 year period immediately following the Effective Date (subject to the annual confirmation of the City's continuing compliance with the terms of the DIA Settlement) according to the "Agreed Required Minimum Schedule" and subject to the option at any time for the "Present Value Discount," as set forth in the DIA Settlement Documents. Amounts committed by the Foundations and the DIA Direct Funders will be paid to the CFSEM Supporting Organization, which will (a) transfer such amounts for the purpose of funding the Retirement Systems upon the City's satisfaction of certain conditions and (b) not be subject to claims of creditors of the Community Foundation for Southeast Michigan.

##### **2. Transfer of DIA Assets.**

On the Effective Date, the City shall irrevocably transfer all of its right, title and interest in and to the DIA Assets to DIA Corp., as trustee, to be held in perpetual charitable trust, and within the City limits, for the primary benefit of the residents of the City and the Counties and the citizens of the State.

##### **3. Conditions to the DIA Funding Parties' Participation.**

The DIA Funding Parties' participation in the DIA Settlement is conditioned upon, among other things, the following: (a) execution of the DIA Settlement Documents by each Foundation; (b) the irrevocable commitment from the DIA Corp. described in Section IV.E.1; (c) the acceptance of the Plan by Classes 10 and 11; (d) the irrevocable transfer by the City of the DIA Assets described in Section IV.E.2; (e) approval by the DIA's Board of Directors and the taking effect of the recommendation of the governance committee as described in Exhibit I.A.125; (f) the earmarking of all funds provided by the DIA Funding Parties towards the recoveries upon Pension Claims under the Plan for Holders of Claims in Classes 10 and 11; (g) the adoption of prospective governance and financial oversight mechanisms for the Retirement Systems that are reasonably satisfactory to the DIA Funding Parties; (h) the amendment by DIA Corp. and the art institute authority for each of Macomb County, Oakland County and Wayne County, Michigan of each art institute authority's respective service agreement so that

the termination of the 1997 Operating Agreement between the City and DIA Corp. will not affect the art institute authorities' obligations under such agreements to pay millage proceeds to DIA Corp.; (i) the approval of the DIA Settlement by the Attorney General for the State; (j) the agreement of the State to provide the State Contribution; and (k) the City's agreement to indemnify and hold harmless the DIA Funding Parties and the CFSEM Supporting Organization and their Related Entities pursuant to, and in accordance with, the terms of the DIA Settlement Documents.

## **F. Contingent Payment Rights**

On or as soon as reasonably practicable after the Confirmation Date, the City shall establish the Restoration Trust. The City shall issue the DWSD CVR to the Restoration Trust. If a Qualifying DWSD Transaction has not occurred before the seventh anniversary of the Effective Date, the DWSD CVR shall terminate and expire. The Restoration Trust shall distribute proceeds from the DWSD CVR in the following amounts and priorities: (1) first, to GRS up to an amount sufficient for all three GRS waterfall classes identified on Exhibit II.B.3.r.ii.C to have their 4.5% pension reductions restored; (2) second, to GRS up to an amount sufficient for all three GRS waterfall classes identified on Exhibit II.B.3.r.ii.C to have 92% of their COLA benefits restored; and (3) third, 53% to GRS and 47% to PFRS. If the City makes any contributions to either GRS or PFRS out of its portion of the Net DWSD Transaction Proceeds, such contributions and earnings thereon shall not be taken into account for determining whether any pension restoration may be made. The DWSD CVR may not be transferred.

### **1. Special Restoration**

Any proceeds from the DWSD CVR distributed by the Restoration Trust on account of a Qualifying DWSD Transaction consummated on or before the Effective Date, or fully executed and enforceable before the Effective Date but consummated after the Effective Date, shall be utilized for the purpose of funding the Special Restoration; provided that the City shall act in good faith so as not to unreasonably delay the execution of a Qualifying DWSD Transaction solely to avoid Special Restoration. In such case, the City will perform a Value Determination and arrive at the Discounted Value. The City will engage in good faith discussion as to the reasonableness of the Value Determination with the Retiree Committee or Restoration Trust, as applicable. In the event that the Retiree Committee or the Restoration Trust, as applicable, does not accept the Value Determination, the Retiree Committee or the Restoration Trust, as applicable, may seek to have the Bankruptcy Court determine the dispute, and the City consents to such jurisdiction.

Special Restoration shall follow the priorities of restoration of benefits set forth in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C. In order for benefits to be restored pursuant to the Special Restoration, such benefits must be fully funded by 50% of the Discounted Value for the full actuarially-determined lives of all participants for whom benefits are restored. In the event that actual Net DWSD Transaction Proceeds from the DWSD CVR do not equal 50% of the contemplated Net DWSD Transaction Proceeds as of the date of the Value Determination, the Investment Committees of the Retirement Systems will reduce or eliminate the Special Restoration benefits, as applicable, by the amount that 50% of the Discounted Value exceeds the actual Net DWSD Transaction Proceeds from the DWSD CVR received or projected to be received using a 6.75% discount rate. In the event that the Retiree Committee, the Restoration Trust or the City, as applicable, does not agree with the reduction in the Special Restoration benefits, the Retiree Committee or the Restoration Trust, as applicable, or the City may consult with the trustees and Investment Committees of PFRS or GRS with respect to any such reduction. Neither the Retiree Committee nor the Restoration Trust shall have any right to initiate any enforcement proceeding with respect to Special Restoration.

### **2. General Restoration**

Any Net DWSD Transaction Proceeds from the DWSD CVR distributed by the Restoration Trust on account of a Qualifying DWSD Transaction consummated after the Effective Date, if such Qualifying Transaction was not fully executed and enforceable before the Effective Date, shall be utilized for the purpose of funding the pension trusts, and such cash contributions shall be included in any calculations allowing for the restoration of benefits in accordance with the general rules governing pension restoration as provided for in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C.

**G. The OPEB Settlement.**

The City and the Retiree Committee have reached a settlement related to the allowance and calculation of the OPEB Claims in Class 12 and the treatment of such Allowed OPEB Claims, the terms of which settlement are reflected in the Plan. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, such settlement pursuant to Bankruptcy Rule 9019.

**H. The LTGO Settlement.**

The City, the LTGO Insurer and BlackRock Financial Management have reached a settlement related to the treatment of Allowed Limited Tax General Obligation Bond Claims, the terms of which settlement are reflected in the Plan. Pursuant to the LTGO Settlement Agreement, Distributions attributable to the Insured LTGO Bonds shall be made to the LTGO Distribution Agent (as opposed to directly to the record owners of the Insured LTGO Bonds or to the LTGO Insurer) for the benefit of the record owners of the Insured LTGO Bonds in accordance with the LTGO Settlement Agreement. In the event that the City intends to redeem the principal amount of New LTGO Notes during any time that the Insured LTGO Bonds are outstanding, the City and the LTGO Distribution Agent shall be required to take certain actions as described in the LTGO Settlement Agreement. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the LTGO Settlement Agreement pursuant to Bankruptcy Rule 9019.

**I. Prosecution of COP Litigation.**

**1. Creation of Litigation Trust.**

From and after the Effective Date, the City will remain a named plaintiff and defendant in the COP Litigation, but shall transfer all of its rights and interests in the COP Litigation to the Litigation Trust. The beneficiaries of the Litigation Trust, for the purpose of the COP Litigation, shall be the LTGO Litigation Parties and the Holders of Allowed Other Unsecured Claims. The document creating the Litigation Trust shall include indemnification of the Litigation Trustee by the City and will contain such other terms satisfactory to the Retiree Committee, the LTGO Insurer and the City.

**2. Direction of COP Litigation.**

The Litigation Trustee shall follow the day to day direction of the VEBA Trust Representatives in prosecuting and defending the COP Litigation, including defending any counterclaims and third-party claims therein. The Litigation Trustee and VEBA Trust Representatives shall meet, in person or by phone at reasonable times and with reasonable advance notice, with all or any of the LTGO Litigation Parties, as requested, to discuss the COP Litigation. The Litigation Trustee shall provide copies of all court filings by any party in the COP Litigation and such other documents relating to the COP Litigation as may be reasonably requested by the LTGO Litigation Parties. Upon request from a LTGO Litigation Party, the Litigation Trustee will provide to such LTGO Litigation Party drafts of court papers that will be Filed by the Litigation Trustee as early as practicable under the circumstances.

**3. Payment of Fees and Expenses.**

The cost of all fees and expenses incurred by the Litigation Trustee in connection with the COP Litigation and distributions set forth in Section II.B.3.p.iii.B shall be borne by the Disputed COP Claims Reserve, subject to the funding of the Disputed COP Claims Reserve pursuant to Section II.B.3.p.iii.B.1. The Litigation Trustee's fees shall be fixed and consented to by the LTGO Insurer and the VEBA Trustee Representatives.

The Litigation Trustee shall submit to the City on a monthly basis invoices for its fees and expenses incurred in connection with the COP Litigation and distributions set forth in Section II.B.3.p.iii.B, including for the Litigation Trustee's professional fees. The City shall pay such invoices within 30 days of receipt of such invoices, pending reimbursement from the Disputed COP Claims Reserve. Reimbursement of the City from the Disputed COP Claims Reserve will be effected by an offset in the amount of fees and expenses paid to the date of such reimbursement against the amount to be paid by the City to the Disputed COP Claims Reserve on that date.

In the event that a Final Order is entered against the City or the Litigation Trust, as successor in interest to the City, in the COP Litigation such that the New B Notes in the Disputed COP Claims Reserve are subject to Distribution to the Holders of Allowed COP Claims in accordance with the Plan, the City will reimburse the Disputed COP Claims Reserve for any amounts withdrawn from the Disputed COP Claims Reserve prior to the date of such Final Order becoming a Final Order.

#### **4. Settlement of COP Litigation.**

The Litigation Trustee shall consult with the LTGO Litigation Parties in connection with any potential settlement of the COP Litigation. The Litigation Trustee shall provide the LTGO Litigation Parties with advance notice, as early as practicable under the circumstances, of any COP Litigation settlement negotiations, and the LTGO Litigation Parties and their counsel shall have the right to participate in such negotiations. Any potential settlement of the COP Litigation must resolve the settled claims in their entirety, including the release by the settling party of all counterclaims and third party claims relating to the settled claims that it made or could have made against any party. The Litigation Trustee will not take any Subject COP Litigation Actions without the consent of the LTGO Litigation Parties. The Litigation Trustee will not enter into a Subject COP Litigation Settlement without the consent of the LTGO Insurer.

In the event that, after consultation with the Litigation Trustee, (i) the LTGO Insurer does not consent to the Litigation Trustee entering into a Subject COP Litigation Settlement or (ii) the LTGO Litigation Parties do not consent to the Litigation Trustee taking a Subject COP Litigation Action, the Litigation Trustee or any LTGO Litigation Party may present the issue to the LTGO Independent Party for mediation and resolution. The LTGO Independent Party shall conduct a mediation to attempt to consensually resolve the issue. If a consensual resolution cannot be reached, the LTGO Independent Party shall resolve the issue or issues, which resolution will be binding on the LTGO Insurer or the LTGO Litigation Parties, as the case may be, and the Litigation Trustee. Subject to such mediation, the Litigation Trustee shall have the authority to take whatever action may be required to avoid potentially adverse or prejudicial consequences of inaction in the COP Litigation. The City, the COP Litigation Counsel, the VEBA Trust Representatives and the LTGO Insurer shall take any steps that may be required to preserve applicable privileges of the City and the COP Litigation Counsel with regard to the COP Litigation.

#### **5. Distributions to Settling COP Claimants.**

The Litigation Trustee shall provide the distributions to the Settling COP Claimants as set forth in Section II.B.3.p.iii.B.

#### **J. The Syncora Settlement**

The City and Syncora have reached a settlement effecting a global resolution of all matters and litigation between the parties related to the Chapter 9 Case, as set forth in the Syncora Settlement Documents (the terms of which qualify and control over any description of the Syncora Settlement contained herein). Pursuant to the Syncora Settlement, and in accordance with the Plan, among other things: (1) the City shall, pursuant to Section II.D.1, assume the Tunnel Lease; (2) the parties shall enter into the Development Agreement; (3) the parties shall dismiss or withdraw the Dismissed Syncora Litigation as set forth in the Syncora Settlement Agreement; (4) any vote cast by Syncora to reject the Plan shall be deemed a vote to accept the Plan; (5) Syncora shall support Confirmation; and (6) on the Effective Date or as soon thereafter as practical, the City shall pay the sum of \$5 million in full satisfaction of all of Claims filed or asserted against the City by Syncora relating to the COP Swap Agreements and any agreements related thereto, including the COP Syncora Swap Insurance Policies and the COP Swap Collateral Agreement. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving and authorizing the parties to enter into, (1) the Syncora Settlement pursuant to Bankruptcy Rule 9019 and (2) the related Development Agreement. The City shall not amend the Plan in any way that adversely affects Syncora without Syncora's prior written consent.

**K. Issuance of the New Securities.**

The City shall issue the New Securities on the Effective Date or a subsequent Distribution Date, as applicable. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the issuance of New Securities as contemplated by the Plan is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of securities. The New Securities (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of the City or applicable issuer as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 days of such transfer, and (iii) is not an entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code.

**L. Cancellation of Existing Bonds, Bond Documents, COPs and COP Documents.**

Except (a) as provided in any contract, instrument or other agreement or document entered into or delivered in connection with the Plan, (b) for purposes of evidencing a right to Distribution under the Plan or (c) as specifically provided otherwise in the Plan (including any rejection of Executory Contracts pursuant to Section II.D), on the Effective Date, the Bonds, the Bond Documents, the COPs and the COP Documents will be deemed automatically cancelled, terminated and of no further force or effect against the City without any further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the parties to the City, as applicable, under the Bonds, the Bond Documents, the COPs and the COP Documents shall be discharged; provided, however, that the Bonds, the Bond Documents, the COPs and the COP Documents shall continue in effect solely (i) to allow the Disbursing Agent to make any Distributions as set forth in the Plan and to perform such other necessary administrative or other functions with respect thereto, (ii) for any trustee, agent, contract administrator or similar entity under the Bond Documents or COP Documents to have the benefit of all the rights and protections and other provisions of the Bond Documents or COP Documents, as applicable, and all other related agreements with respect to priority in payment and lien rights with respect to any Distribution, (iii) to set forth the terms and conditions applicable to parties to the Bond Documents and COP Documents other than the City, (iv) as may be necessary to preserve any claim by (1) a Bondholder or Bond Agent under a Bond Insurance Policy or against any Bond Insurer, (2) a COPs Holder or COP Agent under a COP Insurance Policy or against any COP Insurer or (3) a COP Swap Counterparty under a Swap Insurance Policy or against any insurer thereunder and (v) with respect to any obligation of any party (other than the City, except to the extent provided in the COP Swap Settlement or the COP Swap Settlement Approval Order) under any COP Document related to such party's obligations owed in respect of the COP Swap Documents or the COP Swap Claims. Notwithstanding the foregoing, and except as otherwise expressly provided in the Plan (or the COP Swap Settlement or the COP Swap Settlement Approval Order), such Bonds, Bond Documents, COPs or COP Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City. Nothing in the Plan impairs, modifies, affects or otherwise alters the rights of (a) Bondholders or Bond Agents with respect to claims under applicable Bond Insurance Policies or against the Bond Insurers, (b) COPs Holders or COP Agent with respect to claims under COP Insurance Policies and obligations related thereto or (c) COP Swap Counterparties with respect to claims under Swap Insurance Policies and obligations related thereto. For the avoidance of doubt, except for the immediately preceding sentence, this Section IV.L shall not apply to any Bonds that are Reinstated pursuant to Section II.B.3.a.ii.

**M. Release of Liens.**

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, or where a Claim is Reinstated, on the Effective Date, all Liens against the City's property will be deemed fully released and discharged, and all of the right, title and interest of any holder of such Liens, including any rights to any collateral thereunder, will revert to the City. As of the Effective Date, (1) the holders of such Liens will be authorized and directed to release any collateral or other property of the City (including any cash collateral) held by such Holder and to take such actions as may be requested by the City to evidence the release of such Lien, including the execution, delivery, filing or recording of such releases as may be requested by the City, and (2) the City shall be authorized to execute and file on behalf of creditors Form UCC-3 termination statements or such other forms as may be necessary or appropriate to implement the provisions of this Section IV.M.



## **N. Professional Fees**

### **1. Professional Fee Reserve**

On the Effective Date, the City shall establish and fund the Professional Fee Reserve from the General Fund or, where applicable, the DWSD's funds, in an amount determined by the City to be sufficient to pay the Fee Review Professional Fees that remain unpaid as of the Effective Date, solely to the extent that such amounts are payable from the General Fund or the DWSD's funds. The initial amount of the Professional Fee Reserve shall be equal to the sum of (a) all invoices received from Fee Review Professionals as of the establishment and funding of the Professional Fee Reserve to the extent not yet paid (including holdbacks) and (b) an estimate of the Fee Review Professionals' unbilled fees through the Effective Date as determined by the City in consultation with the Fee Review Professionals, which estimate shall be no lower than 125% of the aggregate amount of the highest monthly invoices respectively submitted by each Fee Review Professional pursuant to the Fee Review Order prior to the establishment and funding of the Professional Fee Reserve. The funds held in the Professional Fee Reserve may not be used for any purpose other than the payment of Fee Review Professional Fees until any and all disputes regarding the Fee Review Professional Fees, including any disputes arising under the Fee Review Order, have been fully and finally resolved pursuant to a Final Order or a stipulation between the disputing parties. Any amounts remaining in the Professional Fee Reserve after final resolution of all such disputes and the payment of all Fee Review Professional Fees determined to be reasonable in accordance with the Fee Review Order shall be released to the General Fund or the DWSD's funds, as applicable. If the Professional Fee Reserve is insufficient to pay all Fee Review Professional Fees that are determined to be reasonable in accordance with the Fee Review Order and that are payable from the General Fund or the DWSD's funds, the City shall pay such additional amounts from the General Fund or the DWSD's funds, as applicable.

### **2. Fee Review Order**

The Fee Examiner shall review all fees and expenses of the Fee Review Professionals for the period from the Petition Date and ending on the Effective Date in accordance with the terms of the Fee Review Order. For the avoidance of doubt, the Fee Review Order shall not apply to any fees or expenses of the Fee Review Professionals for the period on and after the Effective Date, and the Fee Examiner shall not review any such fees or expenses; provided, however, that all fees and expenses of the Fee Examiner Parties, whether incurred before, on or after the Effective Date, shall remain subject to review and approval of the Bankruptcy Court pursuant to the terms of the Fee Review Order.

### **3. Dismissal of the Fee Examiner**

Once the Fee Examiner completes his review of all Fee Review Professional Fees and submits or Files all reports related thereto as required by the Fee Review Order, the Fee Examiner shall be dismissed of all duties and obligations under the Fee Examiner Order and the Fee Review Order, other than any obligations of confidentiality thereunder. The confidentiality obligations of the Fee Examiner and the other Fee Examiner Parties, including the confidentiality obligations set forth in paragraph 22 of the Fee Review Order, shall remain binding from and after the Effective Date.

### **4. Potential Review of Fees Not Subject to Fee Review Order**

The City shall have the right to bring before the Bankruptcy Court a request to review and determine the reasonableness of the fees and expenses of any Fee Review Professional retained by a creditor of the City or any of its departments to the extent that such fees and expenses have not been either (a) approved pursuant to or in accordance with the DWSD Tender Order, (b) subject to court review or (c) subject to a Bankruptcy Court-approved or agreed upon process for binding arbitration.

### **5. Court-Appointed Expert**

The Court-appointed expert, Martha E. M. Kopacz of Phoenix Management Services, and her counsel shall be compensated for any reasonable fees and expenses incurred through the Confirmation Date in

accordance with the terms of the Court's Order Appointing Expert Witness (Docket No. 4215), entered on April 22, 2014, as amended.

**O. Assumption of Indemnification Obligations.**

Notwithstanding anything otherwise to the contrary in the Plan, nothing in the Plan shall discharge or impair the obligations of the City as provided in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements as of the Petition Date to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of officers and employees of the City (consistent with the injunction provisions of Section III.D.5 and including the members of the City Council, the Mayor and the Emergency Manager) and their Related Entities, in each case to the extent such Entities were acting in such capacity, against any claims or causes of action whether direct or derivative, liquidated or unliquidated, foreseen or unforeseen, asserted or unasserted; provided that this Section IV.O shall be read in conjunction with the provisions for Indirect Employee Indemnity Claims set forth in Section III.D.5. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan and shall be discharged. For the avoidance of doubt, no indemnification provision in any loan document, bond document, Bond Insurance Policy or other agreement with a Bond Insurer is exempted from discharge by reason of this Section IV.O.

**P. Incorporation of Retiree Health Care Settlement Agreement.**

The terms of the Retiree Health Care Settlement Agreement resolving the Retiree Health Care Litigation, which agreement is attached hereto as Exhibit I.A.293, are incorporated herein by reference and shall be binding upon the parties thereto.

**Q. Payment of Workers' Compensation Claims.**

From and after the Effective Date, (a) the City will continue to administer (either directly or through a third party administrator) and pay all valid claims for benefits and liabilities for which the City is responsible under applicable State workers' compensation law, regardless of when the applicable injuries were incurred, in accordance with the City's prepetition practices and procedures and governing State workers' compensation law, and (b) nothing in the Plan shall discharge, release or relieve the City from any current or future liability under applicable State workers' compensation law. The City expressly reserves the right to challenge the validity of any claim for benefits or liabilities arising under applicable State workers' compensation law.

**R. 36th District Court Settlement.**

The City and the Settling 36th District Court Claimants have reached a settlement related to (1) the allowance of certain of the Settling 36th District Court Claimants' Claims and (2) the treatment of Allowed Indirect 36th District Court Claims under the Plan substantially on the terms attached hereto as Exhibit I.A.9. The 36th District Court Settlement is incorporated into the Plan, which shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, such settlement pursuant to Bankruptcy Rule 9019.

**S. Payment of Certain Claims Relating to the Operation of City Motor Vehicles.**

From and after the Effective Date, the City will continue to administer (either directly or through a third party administrator) and pay valid prepetition Claims for liabilities with respect to which the City is required to maintain insurance coverage pursuant to MCL § 500.3101 in connection with the operation of the City's motor vehicles, as follows: (1) Claims for personal protection benefits as provided by MCL § 500.3107 and MCL § 500.3108, for which insurance coverage is required by MCL § 500.3101(1), shall be paid in full, to the extent valid, provided, however, that the City will not be liable for or pay interest or attorneys' fees under MCL § 500.3142 or MCL § 500.3148 on prepetition Claims for personal protection benefits; (2) tort claims permitted by MCL § 500.3135, for which residual liability insurance coverage is required by MCL § 500.3101(1) and MCL § 500.3131, shall be paid, to the extent valid, only up to the minimum coverages specified by MCL § 500.3009(1), i.e., up to a maximum of (a) \$20,000 because of bodily injury to or death of one person in any one accident, and subject to that

limit for one person, (b) \$40,000 because of bodily injury to or death of two or more persons in any one accident and (c) \$10,000 because of injury to or destruction of property of others in any accident; and (3) Claims for property protection benefits under MCL § 500.3121 and MCL § 500.3123 shall be paid, to the extent valid, only up to the maximum benefits specified in MCL § 500.3121; provided, however, for the avoidance of doubt, to the extent any valid Claim subject to subsections 2 and 3 above exceeds the applicable payment limits, the excess claim amount shall be treated as an Other Unsecured Claim or a Convenience Claim (as applicable). Nothing in the Plan shall discharge, release or relieve the City from any current or future liability with respect to Claims subject to insurance coverage pursuant to MCL § 500.3101 or Claims within the minimum coverage limits in MCL § 500.3009(1). The City expressly reserves the right to challenge the validity of any Claim subject to this Section IV.S, and nothing herein shall be deemed to expand the City's obligations or claimants' rights with respect to these Claims under State law.

**T. Payment of Tax Refund Claims.**

From and after the Effective Date, the City will continue to administer (either directly or through a third party administrator) and pay all valid claims for income tax refunds and property tax refunds for which the City is responsible under applicable law, regardless of when the applicable right to a refund arose, in accordance with the City's prepetition practices and procedures. The City expressly reserves the right to challenge the validity of any claim for an income tax refund or property tax refund.

**U. Utility Deposits.**

From and after the Effective Date, the City will continue to administer utility deposits in accordance with the City's prepetition practices and procedures, including the payment of any undisputed, non-contingent, liquidated claims against the City for the refund of a utility deposit.

**V. Pass-Through Obligations.**

The City shall continue to honor its Pass-Through Obligations to the Pass-Through Recipients.

**W. Exit Facility.**

On the Effective Date, the City shall enter into the Exit Facility, as well as any ancillary notes, documents or agreements in connection therewith, including, without limitation, any documents required in connection with the creation or perfection of the liens securing the Exit Facility.

**X. Post-Effective Date Governance.**

Prior to or on the Effective Date, the Financial Review Commission shall be established pursuant to and in accordance with the Financial Review Commission Act. The Financial Review Commission shall provide oversight as set forth in the Financial Review Commission Act, including to ensure that, post-Effective Date, the City adheres to the Plan and continues to implement financial and operational reforms that promote more efficient and effective delivery of services to City residents. The City shall promptly provide to the Bankruptcy Court copies of any reports given to, or received from, the Financial Review Commission. Nothing herein shall expand, limit or otherwise modify the role or powers of the Financial Review Commission.

**ARTICLE V  
PROVISIONS REGARDING DISTRIBUTIONS UNDER THE PLAN**

**A. Appointment of Disbursing Agent.**

The City may act as Disbursing Agent or may employ or contract with other Entities to act as the Disbursing Agent or to assist in or make the Distributions required by the Plan. Any Disbursing Agent appointed by the City will serve without bond. Other than as specifically set forth in the Plan, the Disbursing Agent shall make all Distributions required to be made under the Plan.

**B. Distributions on Account of Allowed Claims.**

Except as otherwise provided in the Plan, on the Effective Date or as soon as practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive from the Disbursing Agent, the Bond Agent or the COP Agent, as applicable, the Distributions that the Plan provides for Allowed Claims in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, Distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Section VI.B. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the Distributions provided for in the Plan, regardless of whether such Distributions are delivered on or at any time after the Effective Date. Notwithstanding anything to the contrary in the Plan, no Holder of an Allowed Claim shall, on account of such Allowed Claim, receive a Distribution in excess of the Allowed amount of such Claim.

**C. Certain Claims to Be Expunged.**

Any Claim that has been or is hereafter listed in the List of Creditors as contingent, unliquidated or disputed, and for which no proof of Claim is or has been timely Filed, is not considered to be an Allowed Claim and shall be expunged without further action by the City and without further notice to any party or any action, approval or order of the Bankruptcy Court.

**D. Record Date for Distributions; Exception for Bond Claims.**

With the exception of Bond Claims, neither the City nor any Disbursing Agent will have any obligation to recognize the transfer of, or the sale of any participation in, any Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims (including Holders of Claims that become Allowed after the Distribution Record Date) that are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date. With the exception of the Bond Claims, the City and any Disbursing Agent shall instead be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official Claims Register as of the close of business on the Distribution Record Date. Unless otherwise set forth in the Confirmation Order, the City shall not establish a record date for Distributions to Holders of Bond Claims.

**E. Means of Cash Payments.**

Except as otherwise specified herein, all Cash payments made pursuant to the Plan shall be in U.S. currency and made by check drawn on a domestic bank selected by the Disbursing Agent or, at the option of the Disbursing Agent, by wire transfer, electronic funds transfer or ACH from a domestic bank selected by the Disbursing Agent; provided, however, that Cash payments to foreign Holders of Allowed Claims may be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

**F. Selection of Distribution Dates for Allowed Claims.**

Except where the Plan requires the making of a Distribution on account of a particular Allowed Claim within a particular time, the Disbursing Agent shall have the authority to select Distribution Dates that, in the judgment of the Disbursing Agent, provide Holders of Allowed Claims with payments as quickly as reasonably practicable while limiting the costs incurred in the distribution process. Upon the selection of a Distribution Date by the Disbursing Agent, the Disbursing Agent shall File a notice of such Distribution Date that provides information regarding the Distribution to be made.

**G. Limitations on Amounts to Be Distributed to Holders of Allowed Claims Otherwise Insured.**

No Distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the City's insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy; provided that, if the City believes a Holder of an Allowed Claim has recourse to an insurance policy and intends to direct the Disbursing Agent to withhold a Distribution pursuant to this Section V.G, the City shall provide written notice to such Holder regarding what the City believes to be the nature and scope of applicable insurance coverage. To the extent that one or more of the City's insurance carriers agrees to satisfy a Claim in full, then immediately upon such agreement such Claim may be expunged without a Claims objection having to be Filed and without any further notice or any action, order or approval of the Bankruptcy Court. Nothing in the Plan, including this Section V.G, shall constitute a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities that any Entity may hold against any other Entity, including the City's insurance carriers and Bond Insurers, other than the City. For the avoidance of doubt, this Section shall not apply to Bond Insurance Policies or Swap Insurance Policies.

**H. City's Rights of Setoff Preserved.**

Notwithstanding anything to the contrary in the Plan, pursuant to section 553 of the Bankruptcy Code or otherwise applicable non-bankruptcy law, the City may set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim the claims, rights and Causes of Action of any nature that the City may assert against the Holder of such Claim; provided, however, that neither the failure to effect a setoff nor the allowance of any Claim pursuant to the terms of the Plan shall constitute a waiver or release by the City of any claims, rights and Causes of Action that the City may assert against such Holder, all of which are expressly preserved.

**I. Delivery of Distributions and Undeliverable or Unclaimed Distributions.**

**1. Delivery of Distributions Generally.**

Except as set forth in Section V.I.2, Distributions to Holders of Allowed Claims shall be made at the addresses set forth in the City's records unless such addresses are superseded by proofs of Claim or transfers of Claim Filed pursuant to Bankruptcy Rule 3001.

**2. Delivery of Distributions on Account of Bond Claims.**

Distributions on account of the Bond Claims shall (a) be made by the Disbursing Agent to the Bond Agent under the applicable Bond Documents for the benefit of Holders of Bond Claims and (b) be deemed completed when made by the Disbursing Agent to the Bond Agent as if such Distributions were made directly to the Holders of such Claims. The applicable Bond Agent, in turn, shall make such distributions to the applicable Holders pursuant to the terms and conditions of the applicable Bond Documents and subject to the respective rights, claims and interests, if any, that the Bond Agent may have under the applicable Bond Documents or otherwise to the recovery or reimbursement of their fees, costs and expenses (including the fees, costs and expenses of counsel and financial advisors) from any distribution hereunder, whether such rights, claims or interests are in the nature of a charging lien or otherwise. The Bond Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to such Distributions.

**3. Delivery of Distributions on Account of COP Claims.**

Except as otherwise provided herein, Distributions on account of the COP Claims shall (a) be made by the Disbursing Agent to the COP Agent under the applicable COP Documents for the benefit of Holders of COP Claims and (b) be deemed completed when made by the Disbursing Agent to the COP Agent as if such Distributions were made directly to the Holders of such Claims. The applicable COP Agent, in turn, shall make such distributions to the applicable Holders pursuant to the terms and conditions of the applicable COP Documents and subject to the respective rights, claims and interests, if any, that the COP Agent may have under the applicable COP Documents or otherwise to the recovery or reimbursement of their fees, costs and expenses (including the fees,

costs and expenses of counsel and financial advisors) from any distribution hereunder, whether such rights, claims or interests are in the nature of a charging lien or otherwise. The COP Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to such Distributions.

**4. De Minimis Distributions / No Fractional New Securities.**

No distribution shall be made by the Disbursing Agent on account of an Allowed Claim if the amount to be distributed to the specific Holder of an Allowed Claim on the applicable Distribution Date has an economic value of less than \$25.00. No fractional New Securities shall be distributed. Where a fractional portion of a New Security otherwise would be called for under the Plan, the actual issuance shall reflect a rounding down to the nearest whole New Security.

**5. Undeliverable or Unclaimed Distributions.**

In the event that any Distribution to any Holder is returned as undeliverable, no Distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such Distribution shall be made to such Holder without interest.

**Any Holder of an Allowed Claim that does not claim an undeliverable or unclaimed Distribution within six months after the Effective Date shall be deemed to have forfeited its claim to such Distribution and shall be forever barred and enjoined from asserting any such claim against the City or its property.** In such cases, any Cash held by the City on account of such undeliverable or unclaimed Distributions shall become the property of the City free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Any New Securities held for distribution on account of such Claims shall be canceled and of no further force or effect. Nothing contained in the Plan shall require any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

**6. Time Bar to Cash Payment Rights.**

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Disbursing Agent by the Holder of the Allowed Claim to whom such check originally was issued within 180 days after the date of the original check issuance. After such date, the Claim of any Holder to the amount represented by such voided check shall be released and forever barred from assertion against the City and its property.

**J. Other Provisions Applicable to Distributions in All Classes.**

**1. No Postpetition Interest.**

Except as otherwise specifically provided for in the Plan, or required by applicable bankruptcy law, the City shall have no obligation to pay any amount that constitutes or is attributable to interest on an Allowed Claim accrued after the Petition Date and no Holder of a Claim shall be entitled to be paid any amount that constitutes or is attributable to interest accruing on or after the Petition Date on any Claim without regard to the characterization of such amounts in any document or agreement or to whether such amount has accrued for federal income tax purposes. Any such amount that constitutes or is attributable to interest that has been accrued and has not been paid by the City shall be cancelled as of the Effective Date for federal income tax purposes.

**2. Compliance with Tax Requirements.**

In connection with the Plan and all instruments issued in connection therewith and distributed thereon, the City and any Disbursing Agent shall comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions under the Plan shall be subject to such withholding and reporting requirements. All such amounts withheld and paid to the appropriate governmental unit shall be treated as if made directly to the Holder of an Allowed Claim. The City and the Disbursing Agent shall be authorized to take any actions that they determine, in their reasonable discretion, to be necessary or appropriate to

comply with such withholding and reporting requirements, including withholding Distributions pending receipt of information necessary to facilitate such Distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

Notwithstanding any other provision of the Plan, each Entity receiving or deemed to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax imposed on such Entity on account of such Distribution, including income, withholding and other Tax obligations. The City has the right, but not the obligation, to refuse, or to direct a Disbursing Agent to refuse, to make a Distribution until a Holder of an Allowed Claim has made arrangements satisfactory to the City and any Disbursing Agent for payment of any such Tax obligations. The City may require, as a condition to making a Distribution, that the Holder of an Allowed Claim provide the City or any Disbursing Agent with a completed Form W-8, W-9 or other Tax information, certifications and supporting documentation, as applicable.

If the City makes such a request and the Holder of an Allowed Claim fails to comply before the date that is 180 days after the initial request is made, the amount of such Distribution shall irrevocably revert to the City and any Claim in respect of such Distribution shall be released and forever barred from assertion against the City and its property.

### **3. Allocation of Distributions.**

All Distributions to Holders of Allowed Claims that have components of principal and interest shall be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such Distributions, if any, shall be deemed to apply to any applicable accrued interest included in such Claim to the extent interest is payable under the Plan.

### **4. Surrender of Instruments.**

As a condition to participation under this Plan, the Holder of a note, debenture or other evidence of indebtedness of the City that desires to receive the property to be distributed on account of an Allowed Claim based on such note, debenture or other evidence of indebtedness shall surrender such note, debenture or other evidence of indebtedness to the City or its designee (unless such Holder's Claim will not be Impaired by the Plan, in which case such surrender shall not be required), and shall execute and deliver such other documents as are necessary to effectuate the Plan; provided, however, that, if a claimant is a Holder of a note, debenture or other evidence of indebtedness for which no physical certificate was issued to the Holder but which instead is held in book-entry form pursuant to a global security held by the Depository Trust Company or other securities depository or custodian thereof, there shall be no requirement of surrender. In the City's sole discretion, if no surrender of a note, debenture or other evidence of indebtedness occurs and the Holder of Claim does not provide an affidavit and indemnification agreement, in form and substance reasonably satisfactory to the City, that such note, debenture or other evidence of indebtedness was lost, then no distribution may be made to such Holder in respect of the Claim based on such note, debenture or other evidence of indebtedness. For the avoidance of doubt, (a) no Bond, note, debenture or other evidence of indebtedness of the City shall be surrendered or deemed surrendered that is subject to any Bond Insurance Policy and (b) no COP shall be surrendered or deemed surrendered hereby to the extent necessary to make or preserve a claim under any applicable policies or other instruments insuring the COPs and obligations related thereto or against any party, other than the City, that insures the COPs. Notwithstanding the foregoing, such Bonds or Bond Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City.

**ARTICLE VI**  
**PROCEDURES FOR RESOLVING DISPUTED CLAIMS**

**A. Treatment of Disputed Claims.**

**1. General.**

No Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order (including the Confirmation Order) allowing such Claim. Notwithstanding any other provision of the Plan, no payments or Distributions shall be made on account of a Disputed Claim until such Claim becomes an Allowed Claim. Without limiting the foregoing in any way, no partial payments and no partial Distributions will be made with respect to a disputed, contingent or unliquidated Claim, or with respect to any Claim for which a proof of Claim has been Filed but not Allowed, until the resolution of such disputes or estimation or liquidation of such Claim by settlement or by Final Order.

**2. ADR Procedures.**

At the City's option, any Disputed Claim designated or eligible to be designated for resolution through the ADR Procedures may be submitted to the ADR Procedures in accordance with the terms thereof and the ADR Procedures Order. For the avoidance of doubt, the designation of a Disputed Claim for resolution through the ADR Procedures, either prior to or after the Effective Date, will not modify, and will not be deemed to have modified, the terms of the ADR Injunction imposed pursuant to the ADR Procedures Order. Disputed Claims not resolved through the ADR Procedures will be resolved pursuant to the Plan.

**3. Tort Claims.**

At the City's option, any unliquidated Tort Claim (as to which a proof of Claim was timely Filed in the Chapter 9 Case) not resolved through the ADR Procedures or pursuant to a Final Order of the Bankruptcy Court will be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date (subject to the City's right to seek removal or transfer of venue) or, if no action was pending on the Effective Date, in an administrative or judicial tribunal of appropriate jurisdiction that (a) has personal jurisdiction over the parties, (b) has subject matter jurisdiction over the Tort Claim and (c) is a proper venue. The City may exercise the above option by service upon the holder of the applicable Tort Claim of a notice informing such holder that the City has exercised such option (which notice shall be deemed to satisfy the notice requirements of Section I.B of the ADR Procedures). Upon the City's service of such notice, the automatic stay imposed pursuant to sections 362 and 922 of the Bankruptcy Code (along with any extension of such stay pursuant to the terms of the Stay Extension Order) or, after the Effective Date, the injunction set forth at Section III.D.5, will be deemed modified, without the necessity for further Bankruptcy Court approval or any further action by the City, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claim in the applicable administrative or judicial tribunal(s); provided that nothing contained in this Section will modify, or will be deemed to have modified, the terms of the Stay Extension Order with respect to any Tort Claim prior to the City having served notice of its intent to determine and liquidate such Tort Claim pursuant to this Section. If the City does not serve such a notice upon a holder of a Tort Claim by the Claims Objection Bar Date, such holder may file a motion with the Bankruptcy Court no later than 30 days after the Claims Objection Bar Date seeking relief from the discharge injunction imposed pursuant to Section III.D.5 in order to liquidate and determine its Claim, which right and the deadline for exercising such right shall be set forth in the notice of entry of the Confirmation Order.

Any Tort Claim determined and liquidated pursuant to a judgment obtained in accordance with this Section VI.A.3 and applicable non-bankruptcy law that is no longer appealable or subject to review will be deemed an Allowed Claim, provided that only the amount of such Allowed Tort Claim that is not satisfied from proceeds of insurance payable to the holder of such Allowed Tort Claim will be treated as an Allowed Claim for the purposes of distributions under the Plan and subject to the terms of the Plan. Distributions on account of any such Allowed Tort Claim shall be made in accordance with the Plan. Nothing contained in this Section will constitute or be deemed a waiver of any claim, right or Cause of Action that the City may have against any Entity in connection with or arising out of any Tort Claim, including any rights under section 157(b)(5) of title 28 of the United States



Code. All claims, demands, rights, defenses and Causes of Action that the City may have against any Entity in connection with or arising out of any Tort Claim are expressly retained and preserved.

**B. Disputed Claims Reserve.**

On and after the Effective Date, until such time as all Disputed Claims have been compromised and settled or determined by Final Order and before making any Distributions, consistent with and subject to section 1123(a)(4) of the Bankruptcy Code, the City shall establish and maintain a reserve of property equal to (1) the Distributions to which Holders of Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims in the Face Amount of such Disputed Claims or (2) such lesser amount as required by an order of the Bankruptcy Court. On the first Distribution Date that is at least 30 days (or such fewer days as may be agreed to by the City in its sole discretion) after the date on which a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall remit to the Holder of such Allowed Claim any Distributions such Holder would have been entitled to under the Plan on account of such Allowed Claim had such Claim been Allowed as of the Effective Date. If a Disputed Claim is disallowed by Final Order, the property reserved on account shall become available for Distribution to the Holders of Allowed Claims within the Class(es) entitled to receive such property. Each Holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the assets held in the disputed claims reserve and not to any other assets held by the City, its property or any property previously distributed on account of any Allowed Claim. Notwithstanding the foregoing, the disputed claim reserve established pursuant to this Section shall not include any reserve of property on account of Disputed COP Claims, which shall receive the treatment set forth in Section II.B.3.p.iii.

**C. Objections to Claims.**

**1. Authority to Prosecute, Settle and Compromise.**

The City's rights to object to, oppose and defend against all Claims on any basis are fully preserved. Except as otherwise provided in Section II.B.3.p.i with respect to Disputed COP Claims, as of the Effective Date, only the City shall have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to the ADR Procedures or any similar procedures approved by the Bankruptcy Court. Any objections to Claims shall be Filed no later than the Claims Objection Bar Date. On and after the Effective Date, the City may settle or compromise any Disputed Claim or any objection or controversy relating to any Claim without any further notice or any action, order or approval of the Bankruptcy Court.

**2. Expungement or Adjustment of Claims Without Objection.**

Any Claim that has been paid, satisfied or superseded shall be expunged from the Claims Register by the Claims and Balloting Agent at the request of the City, and any Claim that has been amended by the Holder of such Claim shall be adjusted on the Claims Register by the Claims and Balloting Agent at the request of the City, without the Filing of an objection and without any further notice or any action, order or approval of the Bankruptcy Court.

**3. Extension of Claims Objection Bar Date.**

Upon motion by the City to the Bankruptcy Court, the City may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to specific Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a modification to the Plan under section 1127 of the Bankruptcy Code.

**4. Authority to Amend List of Creditors.**

The City will have the authority to amend the List of Creditors with respect to any Claim and to make Distributions based on such amended List of Creditors without approval of the Bankruptcy Court. If any such amendment to the List of Creditors reduces the amount of a Claim or changes the nature or priority of a Claim, the City will provide the Holder of such Claim with notice of such amendment and such Holder will have 20 days to

File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, the Disbursing Agent may proceed with Distributions based on such amended List of Creditors without approval of the Bankruptcy Court.

## **ARTICLE VII RETENTION OF JURISDICTION**

Pursuant to sections 105(c), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, estimate, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the amount, allowance, priority or classification of Claims;

B. Confirm the maturity date and the terms as written of the collective bargaining agreements identified on Exhibit II.D.5 of the Plan, which agreements are incorporated as part of the Plan (it being understood that the enforcement, interpretation and resolution of disputes of the terms of the contracts shall proceed under applicable state law);

C. Resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including claims for payment of any cure amount;

D. Ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

E. Adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving the City that may be pending on the Effective Date or brought thereafter;

F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;

H. Approve any modification of the Plan or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or enter any order in aid of confirmation pursuant to sections 945 and 1142(b) of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate the Plan;

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

J. Adjudicate, decide or resolve any matters relating to the City's compliance with the Plan and the Confirmation Order consistent with section 945 of the Bankruptcy Code;

K. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or Distributions pursuant to the Plan are enjoined or stayed;

L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

M. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 9 Case;

N. Enter a final decree closing the Chapter 9 Case pursuant to section 945(b) of the Bankruptcy Code; and

O. Hear any other matter over which the Bankruptcy Court has jurisdiction under the provisions of the Bankruptcy Code and the Bankruptcy Rules subject to any limits on the Bankruptcy Court's jurisdiction and powers under sections 903 and 904 of the Bankruptcy Code.

## **ARTICLE VIII MISCELLANEOUS PROVISIONS**

### **A. Plan Supplements.**

All Plan Supplements not previously filed will be Filed no later than ten days before the Confirmation Hearing.

### **B. Modification of the Plan.**

Subject to section 942 and 1127(d) of the Bankruptcy Code, the City may alter, amend or modify the Plan or the Exhibits at any time prior to or after the Confirmation Date but prior to the substantial consummation of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as altered, amended or modified so long as the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such Holder.

### **C. Revocation of the Plan.**

The City reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the City revokes or withdraws the Plan, or if the Confirmation Date does not occur, then the Plan shall be null and void in all respects, and nothing contained in the Plan, nor any action taken or not taken by the City with respect to the Plan, the Disclosure Statement or the Confirmation Order, shall be or shall be deemed to be: (1) a waiver or release of any claims by or against the City; (2) an admission of any sort by the City or any other party in interest, or (3) prejudicial in any manner to the rights of the City or any other party in interest.

### **D. Severability of Plan Provisions.**

If any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, in each case at the election of and with the consent of the City, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the City's consent; and (3) non-severable and mutually dependent.

**E. Effectuating Documents and Transactions.**

The City is authorized to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan. All such actions shall be deemed to have occurred and shall be in effect pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without any requirement of further action by the City Council, the Emergency Manager, the Mayor or any employees or officers of the City. On the Effective Date, the appropriate employees and officers of the City are authorized and directed to execute and deliver the agreements, documents and instruments contemplated by the Plan, and to take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan, in the name and on behalf of the City.

**F. Successors and Assigns.**

Except as expressly provided otherwise in the Plan, the rights, benefits and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, Affiliate, representative, beneficiary or guardian, if any, of each Entity.

**G. Plan Controls.**

In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

**H. Notice of the Effective Date.**

On or before ten Business Days after occurrence of the Effective Date, the City shall mail or cause to be mailed to all Holders of Claims a notice that informs such Holders of (1) entry of the Confirmation Order; (2) the occurrence of the Effective Date; (3) the assumption and rejection of Executory Contracts and Unexpired Leases pursuant to the Plan, as well as the deadline for the filing of Claims arising from such rejection; (4) the deadline for the filing of Administrative Claims; and (5) such other matters as the City deems to be appropriate.

**I. Governing Law.**

Unless (1) a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or (2) otherwise specifically stated herein or in any contract, articles or certificates of incorporation, bylaws, codes of regulation, ordinance, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the laws of the State of Michigan, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan and any contract, articles or certificates of incorporation, bylaws, codes of regulation, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan.

**J. Request for Waiver of Automatic Stay of Confirmation Order.**

The Plan shall serve as a motion seeking a waiver of the automatic stay of the Confirmation Order imposed by Bankruptcy Rule 3020(e). Any objection to this request for waiver shall be Filed and served on the parties listed in Section VIII.L on or before the Voting Deadline.

**K. Term of Existing Injunctions and Stays.**

**All injunctions or stays provided for in the Chapter 9 Case under sections 105, 362 or 922 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.**

**L. Service of Documents**

Any pleading, notice or other document required by the Plan or the Confirmation Order to be served on or delivered to (1) the City and (2) the Retiree Committee must be sent by overnight delivery service, facsimile transmission, courier service or messenger to:

**1. The City**

David G. Heiman, Esq.  
Heather Lennox, Esq.  
Thomas A. Wilson, Esq.  
JONES DAY  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
Telephone: (216) 586-3939  
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Jonathan S. Green, Esq.  
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150 West Jefferson  
Suite 2500  
Detroit, Michigan 48226  
Telephone: (313) 963-6420  
Facsimile: (313) 496-7500

(Counsel to the City)

**2. The Retiree Committee**

Claude Montgomery, Esq.  
Carole Neville, Esq.  
DENTONS US LLP  
1221 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 768-6700  
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401 South Old Woodward, Suite 400  
Birmingham, Michigan 48009  
Telephone: (248) 971-1711  
Facsimile: (248) 971-1801

(Counsel to the Retiree Committee)

Dated: September 16, 2014

Respectfully submitted,

The City of Detroit, Michigan

By: /s/ Kevyn D. Orr  
Name: Kevyn D. Orr  
Title: Emergency Manager for the City of Detroit, Michigan

COUNSEL:

/s/ David G. Heiman  
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ATTORNEYS FOR THE DEBTOR

**EXHIBIT I.A.9**

**PRINCIPAL TERMS OF 36TH DISTRICT COURT SETTLEMENT**



# **TERM SHEET REGARDING CLAIMS INVOLVING 36TH DISTRICT COURT**

I. Parties	<ul style="list-style-type: none"> <li>• The City of Detroit, Michigan (the "<u>City</u>")</li> <li>• The 36th District Court, State of Michigan (the "<u>36th District Court</u>")</li> <li>• Local 917 and Local 3308 of the American Federation of State, County and Municipal Employees (the "<u>AFSCME Locals</u>")</li> <li>• Bobby Jones, Richard T. Weatherly, Roderick Holley and Carlton Carter (collectively, the "<u>Individual Claimants</u>" and, together with the City, the 36th District Court and the AFSCME Locals, the "<u>Parties</u>")</li> </ul>
II. Resolved Proofs of Claim	<p>This Term Sheet applies to all proofs of claim (collectively, the "<u>Claims</u>") filed by: (a) the AFSCME Locals, (b) the individuals and entities identified in the AFSCME Locals Claim (as defined below), with the exception of any proof of claim filed by Arnette Rodgers solely to the extent such proof of claim asserts liabilities that arise from that certain proceeding pending in the United States District Court for the Eastern District of Michigan and captioned <u>Arnette Rodgers, et al. v. 36th District court and Chief Judge Marilyn Adkins</u>, Case No. 10-cv-11799 (E.D. Mich.); (c) the Individual Claimants; and (d) the 36th District Court. The Claims include, without limitation, the following proofs of claim:</p> <ul style="list-style-type: none"> <li>• Proof of claim number 1828 filed by Bobby Jones (the "<u>Jones Claim</u>") asserting a general unsecured nonpriority claim in the amount of \$1,039,242.40;</li> <li>• Proof of claim number 1843 filed by Richard T. Weatherly (the "<u>Weatherly Claim</u>") asserting the total amount of \$1,580,708.74 (consisting of \$1,568,233.74 asserted as a general unsecured nonpriority claim and \$12,475.00 asserted as a priority claim pursuant to section 507(a)(4) of title 11 of the United States Code (the "<u>Bankruptcy Code</u>"));</li> <li>• Proof of claim number 2280 filed by Roderick Holley (the "<u>Holley Claim</u>") asserting the total amount of \$1,408,200.13 (consisting of \$1,395,725.13 asserted as a general unsecured nonpriority claim and \$12,475.00 asserted as a priority claim pursuant to section 507(a)(4) of the Bankruptcy Code);</li> <li>• Proof of claim number 2281 filed by Carlton Carter (the "<u>Carter Claim</u>") asserting a general unsecured nonpriority claim in the total amount of \$1,621,760.41;</li> <li>• Proof of claim number 2422 filed by the 36th District Court (the "<u>36th District Court Claim</u>") asserting contingent and unliquidated liabilities against the City; and</li> <li>• Proof of claim number 2841 filed by the AFSCME Locals (the "<u>AFSCME Locals Claim</u>") asserting general unsecured nonpriority claims in the total amount of \$8,747,322.44 on behalf of the AFSCME Locals' members and themselves arising from grievances, administrative actions and other legal proceedings that the AFSCME Locals commenced against the 36th District Court.</li> </ul>



<p>V. Treatment of Claims Under the City's Fourth Amended Plan of Adjustment [Docket No. 4392] (as it may be modified, amended or supplemented, the "<u>Plan</u>")</p>	<p>Capitalized terms not otherwise defined in this section shall have the meanings given to them in the Plan.</p> <ul style="list-style-type: none"> <li>• All of the Allowed Claims shall be Indirect 36th District Court Claims under the Plan.</li> <li>• All Indirect 36th District Court Claims shall be reclassified into a new Class 17 under the Plan, which will provide for the following treatment of Indirect 36th District Court Claims: <p>Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Indirect 36th District Court Claim, in full satisfaction of such Allowed Claim, shall receive: (a) if the Allowed Amount of such Indirect 36th District Court Claim is less than \$100,000.00, on or as soon as reasonably practicable after the Effective Date, Cash in an amount equal to 33% of the Allowed Amount of such Allowed Indirect 36th District Court Claim; or (b) if the Allowed Amount of such Indirect 36th District Court Claim is equal to or more than \$100,000.00, Cash, equal to 33% of the Allowed Amount of such Indirect 36th District Court Claim, plus simple interest on outstanding amounts at a rate of five percent <i>per annum</i>, payable in five equal annual installments, with the first installment to be paid on or as soon as reasonably practicable after the Effective Date and the remaining four installments to be paid on the date of the first four anniversaries of the Effective Date or, if any such date is not a business day, on the first business day thereafter.</p> <p>Subject to the terms of the 36th District Court Settlement, the foregoing shall fulfill any obligation of the City and the 36th District Court that may exist with respect to all Indirect 36th District Court Claims. Nothing in the foregoing prevents the Holder of an Indirect 36th District Court Claim from seeking further relief or payment from the State with respect to such Indirect 36th District Court Claim to the extent such Claim is not satisfied pursuant to the Plan.</p> </li> </ul> <ul style="list-style-type: none"> <li>• The City shall make such other modifications to the Plan as are necessary or appropriate to effectuate the foregoing treatment of Indirect 36th District Court Claims including, solely by way of example, by modifying the definition of "Other Unsecured Claim" under the Plan to exclude Indirect 36th District Court Claims.</li> <li>• Solely for the purpose of the treatment under the Plan of the AFSCME Locals Claim, each of the Grievances shall be deemed to be a separate Indirect 36th District Court Claim.</li> </ul>
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**EXHIBIT I.A.66**

**SCHEDULE OF CLASS 9 ELIGIBLE CITY ASSETS**

### **Schedule of Class 9 Eligible City Assets**

1. Joe Louis Arena - 600 Civic Center Dr, 48226
2. RFP for City Parking Assets.
3. Any City-owned real property asset within a 3-mile radius of the terminus of the Detroit Windsor Tunnel in Detroit, Michigan; excluding all real property assets subject to the Development Agreement.

**EXHIBIT I.A.89**

**SCHEDULE OF COP SWAP AGREEMENTS**

## SCHEDULE OF COP SWAP AGREEMENTS

COP Swap Agreements
ISDA Master Agreement (including the Schedule thereto) dated as of May 25, 2005, between Detroit Police and Fire Retirement System Service Corporation (" <u>DPFRS Service Corporation</u> ") and Merrill Lynch Capital Services, Inc. (as successor to SBS Financial Products Company LLC) (" <u>Merrill Lynch</u> ") and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0010) (as amended, modified or supplemented).
ISDA Master Agreement (including the Schedule thereto) dated as of May 25, 2005 between DFPRS Service Corporation and Merrill Lynch and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0011) (as amended, modified or supplemented).
ISDA Master Agreement (including the Schedule thereto) dated as of May 25, 2005 between Detroit General Retirement System Service Corporation (" <u>DGRS Service Corporation</u> ") and Merrill Lynch and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0009) (as amended, modified or supplemented).
ISDA Master Agreement (including the Schedule thereto) dated as of June 7, 2006 between DGRS Service Corporation and Merrill Lynch and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0012) (as amended, modified or supplemented).
ISDA Master Agreement between DGRS Service Corporation and UBS AG, dated as of June 7, 2006, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS AG Reference No. 37380291 (as amended, modified or supplemented).
ISDA Master Agreement between DFPRS Service Corporation and UBS AG, dated as of May 25, 2005, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS AG Reference No. 37380351 (as amended, modified or supplemented).
ISDA Master Agreement between DFPRS Service Corporation and UBS AG, dated as of May 25, 2005, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS Reference No. 37380313 (as amended, modified or supplemented).
ISDA Master Agreement between DGRS Service Corporation and UBS AG, dated as of May 25, 2005, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS Reference No. 37380341 (as amended, modified or supplemented).



**EXHIBIT I.A.108**

FORM OF DETROIT GENERAL VEBA TRUST AGREEMENT

## CITY OF DETROIT GENERAL RETIREE HEALTH CARE TRUST

THIS TRUST AGREEMENT, entered into effective \_\_\_\_\_, 2014, by and among the City of Detroit ("Detroit" or the "City"), [\_\_\_\_\_ Bank] (the "Bank"), and the undersigned individual trustees ("Individual Trustees").

### WITNESSETH:

WHEREAS, Detroit filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 in the United States Bankruptcy Court for the United States Bankruptcy Court Eastern District of Michigan (the "Court");

WHEREAS, pursuant to the Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment"), the City agreed to establish a voluntary employees beneficiary association ("VEBA") to provide health care benefits to certain retirees and their Eligible Dependents;

WHEREAS, Detroit hereby establishes this City of Detroit General Retiree Health Care Trust (the "Trust");

WHEREAS, the undersigned Individual Trustees constituting the Board of Trustees shall be responsible for: (i) managing the property held by, and administration of, this Trust; and (ii) designing, adopting, maintaining and administering the "Health Care Plan for General Retirees of the City of Detroit" (the "Plan"), through which all health care benefits to the Trust's beneficiaries shall be provided;

WHEREAS, the Board of Trustees is willing to exercise the authority granted to it herein with regard to the Trust and Plan;

WHEREAS, through this Trust Agreement, Detroit intends to designate the Bank to serve in the capacity of the institutional trustee with respect to the Trust and to maintain custody of the Trust assets;

WHEREAS, the Bank is willing to receive, hold, and invest the assets of the Trust in accordance with the terms of this Trust Agreement; and

WHEREAS, the Trust and the interdependent Plan are intended to comply with the requirements of section 501(c)(9) of the Internal Revenue Code of 1986, as amended (the "Code"), and are together intended to constitute a "governmental plan" within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974;

NOW THEREFORE, in consideration of the premises and the covenants contained herein, Detroit and the Bank agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1 Bank. The entity referred to in the Preamble to this Trust Agreement named to perform the duties set forth in this Trust Agreement, or any successor thereto appointed

by the Board in accordance with Section 7.3. Any corporation continuing as the result of any merger or consolidation to which the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed automatically to be continuing as the Bank.

Section 1.2 Board of Trustees or Board. The Board of Trustees is the body described in Article VIII to which Detroit has delegated responsibility for: (i) managing the property held by, and administering, this Trust; and (ii) designing, adopting, maintaining and administering the Plan, through which all benefits to the Trust's beneficiaries shall be provided. It shall be constituted and operated in accordance with Article IX.

Section 1.3 Code. The Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.4 Detroit General VEBA Beneficiary. Has the meaning given to that term in the Plan of Adjustment.

Section 1.5 Eligible Dependent. An Eligible Retiree Member's dependent, within the meaning of Code section 501(c)(9) and the regulations promulgated thereunder, who is eligible to receive benefits under the Plan in accordance with its terms.

Section 1.6 Eligible Retiree Member. A former employee of Detroit who is a Detroit General VEBA Beneficiary.

Section 1.7 Investment Act. Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws, as amended, which governs the investment of assets of public employee retirement systems or plans.

Section 1.8 Investment Manager. An investment manager appointed by the Board or its successor in accordance with the provisions of Section 9.4 hereof

Section 1.9 New B Notes. Has the meaning given to that term in the Plan of Adjustment.

Section 1.10 OPEB Claims Notes. The New B Notes the City is required to contribute to the Trust pursuant to the Plan of Adjustment.

Section 1.11 Other Supporting Organization. An organization other than the City, the Rate Stabilization Fund, or the Supporting Organization, having voluntarily contributed funds in excess of **[\$500,000]** to the Trust on or after the Effective Date.

Section 1.12 Participant. An Eligible Retiree Member or Eligible Dependent who is entitled to health care benefits pursuant to the terms of the Plan.

Section 1.13 Plan. The Health Care Plan for Retirees of the City of Detroit, to be adopted and thereafter amended from time to time by the Board, as specified herein, and which will provide health care benefits permitted to be provided by a VEBA under Code section 501(c)(9).

Section 1.14 Plan of Adjustment. The Plan for the Adjustment of Debts of the City of Detroit.

Section 1.15 Rate Stabilization Fund. The Rate Stabilization Reserves Fund maintained under the control of the Governing Board of the City of Detroit Employee Benefits Plan established pursuant to Title 9, Chapter VIII of the Charter of the City of Detroit for the exclusive purpose of providing hospital, surgical, and death benefits for current or former employees of the City.

Section 1.16 Supporting Organization. The Foundation for Detroit's Future, a not for profit that is created to collect certain contributions and make an annual contribution to an escrow account as described in Section 3.2, or the successor to such not for profit. The Supporting Organization was created to receive funds from organizations, including those listed in Exhibit B, and allocate such funds in the amounts described in Exhibit B, to, among other entities, this Trust Fund.

Section 1.17 Trust Agreement. This agreement as it may be amended thereafter from time to time by the parties hereto in accordance with the terms hereof.

Section 1.18 Trust or Trust Fund. The City of Detroit General Retiree Health Care Trust established by this Trust Agreement, comprising all property or interests in property held by the Bank from time to time under this Trust Agreement.

## **ARTICLE II ESTABLISHMENT OF TRUST**

Section 2.1 Purpose. The Trust is established for the purpose of providing life, sickness, accident, and other similar benefits, directly, through the purchase of insurance, or by reimbursement of expenses, to the Participants in accordance with the Plan and consistent with Section 501(c)(9) of the Code and the regulations and other guidance promulgated thereunder. The Trust, together with the Plan, is intended to constitute a VEBA under Section 501(c)(9) of the Code.

Section 2.2 Receipt of Funds. The Bank shall accept all sums of money and other property contributed to the Trust pursuant to Article III. The Bank shall hold, manage and administer the Trust Fund without distinction between principal and income. The Bank shall be accountable for the contributions or transfers it receives, but shall not be responsible for the collection of any contributions or transfers to the Trust or enforcement of the terms of the OPEB Claims Notes.

Section 2.3 Inurement and Reversion Prohibited. At no time shall any part of the principal or income of the Trust Fund be used for, or diverted to, any purpose other than sponsoring, operating and administering the Plan and Trust to provide benefits that are permitted under Code section 501(c)(9) to Participants. Nothing in this Trust Agreement shall be construed in such a way as to prohibit the use of assets of the Trust Fund to pay reasonable fees and other expenses and obligations incurred in maintaining, administering and investing the Trust Fund or in sponsoring, administering and operating the Plan in accordance with the provisions of this Trust Agreement. At no time shall any part of the net earnings inure to the benefit of any individual other than through the provision of benefits as permitted under Code

section 501(c)(9) and the regulations promulgated thereunder. In no event will the assets held in the Trust Fund revert to Detroit. Upon termination of the Trust Fund, any assets remaining upon satisfaction of all liabilities to existing Participants shall be applied, either directly or through the purchase of insurance, to provide life, sick accident or other permissible benefits under Code section 501(c)(9) and the rules and regulations promulgated thereunder, pursuant to criteria consistent with such rules and regulations.

Section 2.4 No Guarantee. Nothing contained in the Trust or the Plan shall constitute a guarantee that the assets of the Trust Fund will be sufficient to pay any benefit to any person or make any other payment. The obligation of the Plan to pay any benefit provided under the Plan is expressly conditioned on the availability of cash in the Trust to pay the benefit, and no plan fiduciary or any other person shall be required to liquidate the OPEB Claims Notes or any other Plan asset in order to generate cash to pay benefits. Detroit shall not have any obligation to contribute any amount to the Trust except as provided in Article III. Except for payments of benefits under the Plan, no Participant shall receive any distribution of cash or other thing of current or exchangeable value, either from the Board or the Bank, on account of or as a result of the Trust Fund created hereunder.

Section 2.5 No Interest. Detroit shall not have any legal or equitable interest in the assets of the Trust Fund at any time, including following the termination of the Trust.

### **ARTICLE III CONTRIBUTIONS TO THE TRUST FUND**

Section 3.1 Detroit Contributions. The Bank will accept the City's contribution of the OPEB Claims Notes to the Trust Fund pursuant to the Plan of Adjustment. Apart from the contribution of the OPEB Claims Notes, contributions to the Trust Fund made within sixty (60) days of the Effective Date by the Rate Stabilization Fund in the amount of \$[4.0] million, or from Other Supporting Organizations, and as otherwise provided in Section 3.2, Detroit shall have no further obligation to contribute to the Trust or otherwise fund the Plan.

Section 3.2 Other Contributions. The Bank will accept other contributions to the Trust Fund from Participants, from funds held in escrow by an escrow agent on behalf of the City that are received from the Supporting Organization, or from Other Supporting Organizations whether or not contributed through an escrow on behalf of the City.

### **ARTICLE IV PAYMENTS FROM THE TRUST FUND**

Section 4.1 Payments from the Trust Fund.

(a) Subject to paragraph (b) below, the Bank shall make payments from the Trust Fund to provide, directly or through the purchase of insurance, benefits under the Plan as directed by the Board.

(b) To the extent permitted by law, the Bank shall be fully protected in making payments out of the Trust Fund, and shall have no responsibility to see to the application of such payments or to ascertain whether such payments comply with the terms of the Plan, and shall not be liable for any payment made by it in good faith and in the exercise of reasonable care

without actual notice or knowledge of the impropriety of such payments hereunder. The Bank may withhold all or any part of any payment as the Bank in the exercise of its reasonable discretion may deem proper, to protect the Bank and the Trust against any liability or claim on account of any income or other tax whatsoever; and with all or any part of any such payment so withheld, may discharge any such liability. Any part of any such payment so withheld by the Bank that may be determined by the Bank to be in excess of any such liability will upon such determination by the Bank be paid to the person or entity from whom or which it was withheld.

Section 4.2 Method of Payments. The Bank may make any payment required to be made by it hereunder, unless directed otherwise by the Board, by direct electronic deposit of the amount thereof to the financial institution where the person or entity to whom or to which such payment is to be made maintains an account, or by mailing a check in the amount thereof by first class mail in a sealed envelope addressed to such person or entity to whom or to which such payment is to be made, according to the direction of the Board. If any dispute arises as to the identity or rights of persons who may be entitled to benefits hereunder, the Bank may withhold payment until such dispute is resolved by a court of competent jurisdiction or, at the discretion of the Board pursuant to written instructions.

Section 4.3 Excessive Payments. If the payment of any benefit under the Plan is determined to have been excessive or improper, and the recipient thereof fails to make repayment to the Bank or an administrator chosen by the Board of such excessive or improper payment upon the Bank's or administrator's request, the Bank shall deduct the amount of such excessive or improper payment from any other benefits thereafter payable to such person. Until repaid to the Bank or Bank's agent, the amount of said excessive or improper payment shall not be included in any report by the auditor, the Bank, or the administrator as an asset of the Plan or the Trust Fund.

## **ARTICLE V BANK POWERS AND DUTIES**

Section 5.1 Powers of the Bank Generally. The Bank has whatever powers are required to discharge its obligations and to accomplish any of the purposes of this Trust Agreement, including (but not limited to) the powers specified in the following Sections of this Article, and the powers and authority granted to the Bank under other provisions of this Trust Agreement. The enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Bank.

Section 5.2 Powers Exercisable by the Bank in Its Discretion. The Bank is authorized and empowered to exercise the following powers at its discretion in satisfaction of the duties imposed on it under this Trust Agreement:

(a) To place securities orders, settle securities trades, hold securities in custody, deposit securities with custodians or securities clearing corporations or depositories or similar organizations, and other related activities as shall be necessary and appropriate in performing its duties under this Trust Agreement. Any indicia of ownership of any Trust Fund assets, however, shall not be maintained outside the jurisdiction of the district courts of the United States. Trades and related activities conducted through a broker shall be subject to reasonable fees and commissions established by the broker, which may be paid from the Trust Fund or netted from the proceeds of trades.

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(c) To cause any investment in the Trust Fund to be registered in, or transferred into, its name as the institutional trustee or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Bank shall at all times show that all such investments are part of the Trust Fund, and the Bank shall be fully responsible for any misappropriation in respect of any investment held by its nominee or held in unregistered form and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States.

(d) To deliver to the Board, or the person or persons identified by the Board, on a timely basis as required under Section 5.5, proxies and powers of attorney and related informational material, for any shares or other property held in the Trust.

Section 5.3 Powers Exercisable by the Bank Only Upon the Direction of the Board.  
The Bank shall exercise the following powers only upon the direction of the Board (or, in the case of subparagraphs (a) and (b)), a duly appointed Investment Manager who has been conferred such power by the Board):

(a) To receive, hold, invest and reinvest Trust Fund assets and income under provisions of law from time to time existing and in accordance with Article IX.

(b) To exercise or abstain from exercising any option, privilege or right attaching to any Trust Fund assets.

(c) To make payments from the Trust Fund for the provision of benefits in accordance with Article IV and for the payment of expenses as provided in Section 5.8.

(d) To employ suitable agents and depositaries (domestic or foreign), public accountants, brokers, custodians, ancillary trustees, appraisers, enrolled actuaries, and legal counsel as shall be reasonably necessary and appropriate to fulfill its obligations under this Trust Agreement and to comply with the lawful instructions of the Board, and to pay their reasonable expenses and compensation.

(e) To pay any income or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on unrelated business income of the Trust, if any, out of the Trust Fund.

(f) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund.

(g) To accept, compromise or otherwise settle any obligations or liability due to or from them as the Bank hereunder, including any claim that may be asserted for taxes, assessments or penalties under present or future laws, or to enforce or contest the same by appropriate legal proceedings.



(h) To act as the sole trustee in the event that the Board, by reason of death, resignation, or failure to appoint successor Individual Trustees, has fewer than three (3) members.

Section 5.4 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Bank or any institutional successor trustee under this Trust Agreement.

Section 5.5 General Duties and Obligations of Bank.

(a) In accordance with Article II, the Bank shall hold all property received by it and any income and gains thereupon. In accordance with this Article and Article IX, the Bank shall manage, invest and reinvest the Trust Fund following the directions of the Board or a duly appointed Investment Manager (who has been conferred such power by the Board), shall collect the income therefrom, and shall make payments or disbursements as directed by the Board.

(b) Subject to the provisions of Articles VII and X, the Bank shall comply with any directive issued by the Board to withdraw and transfer all or any part of the Trust Fund to another institutional trustee, custodian or a funding agent.

(c) The Board shall have responsibility for directing the Bank as to the voting (by proxy or in person) of any shares or other property held in the Trust. Accordingly, the Bank shall deliver to the Board (or the person or persons identified by the Board), on a timely basis, proxies, powers of attorney and related informational material that are necessary for the Board to fulfill its responsibility.

The Bank may use agents to effect such delivery to the Board (or the person or persons identified by the Board).

(d) The Bank shall discharge its duties in the interests of Participants and for the exclusive purpose of providing benefits to Participants and defraying reasonable expenses of administering the Trust and the Plan and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims. The Bank will be under no liability or obligation to anyone with respect to any failure of the Board to perform any of its obligations under the Plan or Trust Agreement or for any error or omission of the Board.

Section 5.6 Determination of Rights. The Bank shall have no power, authority, or duty hereunder in respect to the determination of the eligibility of any person to coverage under the Plan, or the entitlement of any person to any benefit payments under the Plan.

Section 5.7 Continuance of Plan; Availability of Funds. Neither the Board, the Bank nor Detroit assumes any contractual obligation as to the continuance of the Plan and shall not be responsible for the adequacy of the Trust Fund to meet and discharge any liabilities under the Plan, and the Bank's obligation to make any payment shall be limited to amounts held in the Trust Fund at the time of the payment.



Section 5.8 Payment of Expenses. The Bank shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses) reasonably incurred by the Bank or the Board in connection with establishing, sponsoring, administering or operating the Trust or Plan. The Board shall by written certificate provided to the Bank request payment for any expenses related to the administration of the Trust and/or the Plan. Upon receipt of the written certificate, the Bank may make the payment requested by the Board. The expenses of the Bank shall constitute a lien on the Trust Fund.

Section 5.9 Bank Compensation. The Bank will apply the assets of the Trust Fund to pay its own fees in the amounts and on the dates set forth in Exhibit A. The Bank's compensation shall constitute a lien on the Trust Fund.

Section 5.10 Reliance on Written Instruments. The Bank shall be fully protected in acting upon any instrument, certificate or paper believed by it to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

## **ARTICLE VI BANK ACCOUNTS**

Section 6.1 Records. The Bank shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to the Trust, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by the Board or such person or persons as the Board may designate.

Section 6.2 Annual Audit. The Trust Fund shall be audited annually by a firm of certified public accountants independent of the Bank, the members of the Board, and the City, and a statement of the results of such audit shall be provided to the Bank and the Board and also made available for inspection by interested persons at the principal office of the Trust. Such audit must be completed no later than 120 days after the expiration of the calendar year, or after expiration of the fiscal year if the Trust Fund is on a fiscal year other than a calendar year. The Board shall provide a copy of this statement to the Supporting Organization and any Other Supporting Organization no later than the May 15<sup>th</sup> immediately succeeding the last day of the year covered by such audited financial statements.

Section 6.3 No Interest by Participants. In no event shall any Participant or beneficiary have any interest in any specific asset of the Trust Fund. At no time shall any account or separate fund be considered a savings account or investment or asset of any particular Participant, beneficiary, or class of Participants or beneficiaries, and no Participant or beneficiary shall have any right to any particular asset which the Board or Bank may have allocated to any account or separate fund for accounting purposes.

Section 6.4 Furnishing Written Accounts. The Bank shall file with the Board a written account setting forth a description of all securities and other property purchased and sold, and all receipts, disbursements, and other transactions effected by it during the accounting period to which the Board and the Bank have agreed, and showing the securities and other properties held, and their fair market values at such times and as of such dates as may be agreed by the Board and the Bank in writing. Such written account shall be filed with the Board within thirty (30) days after the close of each calendar quarter.

Section 6.5 Accounting Year, Cash Basis. The accounting year of the Trust shall be the calendar year. All accounts of the Bank shall be kept on a cash basis.

Section 6.6 Judicial Proceedings. If the Bank and the Board cannot agree with respect to any act or transaction reported in any statement, the Bank shall have the right to have its accounts settled by judicial proceedings in which only the Bank and the Board shall be necessary parties. No Participant shall have any right to compel an accounting, judicial or otherwise, by the Bank.

## **ARTICLE VII PROCEDURES FOR THE BANK**

Section 7.1 Removal. The Bank may be removed by the Board at any time upon thirty (30) days' advance written notice. Such removal shall be effective on the date specified in such written notice, provided that notice has been given to the Bank of the appointment of a successor institutional trustee or custodian in the manner set forth in Section 7.3 below.

Section 7.2 Resignation. The Bank may resign by filing with the Board a written resignation that shall take effect ninety (90) days after the date of such filing, unless prior thereto a successor institutional trustee or custodian has been appointed by the Board. In no event may the Bank's resignation take effect before a successor institutional trustee or custodian has been appointed by the Board and such successor trustee has accepted the appointment. If the Board fails to appoint a successor institutional trustee or custodian, the retiring Bank may seek the appointment of a successor entity in the manner set forth in Section 7.3.

### Section 7.3 Successor Bank.

(a) The Board may appoint a successor institutional trustee or custodian by delivering to such successor an instrument in writing, executed by an authorized representative of the Board, appointing such successor entity, and by delivering to the removed or resigning Bank an acceptance in writing, executed by the successor so appointed. Such appointment shall take effect upon the date specified in Section 7.1 or 7.2 above, as applicable.

(b) Alternatively, the Board may appoint a successor institutional trustee or custodian by securing from such successor an amendment to this Trust Agreement, executed by both the successor and an authorized representative of the Board, which replaces the current Bank with the successor institutional trustee or custodian, appointing such successor institutional trustee or custodian, and by delivering to the removed or resigning Bank an executed copy of the amendment. Such appointment shall take effect upon the date specified in the amendment.

(c) If no appointment of a successor institutional trustee or custodian is made by the Board within a reasonable time after such resignation, removal or other event, any court of competent jurisdiction may, upon application by the retiring Bank, appoint a successor institutional trustee or custodian after such notice to the Board and the retiring Bank, as such court may deem suitable and proper.

Section 7.4 Effect of Removal or Resignation of Bank. Upon the removal or resignation of the Bank in accordance with Section 7.1 or 7.2 above, the Bank shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law.

Section 7.5 Merger or Consolidation of the Bank. Any corporation continuing as the result of any merger or resulting from any consolidation, to which merger or consolidation the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed to be continuing as the Bank.

## **ARTICLE VIII COMPOSITION OF AND PROCEDURES FOR THE BOARD OF TRUSTEES**

Section 8.1 Number and Appointment of Members. The Board of Trustees shall consist of seven (7) Individual Trustees as voting members, who are selected as provided below.

(a) The Mayor of Detroit shall appoint one (1) voting member, who may not be an employee or employed by an affiliate of the City (for such purposes, a contractor of the City shall not be deemed an affiliate), or of any labor union representing employees of the City, or a member of any such labor union, or a Participant. Such member shall have expert knowledge or extensive experience with respect to economics, finance, institutional investments, administration of public or private health and welfare benefit plans, executive management, benefits administration or actuarial science. The Board member selected by the Mayor to begin serving as of the Effective Date shall be Floyd Allen.

(b) The remaining six (6) voting members shall be appointed as follows: three (3) such voting members shall initially be designated by the Official Committee of Retirees of the City of Detroit, Michigan, and three (3) such voting members shall initially be designated by the Detroit Retired City Employees Association. The members initially selected by the Official Committee of Retirees of the City of Detroit, Michigan shall be: [\_\_\_\_\_, \_\_\_\_\_,] and Thomas Sheehan. The members initially selected by the Detroit Retired City Employees Association shall be: [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.]

Each Board member shall acknowledge his or her appointment and acceptance of the duties and responsibilities set forth in this Trust Agreement in writing.

Section 8.2 Term of Office. Each member of the Board shall serve a period of four (4) years, or if earlier, until his or her death, incapacity to serve hereunder, or resignation. A Board member whose term has ended due to the passage of time may be reappointed to serve an additional four (4) year term pursuant to the procedures set forth in Section 8.4 below.

Section 8.3 Resignation. A Board member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least ninety (90) days' advance written notice to the Board (and in the case of a Board member selected by the Mayor, to the Mayor, and in the case of a Board member selected by the Official Committee of Retirees or the Detroit Retired City Employees Association, to the Detroit Retired City Employees Association), which notice shall state the date when such resignation shall take effect, which notice or time period may be waived by the Board.

Section 8.4 Vacancies. In the event of a vacancy, either by resignation, death, incapacity, expiration of term of office, or other reasons, the replacement Board member shall be appointed as provided below.

(a) In the event of a vacancy of the seat previously filled by the appointee of the Mayor of Detroit, the replacement Board member shall be appointed as provided in Section 8.1(a).

(b) In the event of a vacancy of a seat previously filled by an appointee of the Official Committee of Retirees or the Detroit Retired City Employees Association, the replacement Board member shall be appointed by the Detroit Retired City Employees Association.

Section 8.5 Fees and Expenses. Board members shall each be paid a stipend. For the 2015 and 2016 calendar year, this stipend shall be in the amount of \$12,000 per year (payable ratably on a monthly basis). Beginning with the 2017 calendar year and for each year thereafter, this stipend shall be in the amount of \$6,000 per year (payable ratably on a monthly basis); provided, however, that the Board, by a vote of not less than six (6) out of seven (7) Board members, shall have the power to provide for a different amount for the stipend; and provided, further, that in no event shall such annual stipend exceed \$12,000. Each Board member may be reimbursed for reasonable expenses properly and actually incurred in the performance of his or her duties. Compensation payable to the Board members and all reimbursed expenses shall be payable out of the Trust.

Section 8.6 Operation of the Board; Quorum. The Board shall select from among its members a chair and a vice chair. The Board shall hold regular meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. Each Board member shall be entitled to one vote on each question before the Board. Five (5) members shall constitute a quorum at any meeting. Except as provided in Section 8.5 and Article X, a majority vote of the seven (7) members of the Board, at a meeting in which a quorum exists, shall be necessary for a decision by the Board. Notwithstanding the foregoing, the voting members of the Board may act by unanimous written consent in lieu of a meeting.

## **ARTICLE IX POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

Section 9.1 General. The Board shall be responsible for designing, adopting, maintaining and administering the Plan, as well as administering the Trust and managing the Trust assets as provided herein. Subject to the provisions of this Trust Agreement, the Plan documents and applicable laws, the Board shall have sole, absolute and discretionary authority to

adopt such rules and regulations and take all actions that it deems desirable for the administration of the Plan and Trust, and to interpret the terms of the Plan and Trust. The decisions of the Board will be final and binding on all Participants and all other parties to the maximum extent allowed by law. In performing its duties hereunder, the members of the Board shall comply with the terms of the Trust, and shall discharge their duties for the exclusive purposes of providing benefits to participants and beneficiaries of the Plan and Trust and defraying reasonable expenses of the Plan and Trust, and with the care, skill, prudence, and diligence then prevailing that a prudent person acting in a like capacity – and familiar with such matters – would use in the conduct of an enterprise of like character and with like aims.

## Section 9.2 Plan Design and Administration.

(a) Adoption of Plan. The Board shall adopt a Plan to offer life, sickness, accident or other similar benefits to Participants. All terms of the Plan shall be determined by the Board; provided that such terms shall be consistent with this Trust Agreement, Code section 501(c)(9) and the regulations promulgated thereunder. The Board shall be under no obligation to design the Plan to assure that the assets of the Trust Fund are sufficient to provide benefits to all potential Participants of the Plan in subsequent years.

(b) Benefits. The Plan shall include benefits and any other features including, without limitation, premium-sharing or other cost-sharing or reimbursements, that the Board from time to time determines appropriate or desirable in its sole discretion. The Plan may provide for different benefit structures or programs for different groups of Participants, as determined by the Board in its sole discretion. In designing the Plan and the benefits to be provided thereunder, the Board may take into account relevant circumstances, including, without limitation, the degree to which Participants may have alternative resources or coverage sources, as well as the resources of the Trust Fund. Benefits provided under the Plan shall be limited to those health care benefits permitted by Code Section 501(c)(9), and any Plan eligibility restrictions established by the Board shall conform with the requirements set forth in Treasury Regulation Section 1.501(c)(9)-2.

(c) Method of Providing Benefits. Benefits under the Plan may be fully insured, partially insured or self-insured, as determined by the Board from time to time in its sole discretion. The expected cost of benefits under the Plan shall not exceed the amount expected to be available under the Trust.

(d) Plan Documentation. The Board shall be responsible for creating, adopting and/or executing any documents necessary to set forth the Plan's governing terms, and shall be responsible for communicating the terms of the Plan to the Eligible Retiree Members and Eligible Dependents in accordance with applicable law.

Section 9.3 Investment of the Trust. The Board shall have full power and authority to manage, control, invest and reinvest the money and other assets of the Trust Fund subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by the Investment Act, and the Bank shall comply with the proper written direction of the Board concerning those assets. The Board may employ outside advisors, including investment advisors, to advise it with regard to the investment of the assets of the Trust Fund. Any outside advisors who are investment fiduciaries (as defined in the Investment Act) shall satisfy any applicable requirements of the Investment Act.



Section 9.4 Appointment of Investment Managers. The Board, from time to time, may appoint one or more independent Investment Managers, pursuant to a written investment management agreement describing the powers and duties of the Investment Manager, to direct the investment and reinvestment of all or a portion of the Trust (hereinafter referred to as an "Investment Account"). The Board shall determine that each Investment Manager satisfies the requirements of section 38.1133(11) of the Investment Act and, is entitled (under its investment management agreement) to direct the investment and reinvestment of the Investment Account for which it is responsible, in its sole and independent discretion and without limitation, except for any limitations which from time to time the Board determines shall modify the scope of such authority. If an Investment Manager is appointed, it shall have the authority of the Bank specified in Section 5.1 hereof with respect to the Investment Account over which it has investment discretion and the Bank's duties with respect to such Investment Account shall be limited to following the instructions of the Investment Manager. Provided that an Investment Manager is prudently selected and monitored by the Board, the Board shall have no liability (a) for the acts or omissions of such Investment Manager; (b) for following directions of such Investment Manager which are given in accordance with this Trust Agreement; or (c) for any loss of any kind which may result by reason of the manner of division of the Trust into Investment Accounts.

Section 9.5 Government Reports and Returns. The Board shall file all reports and returns that are required to be made with respect to the Trust and the Plan.

Section 9.6 Compromise or Settle Claims. The Board may compromise, settle and release claims or demands in favor of or against the Trust or the Board on such terms and conditions as the Board may deem advisable. The Board may at all times rely upon the advice of independent counsel in reaching such decisions.

Section 9.7 Appointment of Administrator. The Board may appoint one or more third parties to perform any administrative functions it has with regard to the Trust or Plan.

Section 9.8 Employment of Assistance. The Board has the exclusive authority to employ, contract and pay for all professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation and administration of the Plan and Trust. The powers granted to the Board in this subparagraph include complete control of the procurement process, including contracts for office space, computer hardware and software, and human resource services. In accordance with the provisions of Section 5.3 hereof, the Board may direct the Bank to pay reasonable compensation therefor from the Trust Fund. The Board may take or may refrain from taking any action in accordance with or reliance upon the opinion of counsel or such expert advisors.

Section 9.9 Reliance on Written Instruments. The Board shall be fully protected in acting upon any instrument, certificate or paper believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 9.10 No Individual Liability on Contracts. The Board shall not be liable personally for any debts, obligations, or undertakings contracted by them, or for the breach of

any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that neither the Board nor any of its members shall be exempt from personal liability for willful misconduct, intentional wrongdoing, breach of applicable fiduciary duty, negligence or fraud, and the Trust shall not indemnify the Board for such liabilities, or to the extent that application of this sentence would violate any law.

Section 9.11 Detroit Not Liable for Conduct of Board. The Board is not in its capacity as Board an officer, agent, employee, or representative of Detroit. In its capacity as Board, the Board is a principal acting independently of Detroit, which shall not be liable for any act, omission, contract, obligation, liability, debt, or undertaking of the Board or its officers, agents, or representatives.

Section 9.12 Liability Insurance. The Board may obtain and keep current a policy or policies of insurance, insuring the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under this Trust Agreement or the Plan. To the extent permitted by applicable law, the premiums on such policies may be paid from the Trust Fund.

Section 9.13 Reimbursement for Defense of Claims. To the extent permitted by applicable law and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Board, employees of the Board and persons acting on the Board's behalf pursuant to an express written delegation (each separately, the "Indemnified Party") shall be reimbursed by the Trust Fund for reasonable expenses, including without limitation attorneys fees, incurred in defense of any claim that seeks a recovery of any loss to the Plan or Trust Fund or for any damages suffered by any party to, or beneficiary of this Trust Agreement (a) for which the Indemnified Party is adjudged not liable, or (b) which is dismissed or compromised in a final settlement, where the Board – or, where required by applicable law, an independent fiduciary – determines that the settling Indemnified Party was not responsible (in such cases, all or only a portion of the settling Indemnified Party's reasonable expenses may be reimbursed, as directed by the Board or an independent fiduciary), provided that, the Board shall have the right to approve of the retention of any counsel whose fees would be reimbursed by the Trust Fund, but such approval shall not be withheld unreasonably.

Section 9.14 Subrogation and Reimbursement. If the Plan is self-insured, the following provisions regarding subrogation and third-party reimbursement will apply.

(a) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of an individual ("Benefit Recipient"), the Trust Fund shall be subrogated as provided in this Section 9.14 to all the Benefit Recipient's rights of recovery with respect to the illness or injury for which the payment of benefits is made by the Trust Fund. The right of recovery referred to in the preceding sentence shall include the right to make a claim, sue, and recover against any person or entity from the first dollars of any funds which are paid or payable as a result of a personal injury claim or any reimbursement of health care expenses. If requested in writing by the Board, the Benefit Recipient shall take, through any representative designated by the Board, such action as may be necessary or appropriate to recover such payment from any person or entity, said action to be taken in the name of the Benefit Recipient. In the event of a recovery or

settlement, the Trust Fund shall be reimbursed in full on a first priority basis out of such recovery or settlement for expenses, costs, and attorneys' fees incurred by it in connection therewith.

(b) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of a Benefit Recipient for an illness or injury, the Trust Fund shall be entitled to, and shall have a first priority equitable lien on, the proceeds of any recovery, by judgment, settlement or otherwise, with respect to the illness or injury, and if paid to the Benefit Recipient, the Benefit Recipient shall immediately pay any such proceeds to the Trust Fund. If the Benefit Recipient fails to pay such proceeds, or does not cause such proceeds to be paid, to the Trust Fund, the Board may, in addition to any other remedy to which it may be entitled, recover the proceeds directly or by offset against claims for benefits under the Plan and Trust made with respect to the affected Benefit Recipient (or such Benefit Recipient's beneficiaries, heirs, attorneys, agents, representatives, or estate).

(c) The Trust Fund shall have the right of subrogation and reimbursement set forth in this Section 9.14 regardless of whether the Benefit Recipient is made whole and regardless of whether the recovery, or any part thereof, is designated as payment for health care expenses, pain and suffering, loss of income or any other specified or unspecified damages or reason, and without regard to whether recovery is designated as including or excluding the health care expenses covered by the Plan and Trust. Any recovery by a Benefit Recipient, an attorney or other third party shall be deemed to be for the benefit of the Plan and Trust and shall be held in constructive trust for the Trust Fund until the Trust Fund is reimbursed in full for all amounts paid by the Trust Fund. The subrogation and reimbursement rights of the Trust Fund described in this Section 9.14 include all rights against, and include all rights with respect to, proceeds from or held by any attorney, third party, insurance carrier or payer of medical benefits, including an uninsured or under-insured motorist carrier, a no-fault carrier and a school insurance carrier, even if such coverage was purchased by the Benefit Recipient, and without regard to whether the proceeds have been paid or are payable.

(d) By participating in the Plan, each Benefit Recipient agrees to cooperate fully with the Plan and Trust and to execute and deliver agreements, liens and other documents and do whatever else the Board deems necessary to enable and assist the Trust Fund in exercising its rights under this Section 9.14, but the Trust Fund's rights under this Section 9.14 shall be effective regardless of whether the Benefit Recipient actually signs any agreements, liens or other documents. By participating in the Plan, each Benefit Recipient also agrees (i) that he or she will not make or maintain any make whole, common trust fund or apportionment action or claim in contravention of the subrogation and reimbursement provisions of this Section 9.14; and (ii) that he or she will not oppose any proceeding by the Trust Fund to obtain reimbursement on procedural grounds. The Benefit Recipient, directly or through his or her representatives, shall not do anything to impair the Trust Fund's rights. If the Board determines that any Trust Fund recovery rights under Section 9.14 have been impaired by any action of the Benefit Recipient or his or her representatives or by the Benefit Recipient's or such other person's failure to comply with the Benefit Recipient's obligations under Section 9.14, the Board may, in addition to any other remedy to which it may be entitled, determine the amount by which the Trust Fund's recovery rights have been impaired and recover such amount directly or by offset against claims for benefits under the Trust Fund made with respect to the affected Benefit Recipient.



(e) This Section 9.14 entitles the Trust Fund to subrogation and reimbursement equal to the entire amount paid by the Trust Fund for the illness or injury to which the subrogation or reimbursement relates, including related expenses, costs and attorneys' fees, which shall be from the first dollars payable to or received by the Benefit Recipient, his representatives, heirs, legal counsel, estate or any other third party from any settlement, judgment or other payment, without reduction for attorneys' fees or for any other reason. The common fund, make-whole, apportionment or any similar doctrines shall not apply to any amounts received. Any attorneys' fees shall be the responsibility solely of the Benefit Recipient, and the Trust Fund shall not pay any attorneys' fees or costs associated with a Benefit Recipient's claim or lawsuit without the Board's prior written authorization.

(f) The intention of this Section 9.14 is to give the Trust Fund the first right of subrogation and reimbursement in full with respect to the first dollars paid or payable, even though the Benefit Recipient is not made whole. Each Benefit Recipient agrees that as a condition to receiving benefits under the Plan and from the Trust Fund, the Benefit Recipient shall comply with the requirements of this Section 9.14.

## **ARTICLE X AMENDMENT, TERMINATION AND MERGER**

Section 10.1 Amendment. The Trust Agreement may be amended at any time in writing by the Board, by a vote of not less than six (6) out of seven (7) Board members, or by Court order upon proper motion, provided, however, that no amendment may impose a contribution obligation on Detroit; provided further that no amendment shall in any way conflict with the terms of the Plan of Adjustment or a Court order confirming the Plan of Adjustment; and provided further that no amendment shall adversely affect the exempt status of the Trust or Plan under Section 501(c)(9) of the Code. No amendment to the Trust Agreement shall modify the responsibilities of the Bank hereunder unless the Bank has first consented to such amendment.

### Section 10.2 Termination.

(a) The Trust and this Trust Agreement may be terminated at any time in writing by action of the Board, acting by a vote of not less than six (6) out of seven (7) Board members, with a copy of such written instrument to be provided to the Bank, or by Court order upon proper motion. Upon termination of this Trust Agreement, the assets of the Trust Fund shall be paid out at the direction of the Board in the following order of priority: (i) the payment of reasonable and necessary administrative expenses (including taxes); (ii) the payment of benefits to Participants entitled to payments for claims arising prior to such termination; and (iii) upon satisfaction of all liabilities to existing Participants, either directly or through the purchase of insurance, to provide life, sick accident or other permissible benefits in accordance with Code section 501(c)(9) and the rules and regulations promulgated thereunder. Neither Detroit nor any member of the Board shall have any beneficial interest in the Trust Fund, except to the extent an Individual Trustee is also a Participant in the Plan. Any determination by the Board or an administrator to distribute assets of the Trust upon termination to an Individual Trustee who is also a Participant must have the written concurrence of the Bank. The Trust Fund shall remain in existence until all assets have been distributed.

(b) Upon termination, the Bank and the Board shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

Section 10.3 Transfer of Assets and/or Liabilities. To the extent permitted by Code section 501(c)(9) and other applicable law, some or all of the assets and/or liabilities of the Trust Fund may at the discretion of the Board be transferred directly to another trust for the purpose of providing health or welfare benefits to some or all of the Participants on such terms and conditions as the Board may determine.

## **ARTICLE XI MISCELLANEOUS**

Section 11.1 Rights in Trust Fund. No Participant or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right against the Bank, the Board, or Detroit, except as may be otherwise expressly provided in the Plan or in this Trust Agreement.

Section 11.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Participant to any benefits or future payments hereunder or under the provisions of the Plan shall not be subject to attachment or garnishment or other legal process by any creditor of any such Participant, nor shall any such Participant have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingent or otherwise, under this Trust Agreement.

Section 11.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 11.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.

Section 11.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 11.6 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (b) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (c) on the fourth business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the Bank:

**[insert name and address]**

If to the Board:

**[insert 7 names and addresses]**

If to the Mayor:

**[insert name and address]**

If to the Supporting Organization:

**[insert name and address]**

If to the Other Supporting Organization:

**[insert name and address]**

If to the Detroit Retired City Employees Association:

**[insert name and address]**

IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

**BANK**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF DETROIT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**INDIVIDUAL TRUSTEES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
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Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**  
**Bank Compensation**

**EXHIBIT B**  
**Supporting Organization Funding**

<b>Contributing Organization</b>	<b>Contribution Amount</b>
Skillman Foundation	

**EXHIBIT I.A.112**

FORM OF DETROIT POLICE AND FIRE VEBA TRUST AGREEMENT

## **CITY OF DETROIT POLICE AND FIRE RETIREE HEALTH CARE TRUST**

THIS TRUST AGREEMENT, entered into effective \_\_\_\_\_, 2014, by and among the City of Detroit ("Detroit" or the "City"), [\_\_\_\_\_ Bank] (the "Bank"), and the undersigned individual trustees ("Individual Trustees").

### **WITNESSETH:**

WHEREAS, Detroit filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 in the United States Bankruptcy Court for the United States Bankruptcy Court Eastern District of Michigan (the "Court");

WHEREAS, pursuant to the Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment"), the City agreed to establish a voluntary employees beneficiary association ("VEBA") to provide health care benefits to certain retirees and their Eligible Dependents;

WHEREAS, Detroit hereby establishes this City of Detroit Police and Fire Retiree Health Care Trust (the "Trust");

WHEREAS, the undersigned Individual Trustees constituting the Board of Trustees shall be responsible for: (i) managing the property held by, and administration of, this Trust; and (ii) designing, adopting, maintaining and administering the "Health Care Plan for Police and Fire Retirees of the City of Detroit" (the "Plan"), through which all health care benefits to the Trust's beneficiaries shall be provided;

WHEREAS, the Board of Trustees is willing to exercise the authority granted to it herein with regard to the Trust and Plan;

WHEREAS, through this Trust Agreement, Detroit intends to designate the Bank to serve in the capacity of the institutional trustee with respect to the Trust and to maintain custody of the Trust assets;

WHEREAS, the Bank is willing to receive, hold, and invest the assets of the Trust in accordance with the terms of this Trust Agreement; and

WHEREAS, the Trust and the interdependent Plan are intended to comply with the requirements of section 501(c)(9) of the Internal Revenue Code of 1986, as amended (the "Code"), and are together intended to constitute a "governmental plan" within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974;

NOW THEREFORE, in consideration of the premises and the covenants contained herein, Detroit and the Bank agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1 Bank. The entity referred to in the Preamble to this Trust Agreement named to perform the duties set forth in this Trust Agreement, or any successor thereto appointed



by the Board in accordance with Section 7.3. Any corporation continuing as the result of any merger or consolidation to which the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed automatically to be continuing as the Bank.

Section 1.2 Board of Trustees or Board. The Board of Trustees is the body described in Article VIII to which Detroit has delegated responsibility for: (i) managing the property held by, and administering, this Trust; and (ii) designing, adopting, maintaining and administering the Plan, through which all benefits to the Trust's beneficiaries shall be provided. It shall be constituted and operated in accordance with Article IX.

Section 1.3 Code. The Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.4 Detroit Police and Fire VEBA Beneficiary. Has the meaning given to that term in the Plan of Adjustment.

Section 1.5 Eligible Dependent. An Eligible Retiree Member's dependent, within the meaning of Code section 501(c)(9) and the regulations promulgated thereunder, who is eligible to receive benefits under the Plan in accordance with its terms.

Section 1.6 Eligible Retiree Member. A former employee of Detroit who is a Detroit Police and Fire VEBA Beneficiary.

Section 1.7 Investment Act. Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws, as amended, which governs the investment of assets of public employee retirement systems or plans.

Section 1.8 Investment Manager. An investment manager appointed by the Board or its successor in accordance with the provisions of Section 9.4 hereof

Section 1.9 New B Notes. Has the meaning given to that term in the Plan of Adjustment.

Section 1.10 OPEB Claims Notes. The New B Notes the City is required to contribute to the Trust pursuant to the Plan of Adjustment.

Section 1.11 Other Supporting Organization. An organization other than the City, the Rate Stabilization Fund, or the Supporting Organization, having voluntarily contributed funds in excess of **[\$500,000]** to the Trust on or after the Effective Date.

Section 1.12 Participant. An Eligible Retiree Member or Eligible Dependent who is entitled to health care benefits pursuant to the terms of the Plan.

Section 1.13 Plan. The Health Care Plan for Retirees of the City of Detroit, to be adopted and thereafter amended from time to time by the Board, as specified herein, and which will provide health care benefits permitted to be provided by a VEBA under Code section 501(c)(9).

Section 1.14 Plan of Adjustment. The Plan for the Adjustment of Debts of the City of Detroit.

Section 1.15 Rate Stabilization Fund. The Rate Stabilization Reserves Fund maintained under the control of the Governing Board of the City of Detroit Employee Benefits Plan established pursuant to Title 9, Chapter VIII of the Charter of the City of Detroit for the exclusive purpose of providing hospital, surgical, and death benefits for current or former employees of the City.

Section 1.16 Supporting Organization. The Foundation for Detroit's Future, a not for profit that is created to collect certain contributions and make an annual contribution to an escrow account as described in Section 3.2, or the successor to such not for profit. The Supporting Organization was created to receive funds from organizations, including those listed in Exhibit B, and allocate such funds, in the amounts described in Exhibit B, to, among other entities, this Trust Fund.

Section 1.17 Trust Agreement. This agreement as it may be amended thereafter from time to time by the parties hereto in accordance with the terms hereof.

Section 1.18 Trust or Trust Fund. The City of Detroit Police and Fire Retiree Health Care Trust established by this Trust Agreement, comprising all property or interests in property held by the Bank from time to time under this Trust Agreement.

## **ARTICLE II ESTABLISHMENT OF TRUST**

Section 2.1 Purpose. The Trust is established for the purpose of providing life, sickness, accident, and other similar benefits, directly, through the purchase of insurance, or by reimbursement of expenses, to the Participants in accordance with the Plan and consistent with Section 501(c)(9) of the Code and the regulations and other guidance promulgated thereunder. The Trust, together with the Plan, is intended to constitute a VEBA under Section 501(c)(9) of the Code.

Section 2.2 Receipt of Funds. The Bank shall accept all sums of money and other property contributed to the Trust pursuant to Article III. The Bank shall hold, manage and administer the Trust Fund without distinction between principal and income. The Bank shall be accountable for the contributions or transfers it receives, but shall not be responsible for the collection of any contributions or transfers to the Trust or enforcement of the terms of the OPEB Claims Notes.

Section 2.3 Inurement and Reversion Prohibited. At no time shall any part of the principal or income of the Trust Fund be used for, or diverted to, any purpose other than sponsoring, operating and administering the Plan and Trust to provide benefits that are permitted under Code section 501(c)(9) to Participants. Nothing in this Trust Agreement shall be construed in such a way as to prohibit the use of assets of the Trust Fund to pay reasonable fees and other expenses and obligations incurred in maintaining, administering and investing the Trust Fund or in sponsoring, administering and operating the Plan in accordance with the provisions of this Trust Agreement. At no time shall any part of the net earnings inure to the benefit of any individual other than through the provision of benefits as permitted under Code

section 501(c)(9) and the regulations promulgated thereunder. In no event will the assets held in the Trust Fund revert to Detroit. Upon termination of the Trust Fund, any assets remaining upon satisfaction of all liabilities to existing Participants shall be applied, either directly or through the purchase of insurance, to provide life, sick accident or other permissible benefits under Code section 501(c)(9) and the rules and regulations promulgated thereunder, pursuant to criteria consistent with such rules and regulations.

Section 2.4 No Guarantee. Nothing contained in the Trust or the Plan shall constitute a guarantee that the assets of the Trust Fund will be sufficient to pay any benefit to any person or make any other payment. The obligation of the Plan to pay any benefit provided under the Plan is expressly conditioned on the availability of cash in the Trust to pay the benefit, and no plan fiduciary or any other person shall be required to liquidate the OPEB Claims Notes or any other Plan asset in order to generate cash to pay benefits. Detroit shall not have any obligation to contribute any amount to the Trust except as provided in Article III. Except for payments of benefits under the Plan, no Participant shall receive any distribution of cash or other thing of current or exchangeable value, either from the Board or the Bank, on account of or as a result of the Trust Fund created hereunder.

Section 2.5 No Interest. Detroit shall not have any legal or equitable interest in the assets of the Trust Fund at any time, including following the termination of the Trust.

### **ARTICLE III CONTRIBUTIONS TO THE TRUST FUND**

Section 3.1 Detroit Contributions. The Bank will accept the City's contribution of the OPEB Claims Notes to the Trust Fund pursuant to the Plan of Adjustment. Apart from the contribution of the OPEB Claims Notes, contributions to the Trust Fund made within sixty (60) days of the Effective Date by the Rate Stabilization Fund in the amount of \$[1.5] million, or from Other Supporting Organizations, and as otherwise provided in Section 3.2, Detroit shall have no further obligation to contribute to the Trust or otherwise fund the Plan.

Section 3.2 Other Contributions. The Bank will accept other contributions to the Trust Fund from Participants, from funds held in escrow by an escrow agent on behalf of the City that are received from the Supporting Organization, or from Other Supporting Organizations whether or not contributed through an escrow on behalf of the City.

### **ARTICLE IV PAYMENTS FROM THE TRUST FUND**

Section 4.1 Payments from the Trust Fund.

(a) Subject to paragraph (b) below, the Bank shall make payments from the Trust Fund to provide, directly or through the purchase of insurance, benefits under the Plan as directed by the Board.

(b) To the extent permitted by law, the Bank shall be fully protected in making payments out of the Trust Fund, and shall have no responsibility to see to the application of such payments or to ascertain whether such payments comply with the terms of the Plan, and shall not be liable for any payment made by it in good faith and in the exercise of reasonable care

without actual notice or knowledge of the impropriety of such payments hereunder. The Bank may withhold all or any part of any payment as the Bank in the exercise of its reasonable discretion may deem proper, to protect the Bank and the Trust against any liability or claim on account of any income or other tax whatsoever; and with all or any part of any such payment so withheld, may discharge any such liability. Any part of any such payment so withheld by the Bank that may be determined by the Bank to be in excess of any such liability will upon such determination by the Bank be paid to the person or entity from whom or which it was withheld.

Section 4.2 Method of Payments. The Bank may make any payment required to be made by it hereunder, unless directed otherwise by the Board, by direct electronic deposit of the amount thereof to the financial institution where the person or entity to whom or to which such payment is to be made maintains an account, or by mailing a check in the amount thereof by first class mail in a sealed envelope addressed to such person or entity to whom or to which such payment is to be made, according to the direction of the Board. If any dispute arises as to the identity or rights of persons who may be entitled to benefits hereunder, the Bank may withhold payment until such dispute is resolved by a court of competent jurisdiction or, at the discretion of the Board pursuant to written instructions.

Section 4.3 Excessive Payments. If the payment of any benefit under the Plan is determined to have been excessive or improper, and the recipient thereof fails to make repayment to the Bank or an administrator chosen by the Board of such excessive or improper payment upon the Bank's or administrator's request, the Bank shall deduct the amount of such excessive or improper payment from any other benefits thereafter payable to such person. Until repaid to the Bank or Bank's agent, the amount of said excessive or improper payment shall not be included in any report by the auditor, the Bank, or the administrator as an asset of the Plan or the Trust Fund.

## **ARTICLE V BANK POWERS AND DUTIES**

Section 5.1 Powers of the Bank Generally. The Bank has whatever powers are required to discharge its obligations and to accomplish any of the purposes of this Trust Agreement, including (but not limited to) the powers specified in the following Sections of this Article, and the powers and authority granted to the Bank under other provisions of this Trust Agreement. The enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Bank.

Section 5.2 Powers Exercisable by the Bank in Its Discretion. The Bank is authorized and empowered to exercise the following powers at its discretion in satisfaction of the duties imposed on it under this Trust Agreement:

(a) To place securities orders, settle securities trades, hold securities in custody, deposit securities with custodians or securities clearing corporations or depositories or similar organizations, and other related activities as shall be necessary and appropriate in performing its duties under this Trust Agreement. Any indicia of ownership of any Trust Fund assets, however, shall not be maintained outside the jurisdiction of the district courts of the United States. Trades and related activities conducted through a broker shall be subject to reasonable fees and commissions established by the broker, which may be paid from the Trust Fund or netted from the proceeds of trades.

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(c) To cause any investment in the Trust Fund to be registered in, or transferred into, its name as the institutional trustee or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Bank shall at all times show that all such investments are part of the Trust Fund, and the Bank shall be fully responsible for any misappropriation in respect of any investment held by its nominee or held in unregistered form and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States.

(d) To deliver to the Board, or the person or persons identified by the Board, on a timely basis as required under Section 5.5, proxies and powers of attorney and related informational material, for any shares or other property held in the Trust.

Section 5.3 Powers Exercisable by the Bank Only Upon the Direction of the Board.  
The Bank shall exercise the following powers only upon the direction of the Board (or, in the case of subparagraphs (a) and (b)), a duly appointed Investment Manager who has been conferred such power by the Board):

(a) To receive, hold, invest and reinvest Trust Fund assets and income under provisions of law from time to time existing and in accordance with Article IX.

(b) To exercise or abstain from exercising any option, privilege or right attaching to any Trust Fund assets.

(c) To make payments from the Trust Fund for the provision of benefits in accordance with Article IV and for the payment of expenses as provided in Section 5.8.

(d) To employ suitable agents and depositaries (domestic or foreign), public accountants, brokers, custodians, ancillary trustees, appraisers, enrolled actuaries, and legal counsel as shall be reasonably necessary and appropriate to fulfill its obligations under this Trust Agreement and to comply with the lawful instructions of the Board, and to pay their reasonable expenses and compensation.

(e) To pay any income or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on unrelated business income of the Trust, if any, out of the Trust Fund.

(f) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund.

(g) To accept, compromise or otherwise settle any obligations or liability due to or from them as the Bank hereunder, including any claim that may be asserted for taxes, assessments or penalties under present or future laws, or to enforce or contest the same by appropriate legal proceedings.

(h) To act as the sole trustee in the event that the Board, by reason of death, resignation, or failure to appoint successor Individual Trustees, has fewer than three (3) members.

Section 5.4 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Bank or any institutional successor trustee under this Trust Agreement.

Section 5.5 General Duties and Obligations of Bank.

(a) In accordance with Article II, the Bank shall hold all property received by it and any income and gains thereupon. In accordance with this Article and Article IX, the Bank shall manage, invest and reinvest the Trust Fund following the directions of the Board or a duly appointed Investment Manager (who has been conferred such power by the Board), shall collect the income therefrom, and shall make payments or disbursements as directed by the Board.

(b) Subject to the provisions of Articles VII and X, the Bank shall comply with any directive issued by the Board to withdraw and transfer all or any part of the Trust Fund to another institutional trustee, custodian or a funding agent.

(c) The Board shall have responsibility for directing the Bank as to the voting (by proxy or in person) of any shares or other property held in the Trust. Accordingly, the Bank shall deliver to the Board (or the person or persons identified by the Board), on a timely basis, proxies, powers of attorney and related informational material that are necessary for the Board to fulfill its responsibility.

The Bank may use agents to effect such delivery to the Board (or the person or persons identified by the Board).

(d) The Bank shall discharge its duties in the interests of Participants and for the exclusive purpose of providing benefits to Participants and defraying reasonable expenses of administering the Trust and the Plan and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims. The Bank will be under no liability or obligation to anyone with respect to any failure of the Board to perform any of its obligations under the Plan or Trust Agreement or for any error or omission of the Board.

Section 5.6 Determination of Rights. The Bank shall have no power, authority, or duty hereunder in respect to the determination of the eligibility of any person to coverage under the Plan, or the entitlement of any person to any benefit payments under the Plan.

Section 5.7 Continuance of Plan; Availability of Funds. Neither the Board, the Bank nor Detroit assumes any contractual obligation as to the continuance of the Plan and shall not be responsible for the adequacy of the Trust Fund to meet and discharge any liabilities under the Plan, and the Bank's obligation to make any payment shall be limited to amounts held in the Trust Fund at the time of the payment.



Section 5.8 Payment of Expenses. The Bank shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses) reasonably incurred by the Bank or the Board in connection with establishing, sponsoring, administering or operating the Trust or Plan. The Board shall by written certificate provided to the Bank request payment for any expenses related to the administration of the Trust and/or the Plan. Upon receipt of the written certificate, the Bank may make the payment requested by the Board. The expenses of the Bank shall constitute a lien on the Trust Fund.

Section 5.9 Bank Compensation. The Bank will apply the assets of the Trust Fund to pay its own fees in the amounts and on the dates set forth in Exhibit A. The Bank's compensation shall constitute a lien on the Trust Fund.

Section 5.10 Reliance on Written Instruments. The Bank shall be fully protected in acting upon any instrument, certificate or paper believed by it to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

## **ARTICLE VI BANK ACCOUNTS**

Section 6.1 Records. The Bank shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to the Trust, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by the Board or such person or persons as the Board may designate.

Section 6.2 Annual Audit. The Trust Fund shall be audited annually by a firm of certified public accountants independent of the Bank, the members of the Board, and the City, and a statement of the results of such audit shall be provided to the Bank and the Board and also made available for inspection by interested persons at the principal office of the Trust. Such audit must be completed no later than 120 days after the expiration of the calendar year, or after expiration of the fiscal year if the Trust Fund is on a fiscal year other than a calendar year. The Board shall provide a copy of this statement to the Supporting Organization and any Other Supporting Organization no later than the May 15<sup>th</sup> immediately succeeding the last day of the year covered by such audited financial statements.

Section 6.3 No Interest by Participants. In no event shall any Participant or beneficiary have any interest in any specific asset of the Trust Fund. At no time shall any account or separate fund be considered a savings account or investment or asset of any particular Participant, beneficiary, or class of Participants or beneficiaries, and no Participant or beneficiary shall have any right to any particular asset which the Board or Bank may have allocated to any account or separate fund for accounting purposes.

Section 6.4 Furnishing Written Accounts. The Bank shall file with the Board a written account setting forth a description of all securities and other property purchased and sold, and all receipts, disbursements, and other transactions effected by it during the accounting period to which the Board and the Bank have agreed, and showing the securities and other properties held, and their fair market values at such times and as of such dates as may be agreed by the Board and the Bank in writing. Such written account shall be filed with the Board within thirty (30) days after the close of each calendar quarter.

Section 6.5 Accounting Year, Cash Basis. The accounting year of the Trust shall be the calendar year. All accounts of the Bank shall be kept on a cash basis.

Section 6.6 Judicial Proceedings. If the Bank and the Board cannot agree with respect to any act or transaction reported in any statement, the Bank shall have the right to have its accounts settled by judicial proceedings in which only the Bank and the Board shall be necessary parties. No Participant shall have any right to compel an accounting, judicial or otherwise, by the Bank.

## **ARTICLE VII PROCEDURES FOR THE BANK**

Section 7.1 Removal. The Bank may be removed by the Board at any time upon thirty (30) days' advance written notice. Such removal shall be effective on the date specified in such written notice, provided that notice has been given to the Bank of the appointment of a successor institutional trustee or custodian in the manner set forth in Section 7.3 below.

Section 7.2 Resignation. The Bank may resign by filing with the Board a written resignation that shall take effect ninety (90) days after the date of such filing, unless prior thereto a successor institutional trustee or custodian has been appointed by the Board. In no event may the Bank's resignation take effect before a successor institutional trustee or custodian has been appointed by the Board and such successor trustee has accepted the appointment. If the Board fails to appoint a successor institutional trustee or custodian, the retiring Bank may seek the appointment of a successor entity in the manner set forth in Section 7.3.

### Section 7.3 Successor Bank.

(a) The Board may appoint a successor institutional trustee or custodian by delivering to such successor an instrument in writing, executed by an authorized representative of the Board, appointing such successor entity, and by delivering to the removed or resigning Bank an acceptance in writing, executed by the successor so appointed. Such appointment shall take effect upon the date specified in Section 7.1 or 7.2 above, as applicable.

(b) Alternatively, the Board may appoint a successor institutional trustee or custodian by securing from such successor an amendment to this Trust Agreement, executed by both the successor and an authorized representative of the Board, which replaces the current Bank with the successor institutional trustee or custodian, appointing such successor institutional trustee or custodian, and by delivering to the removed or resigning Bank an executed copy of the amendment. Such appointment shall take effect upon the date specified in the amendment.



(c) If no appointment of a successor institutional trustee or custodian is made by the Board within a reasonable time after such resignation, removal or other event, any court of competent jurisdiction may, upon application by the retiring Bank, appoint a successor institutional trustee or custodian after such notice to the Board and the retiring Bank, as such court may deem suitable and proper.

Section 7.4 Effect of Removal or Resignation of Bank. Upon the removal or resignation of the Bank in accordance with Section 7.1 or 7.2 above, the Bank shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law.

Section 7.5 Merger or Consolidation of the Bank. Any corporation continuing as the result of any merger or resulting from any consolidation, to which merger or consolidation the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed to be continuing as the Bank.

## **ARTICLE VIII COMPOSITION OF AND PROCEDURES FOR THE BOARD OF TRUSTEES**

Section 8.1 Number and Appointment of Members. The Board of Trustees shall consist of seven (7) Individual Trustees as voting members and for the first four (4) years, one (1) non-voting, ex-officio member, who are selected as provided below.

(a) The Mayor of Detroit shall appoint one (1) voting member, who may not be an employee or employed by an affiliate of the City (for such purposes, a contractor of the City shall not be deemed an affiliate), or of any labor union representing employees of the City, or a member of any such labor union, or a Participant. Such member shall have expert knowledge or extensive experience with respect to economics, finance, institutional investments, administration of public or private health and welfare benefit plans, executive management, benefits administration or actuarial science. The Board member selected by the Mayor to begin serving as of the Effective Date shall be Floyd Allen.

(b) The remaining six (6) voting members shall be appointed as follows: three (3) such voting members shall initially be designated by the Official Committee of Retirees of the City of Detroit, Michigan, and three (3) such voting members shall initially be designated by the Retired Detroit Police and Fire Fighters Association. The members initially selected by the Official Committee of Retirees of the City of Detroit, Michigan shall be: [\_\_\_\_\_, \_\_\_\_\_], and Thomas Sheehan. The members initially selected by the Retired Detroit Police and Fire Fighters Association shall be: Al Grant, Greg Trozak, and Andrew Dillon.

(c) The Retired Detroit Police Members Association shall appoint one (1) non-voting, ex-officio member who shall initially be: [\_\_\_\_\_]. The non-voting member may attend any meeting of the Board, provide whatever opinion and recommendations he or she deems warranted, and receive all written product received by the full Board. To the extent the Board appoints any committee or subcommittee, such non-voting member is also eligible to be appointed, in the full voting Board's discretion, as an ex-officio member of such committee/subcommittee, but if appointed would not vote as a committee/subcommittee member.

Each voting Board member shall acknowledge his or her appointment and acceptance of the duties and responsibilities set forth in this Trust Agreement in writing.

Section 8.2 Term of Office. Each member of the Board shall serve a period of four (4) years, or if earlier, until his or her death, incapacity to serve hereunder, or resignation. A voting Board member whose term has ended due to the passage of time may be reappointed to serve an additional four (4) year term pursuant to the procedures set forth in Section 8.4 below.

Section 8.3 Resignation. A Board member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least ninety (90) days' advance written notice to the Board (and in the case of a Board member selected by the Mayor, to the Mayor; and in the case of a Board member selected by the Official Committee of Retirees or the Retired Detroit Police and Fire Fighters Association, to the Retired Detroit Police and Fire Fighters Association), which notice shall state the date when such resignation shall take effect, which notice or time period may be waived by the Board.

Section 8.4 Vacancies. In the event of a vacancy, either by resignation, death, incapacity, expiration of term of office, or other reasons, the replacement Board member shall be appointed as provided below.

(a) In the event of a vacancy of the seat previously filled by the appointee of the Mayor of Detroit, the replacement Board member shall be appointed as provided in Section 8.1(a).

(b) In the event of a vacancy of a seat previously filled by an appointee of the Official Committee of Retirees or the Retired Detroit Police and Fire Fighters Association, the replacement Board member shall be appointed by the Retired Detroit Police and Fire Fighters Association.

(c) In the event of a vacancy of the non-voting, ex-officio seat previously filled by the appointee of the Retired Detroit Police Members Association, the replacement Board member shall be appointed by the Retired Detroit Police Members Association; provided, however, that such seat shall terminate on December 31, 2018, and in no event shall a vacancy in this seat after December 31, 2018 be filled.

Section 8.5 Fees and Expenses. Voting Board members shall each be paid a stipend. For the 2015 and 2016 calendar year, this stipend shall be in the amount of \$12,000 per year (payable ratably on a monthly basis). Beginning with the 2017 calendar year and for each year thereafter, this stipend shall be in the amount of \$6,000 per year (payable ratably on a monthly basis); provided, however, that the Board, by a vote of not less than six (6) out of seven (7) voting Board members, shall have the power to provide for a different amount for the stipend; and provided, further, that in no event shall such annual stipend exceed \$12,000. Each voting Board member may be reimbursed for reasonable expenses properly and actually incurred in the performance of his or her duties, and in the case of the non-voting member, he or she may be reimbursed for reasonable expenses properly and actually incurred in connection with attendance at Board or Board committee meetings. Compensation payable to the Board members and all reimbursed expenses shall be payable out of the Trust.

Section 8.6 Operation of the Board; Quorum. The Board shall select from among its members a chair and a vice chair. The Board shall hold regular meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. Each Board member shall be entitled to one vote on each question before the Board. Five (5) voting members shall constitute a quorum at any meeting. Except as provided in Section 8.5 and Article X, a majority vote of the seven (7) voting members of the Board at a meeting in which a quorum exists shall be necessary for a decision by the Board. Notwithstanding the foregoing, the voting members of the Board may act by unanimous written consent in lieu of a meeting.

## **ARTICLE IX POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

Section 9.1 General. The Board shall be responsible for designing, adopting, maintaining and administering the Plan, as well as administering the Trust and managing the Trust assets as provided herein. Subject to the provisions of this Trust Agreement, the Plan documents and applicable laws, the Board shall have sole, absolute and discretionary authority to adopt such rules and regulations and take all actions that it deems desirable for the administration of the Plan and Trust, and to interpret the terms of the Plan and Trust. The decisions of the Board will be final and binding on all Participants and all other parties to the maximum extent allowed by law. In performing its duties hereunder, the voting members of the Board shall comply with the terms of the Trust, and shall discharge their duties for the exclusive purposes of providing benefits to participants and beneficiaries of the Plan and Trust and defraying reasonable expenses of the Plan and Trust, and with the care, skill, prudence, and diligence then prevailing that a prudent person acting in a like capacity – and familiar with such matters – would use in the conduct of an enterprise of like character and with like aims.

### **Section 9.2 Plan Design and Administration.**

(a) Adoption of Plan. The Board shall adopt a Plan to offer life, sickness, accident or other similar benefits to Participants. All terms of the Plan shall be determined by the Board; provided that such terms shall be consistent with this Trust Agreement, Code section 501(c)(9) and the regulations promulgated thereunder. The Board shall be under no obligation to design the Plan to assure that the assets of the Trust Fund are sufficient to provide benefits to all potential Participants of the Plan in subsequent years.

(b) Benefits. The Plan shall include benefits and any other features including, without limitation, premium-sharing or other cost-sharing or reimbursements, that the Board from time to time determines appropriate or desirable in its sole discretion. The Plan may provide for different benefit structures or programs for different groups of Participants, as determined by the Board in its sole discretion. In designing the Plan and the benefits to be provided thereunder, the Board may take into account relevant circumstances, including, without limitation, the degree to which Participants may have alternative resources or coverage sources, as well as the resources of the Trust Fund. Benefits provided under the Plan shall be limited to those health care benefits permitted by Code Section 501(c)(9), and any Plan eligibility restrictions established by the Board shall conform with the requirements set forth in Treasury Regulation Section 1.501(c)(9)-2.

(c) Method of Providing Benefits. Benefits under the Plan may be fully insured, partially insured or self-insured, as determined by the Board from time to time in its sole discretion. The expected cost of benefits under the Plan shall not exceed the amount expected to be available under the Trust.

(d) Plan Documentation. The Board shall be responsible for creating, adopting and/or executing any documents necessary to set forth the Plan's governing terms, and shall be responsible for communicating the terms of the Plan to the Eligible Retiree Members and Eligible Dependents in accordance with applicable law.

Section 9.3 Investment of the Trust. The Board shall have full power and authority to manage, control, invest and reinvest the money and other assets of the Trust Fund subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by the Investment Act, and the Bank shall comply with the proper written direction of the Board concerning those assets. The Board may employ outside advisors, including investment advisors, to advise it with regard to the investment of the assets of the Trust Fund. Any outside advisors who are investment fiduciaries (as defined in the Investment Act) shall satisfy any applicable requirements of the Investment Act.

Section 9.4 Appointment of Investment Managers. The Board, from time to time, may appoint one or more independent Investment Managers, pursuant to a written investment management agreement describing the powers and duties of the Investment Manager, to direct the investment and reinvestment of all or a portion of the Trust (hereinafter referred to as an "Investment Account"). The Board shall determine that each Investment Manager satisfies the requirements of section 38.1133(11) of the Investment Act and, is entitled (under its investment management agreement) to direct the investment and reinvestment of the Investment Account for which it is responsible, in its sole and independent discretion and without limitation, except for any limitations which from time to time the Board determines shall modify the scope of such authority. If an Investment Manager is appointed, it shall have the authority of the Bank specified in Section 5.1 hereof with respect to the Investment Account over which it has investment discretion and the Bank's duties with respect to such Investment Account shall be limited to following the instructions of the Investment Manager. Provided that an Investment Manager is prudently selected and monitored by the Board, the Board shall have no liability (a) for the acts or omissions of such Investment Manager; (b) for following directions of such Investment Manager which are given in accordance with this Trust Agreement; or (c) for any loss of any kind which may result by reason of the manner of division of the Trust into Investment Accounts.

Section 9.5 Government Reports and Returns. The Board shall file all reports and returns that are required to be made with respect to the Trust and the Plan.

Section 9.6 Compromise or Settle Claims. The Board may compromise, settle and release claims or demands in favor of or against the Trust or the Board on such terms and conditions as the Board may deem advisable. The Board may at all times rely upon the advice of independent counsel in reaching such decisions.

Section 9.7 Appointment of Administrator. The Board may appoint one or more third parties to perform any administrative functions it has with regard to the Trust or Plan.

Section 9.8 Employment of Assistance. The Board has the exclusive authority to employ, contract and pay for all professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation and administration of the Plan and Trust. The powers granted to the Board in this subparagraph include complete control of the procurement process, including contracts for office space, computer hardware and software, and human resource services. In accordance with the provisions of Section 5.3 hereof, the Board may direct the Bank to pay reasonable compensation therefor from the Trust Fund. The Board may take or may refrain from taking any action in accordance with or reliance upon the opinion of counsel or such expert advisors.

Section 9.9 Reliance on Written Instruments. The Board shall be fully protected in acting upon any instrument, certificate or paper believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 9.10 No Individual Liability on Contracts. The Board shall not be liable personally for any debts, obligations, or undertakings contracted by them, or for the breach of any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that neither the Board nor any of its members shall be exempt from personal liability for willful misconduct, intentional wrongdoing, breach of applicable fiduciary duty, negligence, or fraud, and the Trust shall not indemnify the Board for such liabilities, or to the extent that application of this sentence would violate any law.

Section 9.11 Detroit Not Liable for Conduct of Board. The Board is not in its capacity as Board an officer, agent, employee, or representative of Detroit. In its capacity as Board, the Board is a principal acting independently of Detroit, which shall not be liable for any act, omission, contract, obligation, liability, debt, or undertaking of the Board or its officers, agents, or representatives.

Section 9.12 Liability Insurance. The Board may obtain and keep current a policy or policies of insurance, insuring the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under this Trust Agreement or the Plan. To the extent permitted by applicable law, the premiums on such policies may be paid from the Trust Fund.

Section 9.13 Reimbursement for Defense of Claims. To the extent permitted by applicable law and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Board, employees of the Board and persons acting on the Board's behalf pursuant to an express written delegation (each separately, the "Indemnified Party") shall be reimbursed by the Trust Fund for reasonable expenses, including without limitation attorneys fees, incurred in defense of any claim that seeks a recovery of any loss to the Plan or Trust Fund or for any damages suffered by any party to, or beneficiary of this Trust Agreement (a) for which the Indemnified Party is adjudged not liable, or (b) which is dismissed or compromised in a final settlement, where the Board – or, where required by applicable law, an independent fiduciary – determines that the settling Indemnified



Party was not responsible (in such cases, all or only a portion of the settling Indemnified Party's reasonable expenses may be reimbursed, as directed by the Board or an independent fiduciary), provided that, the Board shall have the right to approve of the retention of any counsel whose fees would be reimbursed by the Trust Fund, but such approval shall not be withheld unreasonably.

Section 9.14 Subrogation and Reimbursement. If the Plan is self-insured, the following provisions regarding subrogation and third-party reimbursement will apply.

(a) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of an individual ("Benefit Recipient"), the Trust Fund shall be subrogated as provided in this Section 9.14 to all the Benefit Recipient's rights of recovery with respect to the illness or injury for which the payment of benefits is made by the Trust Fund. The right of recovery referred to in the preceding sentence shall include the right to make a claim, sue, and recover against any person or entity from the first dollars of any funds which are paid or payable as a result of a personal injury claim or any reimbursement of health care expenses. If requested in writing by the Board, the Benefit Recipient shall take, through any representative designated by the Board, such action as may be necessary or appropriate to recover such payment from any person or entity, said action to be taken in the name of the Benefit Recipient. In the event of a recovery or settlement, the Trust Fund shall be reimbursed in full on a first priority basis out of such recovery or settlement for expenses, costs, and attorneys' fees incurred by it in connection therewith.

(b) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of a Benefit Recipient for an illness or injury, the Trust Fund shall be entitled to, and shall have a first priority equitable lien on, the proceeds of any recovery, by judgment, settlement or otherwise, with respect to the illness or injury, and if paid to the Benefit Recipient, the Benefit Recipient shall immediately pay any such proceeds to the Trust Fund. If the Benefit Recipient fails to pay such proceeds, or does not cause such proceeds to be paid, to the Trust Fund, the Board may, in addition to any other remedy to which it may be entitled, recover the proceeds directly or by offset against claims for benefits under the Plan and Trust made with respect to the affected Benefit Recipient (or such Benefit Recipient's beneficiaries, heirs, attorneys, agents, representatives, or estate).

(c) The Trust Fund shall have the right of subrogation and reimbursement set forth in this Section 9.14 regardless of whether the Benefit Recipient is made whole and regardless of whether the recovery, or any part thereof, is designated as payment for health care expenses, pain and suffering, loss of income or any other specified or unspecified damages or reason, and without regard to whether recovery is designated as including or excluding the health care expenses covered by the Plan and Trust. Any recovery by a Benefit Recipient, an attorney or other third party shall be deemed to be for the benefit of the Plan and Trust and shall be held in constructive trust for the Trust Fund until the Trust Fund is reimbursed in full for all amounts paid by the Trust Fund. The subrogation and reimbursement rights of the Trust Fund described in this Section 9.14 include all rights against, and include all rights with respect to, proceeds from or held by any attorney, third party, insurance carrier or payer of medical benefits, including an uninsured or under-insured motorist carrier, a no-fault carrier and a school insurance carrier, even if such coverage was purchased by the Benefit Recipient, and without regard to whether the proceeds have been paid or are payable.

(d) By participating in the Plan, each Benefit Recipient agrees to cooperate fully with the Plan and Trust and to execute and deliver agreements, liens and other documents and do whatever else the Board deems necessary to enable and assist the Trust Fund in exercising its rights under this Section 9.14, but the Trust Fund's rights under this Section 9.14 shall be effective regardless of whether the Benefit Recipient actually signs any agreements, liens or other documents. By participating in the Plan, each Benefit Recipient also agrees (i) that he or she will not make or maintain any make whole, common trust fund or apportionment action or claim in contravention of the subrogation and reimbursement provisions of this Section 9.14; and (ii) that he or she will not oppose any proceeding by the Trust Fund to obtain reimbursement on procedural grounds. The Benefit Recipient, directly or through his or her representatives, shall not do anything to impair the Trust Fund's rights. If the Board determines that any Trust Fund recovery rights under Section 9.14 have been impaired by any action of the Benefit Recipient or his or her representatives or by the Benefit Recipient's or such other person's failure to comply with the Benefit Recipient's obligations under Section 9.14, the Board may, in addition to any other remedy to which it may be entitled, determine the amount by which the Trust Fund's recovery rights have been impaired and recover such amount directly or by offset against claims for benefits under the Trust Fund made with respect to the affected Benefit Recipient.

(e) This Section 9.14 entitles the Trust Fund to subrogation and reimbursement equal to the entire amount paid by the Trust Fund for the illness or injury to which the subrogation or reimbursement relates, including related expenses, costs and attorneys' fees, which shall be from the first dollars payable to or received by the Benefit Recipient, his representatives, heirs, legal counsel, estate or any other third party from any settlement, judgment or other payment, without reduction for attorneys' fees or for any other reason. The common fund, make-whole, apportionment or any similar doctrines shall not apply to any amounts received. Any attorneys' fees shall be the responsibility solely of the Benefit Recipient, and the Trust Fund shall not pay any attorneys' fees or costs associated with a Benefit Recipient's claim or lawsuit without the Board's prior written authorization.

(f) The intention of this Section 9.14 is to give the Trust Fund the first right of subrogation and reimbursement in full with respect to the first dollars paid or payable, even though the Benefit Recipient is not made whole. Each Benefit Recipient agrees that as a condition to receiving benefits under the Plan and from the Trust Fund, the Benefit Recipient shall comply with the requirements of this Section 9.14.

## **ARTICLE X AMENDMENT, TERMINATION AND MERGER**

Section 10.1 Amendment. The Trust Agreement may be amended at any time in writing by the Board, by a vote of not less than six (6) out of seven (7) voting Board members, or by Court order upon proper motion, provided, however, that no amendment may impose a contribution obligation on Detroit; provided further that no amendment shall in any way conflict with the terms of the Plan of Adjustment or a Court order confirming the Plan of Adjustment; and provided further that no amendment shall adversely affect the exempt status of the Trust or Plan under Section 501(c)(9) of the Code. No amendment to the Trust Agreement shall modify the responsibilities of the Bank hereunder unless the Bank has first consented to such amendment.

## Section 10.2 Termination.

(a) The Trust and this Trust Agreement may be terminated at any time in writing by action of the Board, acting by a vote of not less than six (6) out of seven (7) voting Board members, with a copy of such written instrument to be provided to the Bank, or by Court order upon proper motion. Upon termination of this Trust Agreement, the assets of the Trust Fund shall be paid out at the direction of the Board in the following order of priority: (i) the payment of reasonable and necessary administrative expenses (including taxes); (ii) the payment of benefits to Participants entitled to payments for claims arising prior to such termination; and (iii) upon satisfaction of all liabilities to existing Participants, either directly or through the purchase of insurance, to provide life, sick accident or other permissible benefits in accordance with Code section 501(c)(9) and the rules and regulations promulgated thereunder. Neither Detroit nor any member of the Board shall have any beneficial interest in the Trust Fund, except to the extent an Individual Trustee is also a Participant in the Plan. Any determination by the Board or an administrator to distribute assets of the Trust upon termination to an Individual Trustee who is also a Participant must have the written concurrence of the Bank. The Trust Fund shall remain in existence until all assets have been distributed.

(b) Upon termination, the Bank and the Board shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

Section 10.3 Transfer of Assets and/or Liabilities. To the extent permitted by Code section 501(c)(9) and other applicable law, some or all of the assets and/or liabilities of the Trust Fund may at the discretion of the Board be transferred directly to another trust for the purpose of providing health or welfare benefits to some or all of the Participants on such terms and conditions as the Board may determine.

## ARTICLE XI MISCELLANEOUS

Section 11.1 Rights in Trust Fund. No Participant or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right against the Bank, the Board, or Detroit, except as may be otherwise expressly provided in the Plan or in this Trust Agreement.

Section 11.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Participant to any benefits or future payments hereunder or under the provisions of the Plan shall not be subject to attachment or garnishment or other legal process by any creditor of any such Participant, nor shall any such Participant have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingent or otherwise, under this Trust Agreement.

Section 11.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 11.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.



Section 11.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 11.6 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (b) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (c) on the fourth business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the Bank:

**[insert name and address]**

If to the Board:

**[insert 8 names and addresses]**

If to the Mayor:

**[insert name and address]**

If to the Supporting Organization:

**[insert name and address]**

If to the Other Supporting Organization:

**[insert name and address]**

If to the Retired Detroit Police and Fire Fighters Association:

**[insert name and address]**

If to the Retired Detroit Police Members Association

**[insert name and address]**

IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

**BANK**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF DETROIT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**INDIVIDUAL TRUSTEES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
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By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**  
**Bank Compensation**

## EXHIBIT B

### Supporting Organization Funding

Contributing Organization	Contribution Amount
Skillman Foundation	

**EXHIBIT I.A.115**

FORM OF DEVELOPMENT AGREEMENT

**DEVELOPMENT AGREEMENT**  
**OPTION TO PURCHASE AND DEVELOP LAND**  
**BY AND BETWEEN**  
**CITY OF DETROIT**  
**AND**  
**PIKE POINTE HOLDINGS, LLC**

**THIS AGREEMENT** (referred to herein as the “Agreement”) is entered into as of the \_\_\_\_ day of September, 2014 (the “Effective Date”), by and between the City of Detroit, a Michigan public body corporate (the “City”), acting through its Planning & Development Department (“PDD”), whose address is 2300 Cadillac Tower, Detroit, Michigan 48226, and Pike Pointe Holdings, LLC, a Delaware limited liability company (“Developer”), whose address is [\_\_\_\_\_] ]. The City and Developer are sometimes referred to in this Agreement as a “Party” and, collectively, as the “Parties.”

**Recitals:**

A. In consideration of the Parties’ various contractual arrangements entered into contemporaneously herewith, including without limitation, extension of the lease of the Windsor Tunnel between the City and affiliates of Developer, and the mutual desire of the Parties to promote economic growth in the City (the “Arrangement”), the City has agreed to grant an option to Developer to acquire various parcels of land located in the City of Detroit as described in the attached **Exhibit A** (each a “Property” and, collectively, the “Properties”). Unless otherwise set forth herein, references in this Agreement to a Property shall apply only to the applicable Property and not the other Properties.

B. If Developer exercises its option with respect to one or more of parcels of the Property as set forth herein, Developer shall develop such Property in accordance with the terms and provisions of this Agreement.

Accordingly, the Parties agree as follows:

## **Section 1. TERMS OF OPTION**

(A) Grant of Option. The City hereby grants to Developer an option (the “Option”) to, from time to time, acquire any or all of the Properties from the City upon the terms and conditions set forth in this Agreement. The Option shall be effective for five (5) years from the Effective Date, except with respect to that certain Property located at 2200 Franklin for which the Option shall be effective for seven (7) years from the Effective Date (the “Option Period”). The Parties agree and acknowledge that the sole and exclusive consideration for the Option and any subsequent acquisition of any Property hereunder is deemed to be the Arrangement, the sufficiency of which is hereby acknowledged. The City shall cause to be recorded and maintained of record against the Properties in the appropriate land records for the duration of the Option Period the memorandum of option attached hereto as **Exhibit B**. Notwithstanding the foregoing, the Option Period may be extended for a period not to exceed two (2) years upon written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed (the “Option Extension”). For purposes of the Option Extension, it shall be unreasonable for the City to withhold consent thereto to the extent that, (i) on the date of Developer’s request therefor, development in the immediate vicinity of the Property has materially decreased or the general economic condition of the City or geographic region in which the Property is located has deteriorated, in either instance from and after the Effective Date to such a level that it would not be economically feasible for the Developer to pursue development of the Property and/or (ii) the Option Extension is reasonable given the complexity of the development contemplated by the Developer. Any dispute between the Parties with regard to a request for Option Extension which cannot be resolved by the Parties within sixty (60) days following the Developer’s request therefor shall be brought in the Bankruptcy Court for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided, that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan; provided, further, by execution and delivery of this Agreement, each of the Parties irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

(B) Diligence Notice. If the Developer desires (in its sole discretion) to undertake Due Diligence Activities (as hereinafter defined) with respect to one or more of the Properties, the Developer shall, from time to time, give prior written notice of its intent thereof to the City not less than sixty (60) days prior to the expiration of the Option Period (each, a “Diligence Notice”). The Developer shall be entitled to deliver any number of Diligence Notices with respect to the various Properties during the Option Period; provided, however, that any such Diligence Notice shall indicate reference to the Property the Developer intends to subject to the Due Diligence Activities hereunder.

(C) Condition of Property.

(1) Due Diligence Activities. Subject to the requirements of Section 2 below, upon delivery of the Diligence Notice to the City with respect to any Property, Developer shall have a period commencing on the date of the Diligence Notice and continuing through and including the date that is sixty (60) days prior to the expiration of the Option Period (the “Due Diligence Period”) to conduct its due diligence activities on any Property that is the subject of a Diligence Notice. For purposes of this Agreement, “Due Diligence Activities” include but are not limited to the following:

(a) such physical inspections, surveys, soil borings and bearing tests, possible relocation of utilities, and such environmental due diligence on or for the Property as Developer deems appropriate, all of which shall be completed at Developer’s expense;

(b) investigations, environmental site assessments, including Phase I and Phase II site assessments, sampling and testing of soil, groundwater, surface water, soil vapors, indoor air, and building materials (such as Asbestos and lead-based paint), and/or a Baseline Environmental Assessment, (“BEA”), as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”), being MCL 324.20101 *et seq.*, and such other investigations and assessments as Developer may deem needed in its sole discretion to determine the condition of the Property and the Property’s compliance with Environmental Law and any other federal, state and local laws, rules, regulations and orders relating in any way to protection of human health, the environment and natural resources, all of which shall be completed at Developer’s expense; and

(c) a review of the title evidence, survey, entitlements, and payment of taxes and assessments, all of which shall be completed at Developer’s expense.

(d) a review of financing sources related to Developer’s proposed development and use of the Property, or any other matter that in Developer’s sole discretion is relevant to Developer’s acquisition of the Property.

(e) a review of all City Information and all publicly-available information with respect to the Property.

(f) a review of available public and private utilities and public accesses necessary for the proposed development of the Property.



(f) application and procurement of any zoning, site plan, elevation, special land use, environmental, conditional use or other municipal approvals or permits, or variances therefrom, required or appropriate for the proposed development of the Property. The City hereby authorizes the Developer to submit and apply for all such approvals, permits, and variances upon the commencement of the Due Diligence Period.

(2) City Information. The City shall use reasonable efforts to make available to Developer all information in the City's (or the City's agencies' or departments') possession or control related to the applicable Property within thirty (30) days following delivery to the City of a Diligence Notice for the applicable Property, including but not limited to existing leases, licenses, permits, approvals, contracts, warranties, title searches and policies, surveys, appraisals, environmental audits, Phase I environmental site assessments, Phase II reports or other testing or sampling data, asbestos surveys, reports, specifications, from the Planning, Building, Assessing, Environmental Affairs and Fire Departments, notices of violations of applicable laws, regulations and ordinances or other documents in the City's possession or control related to the applicable Property (collectively, the "City Information"). The City shall cooperate with the Developer and use reasonable efforts to facilitate the Developer's Due Diligence Activities, all at no material incremental cost to the City, including providing information, coordinating with tenants or other third party users of the Property as applicable, and executing such documentation as may be reasonable and necessary for Developer's access to the site and completion of the Due Diligence Activities including the preparation of a BEA.

(3) Insurance. Prior to entering onto any Property for any Due Diligence Activities, Developer or its contractors shall maintain the insurance coverage and comply with the insurance requirements specified in the City's Right-of-Entry, a form of which is attached as **Exhibit C** (the "Right-of-Entry").

(4) Indemnity. Developer shall defend, indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from Developer's (including its duly authorized employees, agents, engineers or other representatives) negligence or willful acts occurring in connection with the Due Diligence Activities; provided, however, that (i) in the event Developer provides an Objection Notice or otherwise elects not to proceed to Closing, the Developer shall in no circumstance have any obligation or liability with respect to any conditions pre-existing at the Property including without limitation any environmental condition, soil or groundwater contamination or other environmental conditions that may be discovered in the course of the Developer's Due Diligence Activities and thereafter disclosed to the City as required hereunder, except to the extent such conditions are materially exacerbated due to the negligence or willful acts of Developer or any of its duly authorized employees, agents, engineers or other representatives, and (ii) the Developer shall not be responsible for any loss, liability, cost, or expense resulting from the discovery of any adverse information or condition regarding the applicable Property or from the City's (or the City's agencies' or departments') negligence or misconduct.

(5) Results of Due Diligence Activities. If Developer concludes, in Developer's sole discretion, that a particular Property is satisfactory, then Developer shall so

notify the City in writing on or before the last day of the Due Diligence Period, by sending an “Election Notice,” and the parties shall proceed to closing the applicable Property subject to other terms and conditions of this Agreement. If Developer concludes, in Developer’s sole discretion, that, for any reason or for no reason, a particular Property is not satisfactory, then Developer shall so notify the City in writing on or before the last day of the Due Diligence Period, by sending a “Rejection Notice,” and the parties shall not proceed to Closing with respect to the applicable Property at such time. In the event the Developer issues a Rejection Notice with respect to any Property, Developer may not later elect to re-commence Due Diligence Activities with respect to the same Property and the Option granted hereunder with respect to such Property will be thereafter deemed released and of no further force or effect. If Developer concludes, in Developer’s sole discretion, as a result of the Due Diligence Activities that the condition of the Property is not satisfactory but Developer wants the City to cure such unsatisfactory conditions, then Developer shall notify the City in writing on or before the last day of the Due Diligence Period, by sending an “Objection Notice” setting forth with reasonable specificity the particular condition of the applicable Property which is unacceptable to Developer (each such condition referred to as a “Defect”). The City shall have the right, but not the obligation, within sixty (60) days of the Objection Notice (the “City Cure Period”), to cure such Defects; provided, however, that the City shall be required to cure any liens or encumbrances (collectively, a “Mandatory Cure”) (x) in favor of the City or any agency or department of the City or (y) result from a violation of Section 5(G) of this Agreement. If the City is unable or unwilling to cause any or all of the Defects (other than Mandatory Cures which the City shall be obligated to cure) during such City Cure Period, Developer shall have the right to either (i) elect not to exercise the Option with respect to the applicable Property by sending written notice to City of such election within two (2) days after the expiration of the City Cure Period, in which event the Developer may later elect to commence Due Diligence Activities with respect to the same Property by delivery of a Diligence Notice pursuant to the terms of Section 1(B) above; or (ii) waive its objection to such Defects and accept the Property subject to those Defects (Developer being deemed to have elected this option (ii) if it fails to make the election in the preceding option (i)). If Developer fails to provide an Election Notice or an Objection Notice within the Due Diligence Period, then Developer shall be deemed to have delivered a Rejection Notice with respect to the applicable Property. Notwithstanding any provision herein to the contrary, the City agrees to (1) cooperate with the Developer in clearing title to the Property to the extent that the title related Defects described in the Objection Notice are within the reasonable control of the City to address or eliminate and (2) cure all Mandatory Cure Defects. In the event that the expiration of the City Cure Period for a particular Property occurs (or would occur) after the expiration of the Option Period, the Option Period shall be extended for such Property until the date that is fifteen (15) days after the expiration of the applicable City Cure Period.

(6) As Is Condition of Property; City Cooperation. From time to time with respect to each Property, subject to the earliest to occur of (i) delivery by Developer of an Election Notice, (ii) written notice to Developer that the City has cured all Defects set forth in an Objection Notice provided prior to the expiration of the City Cured Period, or (iii) waiver by Developer of any Defects, each pursuant to Section 1(C)(5) above, closing of the transactions contemplated hereby with respect to a particular Property (each, a “Closing”) shall be on an “as-is, where-is” basis and the Developer shall take the applicable Property as it finds it at Closing

other than a matter resulting from a violation of the covenant set forth in Section 5(G) of this Agreement. The City makes no implied or express representations or warranties of any kind as to its condition, including its environmental condition and any other condition that may adversely affect the development, or its fitness for absolutely any purpose whatsoever. By proceeding to Closing after completion of its Due Diligence Activities, Developer will acknowledge that it is satisfied with the condition of the applicable Property, except as otherwise provided in this Agreement. By accepting title to the applicable Property at Closing, Developer shall be deemed to have waived any right to object to the status of title or to the condition of the applicable Property, regardless of the result of any Due Diligence Activities, and shall be deemed to have declared its full satisfaction with the status of title to and condition of the applicable Property, except as otherwise provided in this Agreement.

(7) Release of City from Liability. Upon Closing on any particular Property, Developer shall release the City and its officials, employees, and agents (but not any third party) from any and all claims or causes of action the Developer may have against the City for any liability, injury or loss as a result of any physical defects in or physical conditions of the applicable Property, including but not limited to any surface, subsurface, latent or patent conditions whether naturally occurring or by action of any party, including but not limited to environmental condition, other than a matter resulting from a violation of the City's covenant set forth in Section 5(G)(ii) of this Agreement.

(8) Security of Properties. In the event that a Property is vacant or otherwise not being utilized by the City, without imposing any liability or obligation with respect thereto, commencing on the commencement of Due Diligence Activities with respect to such Property, Developer shall have the right, but not the obligation, at its sole and absolute discretion, at Developer's cost and expense, to undertake any actions it deems reasonably necessary to secure the Property and prevent damage or unauthorized access to the applicable Property, including, without limitation, installing and maintaining fencing and/or signage on the applicable Property. As a condition to Developer exercising its right hereunder to secure any Property, the Developer must first obtain a general liability policy of insurance in connection with such activities in form and amount reasonably satisfactory to the City, with the City named as an additional insured thereto. In addition, Developer shall not be deemed to be in control of or operating the applicable Property as a result of Developer's undertaking of any security measures with respect to this section. Notwithstanding the foregoing, in exercising its right to secure the Property provided for herein, Developer shall not be deemed to have warranted to the City the effectiveness of the security measures so implemented.

(D) Manner of Conveyance. At the Closing, the applicable Property shall be conveyed to Developer (or its designee) by one or more quit claim deeds substantially in the form of the deed set forth in **Exhibit D** (the "Deeds") using legal descriptions approved by Developer and the City.

(E) Brokerage and Finder's Fees and Commission. Developer will defend and indemnify the City and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind that the City or Developer may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents claiming by, through or under Developer incident to this Agreement and the transaction contemplated hereby or any litigation

or similar proceeding arising therefrom unless the City has a written agreement with a broker, finder or agent providing for such payment in which case the City shall be responsible for such broker, finder or agents' commissions, fees, judgments or expenses. To the maximum extent permitted by applicable law, the City will defend and indemnify the Developer and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind that the City or Developer may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents claiming by, through or under the City incident to this Agreement and the transaction contemplated hereby or any litigation or similar proceeding arising therefrom unless the Developer has a written agreement with a broker, finder or agent providing for such payment in which case the Developer shall be responsible for such broker, finder or agents' commissions, fees, judgments or expenses.

(F) Taxes And Assessments.

(1) Property on Tax Rolls at Closing. All taxes and assessments which (i) have become a lien upon the Property or part thereof prior to the date of Closing, and (ii) have been discovered and specifically identified by Developer prior to the applicable Closing, shall be paid by the City and shall be a Mandatory Cure; provided, however, that all current property taxes shall be prorated and adjusted to the date of Closing on a due date basis. From and after each Closing, Developer shall be solely responsible for all taxes, liens, and assessments that become due and payable for the period after the applicable Closing against the applicable Property it acquires hereunder or any part thereof, whenever assessed, levied, or due, and shall have no claim against the City on account thereof.

(2) Approval of Requests for Economic Incentives/Entitlements and Land Use Approvals.

(i) The City agrees to consider any requests by Developer or its designee for any development or economic inducements (including tax abatements, tax credits, tax increment financing, grants, loans, cost reimbursements and like development incentives) for which any of the Properties are eligible, whether or not such requests are made as part of Developer's Due Diligence Activities or thereafter. The City also agrees to cooperate with and support Developer or its designee in any request to procure such development or economic inducements from other governmental authorities (whether or not related to or controlled by City).

(ii) The City agrees to consider requests or applications by Developer or its designee for approvals relating to zoning, site plans, special use permits, uses, variances or other municipal approvals that are necessary or appropriate to develop the Properties, provided that if the requests pertain to any of the Properties other than 1300 Beaubien, such requests are for uses that are consistent with the SD4 zoning classification as of the Effective Date or otherwise are consistent with residential, parking, retail or commercial uses permitted within the SD4 zoning classification as currently in effect or other uses suitable for the location.

(iii) The following shall apply to any consideration or cooperation by the City with respect to any formal requests made by Developer or its designee to the City, described in subsections (i) or (ii) of this Section: (a) the City agrees to process such requests pursuant

to its ordinary processes for the applicable requests, (b) the City shall not unreasonably withhold, condition or delay approvals of the applicable requests, and shall not unreasonably impede or interfere with development activities consistent with this Agreement, (c) the City shall not discriminate against Developer or its designee in the consideration or approval of such requests on account of the Arrangement, the events leading up to the Arrangement or this Agreement, and (d) the City shall use reasonable efforts to facilitate such requests, taking into consideration other similar requests for approvals or inducements, as applicable, of third parties granted by the City for similarly situated developments and uses as those contemplated by Developer for the Property; provided, however, the City shall process such requests pursuant to all then applicable rules, regulations, statutes and similar requirements.

(G) Inability to Convey. Subject to the Developer's rights under Section 6(D) below, if, for any reason, the City is unable to convey title to a particular Property to the Developer upon exercise of the Option and Developer's election to proceed to Closing with respect to the applicable Property pursuant to the terms of this Agreement, which shall include (i) if the City (or an agency or department of the City) does not own title to such Property, (ii) there is a Defect that is not cured or removed as of the Closing and such Defect materially hinders Developer's ability to develop the applicable Property in an economically viable manner, (iii) there are any uncured Mandatory Cure items, or (iv) if Developer determines that the scope or expense of any environmental remediation necessary to develop the applicable Property would make the development thereof, as contemplated by the Developer, economically unfeasible, the Developer and the City shall mutually agree upon alternate consideration commensurate to the undeveloped, fair-market value of the applicable Property (the "Alternate Consideration"); provided, however, that such value shall assume that any applicable Defects have been removed; provided, further, that, with respect to the applicable Property, the reasonable, actual and out-of-pocket acquisition and development costs incurred by Developer or its designee after the Effective Date and prior to the date upon which Developer or its designee obtains actual knowledge of the existence of the particular Defect or condition of such Property giving rise to Alternate Consideration, including, without limitation, costs associated with Due Diligence Activities, remediation activities, and architect, engineering, and design activities, shall be included in the amount of Alternate Consideration to the extent Alternate Consideration is required pursuant to Section 1(G)(i) or 1(G)(iii) above.

To the extent the Parties do not agree on the Alternate Consideration within sixty (60) days of establishing that Alternative Consideration is required, then, within thirty (30) days thereafter, the Developer and the City shall deliver to each other Developer's or City's, as the case may be, determination of the Alternate Consideration (which shall be in the form of an alternate parcel of real property or cash payment amount). Within ten (10) days after each Party delivers to the other party such Party's determination of the Alternate Consideration, the Developer and the City shall each appoint one disinterested appraiser having the qualifications set forth herein. Each such appraiser must be a Member of the Appraisal Institute (MAI) and have at least ten (10) years of experience appraising commercial or industrial property in the Detroit metropolitan area as a MAI appraiser. If either the Developer or the City fails to appoint an appraiser within such ten (10) day period, the appraiser appointed by the Developer or the City, as the case may be, shall appoint an appraiser having the qualifications set forth herein. As promptly as possible, but in no event later than thirty (30) days after the appointment of both



appraisers, the appraisers shall notify the Developer and the City in writing of their determination of which of the Developer's or the City's determination more closely approximates Alternate Consideration (all as valued as of the determination date). The Alternate Consideration so selected by the two appraisers will constitute the Alternate Consideration for purposes of this section, and will be binding upon the Developer and the City. If the two appraisers are unable to agree as to the Alternate Consideration, then the two appraisers shall promptly agree upon and appoint a third appraiser having the qualifications set forth herein. The third appraiser shall, within thirty (30) days of appointment, determine which of the two determinations of the Developer or the City more closely approximates Alternate Consideration, and shall notify the Developer and the City thereof. The Alternate Consideration selected by the third appraiser will constitute the Alternate Consideration for purposes of this section, and will be binding upon the Developer and the City. To the extent the Alternate Consideration selected by the appraisers hereunder is real property, (i) such real property shall be reasonably acceptable to Developer, and (ii) the City may elect in its sole discretion to satisfy such Alternate Consideration in the form of a cash payment to the Developer in an amount equal to the appraisers' determination of the cash value of the Alternate Consideration selected. To the extent the Alternate Consideration to be given to the Developer hereunder is real property, the City shall be deemed to be have granted Developer an option with respect to such Alternative Consideration property pursuant to the same terms as this Agreement; provided, however, that the time periods with respect to such option, including without limitation, the Option Period, shall commence upon the date that such new option with respect to the Alternative Consideration is granted to Developer and not as of the Effective Date.

(H) Use of the Properties During the Due Diligence Period. Commencing on the commencement of the Due Diligence Period, Developer shall have the right (but not the obligation), in its sole discretion, to elect to utilize all or a portion of the Properties identified on Schedule 1(H) prior to acquiring title of the Use Property for the operations of a surface lot parking facility and ancillary uses (collectively, the "Parking Use") by providing thirty (30) days' prior written notice thereof to City (a "Use Notice"). The Use Notice shall identify the Properties that will be used by Developer for the Parking Use (collectively, the "Use Property"). Developer's right to utilize the Use Property for the Parking Use shall commence as a license from the City upon the expiration of thirty (30) days following the delivery of the Use Notice to the City. Developer shall have the right to enter into an agreement with a third party to operate the Parking Use on the Use Property. Developer shall pay all costs associated with the Parking Use of the Use Property (including all federal, state and local taxes and charges as may be applicable thereto; however, Developer shall not be responsible for ad valorem property taxes during the Use Period) and shall receive all revenue with respect thereto. In the event that Developer delivers a Use Notice, Developer shall be required to deliver an Election Notice with respect to the Use Property; provided however, Developer shall have the right to elect at what point during the Due Diligence Period such Election Notice is given by providing written notice of such election prior to the expiration of the Due Diligence Period. The period between a Use Notice and Closing shall be referred to herein as the "Use Period." If Developer fails to deliver such election prior to the expiration of the Due Diligence Period, Developer shall be deemed to have delivered an Election Notice with respect to the Use Property on the last day of the Due Diligence Period. Developer shall maintain such commercially reasonable insurance as is customary for operations similar to the Parking Use on the Use Property and shall defend,

indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from the Parking Use; provided, however, that the Developer shall not be responsible for any loss, liability, cost, or expense resulting from the City's (or of the City's agencies' or departments') negligence or misconduct. Developer shall at all times keep the Use Property clean and free of debris and shall not permit any area of the Use Property to be littered with refuse during the Use Period. The City disclaims all representations and warranties as to the condition of the Use Property, including, but not limited to, any implied or express warranty of fitness of the Use Property for the Parking Use. Developer covenants and agrees that it shall not use the Use Property during the Use Period in any manner which violates the laws of the United States of America, the laws of the State of Michigan or any ordinances or other regulations of any governing municipality or other political subdivision. Developer's use of the Use Property and any activities or actions of Developer or its designee in connection therewith shall not be deemed a violation of the City's covenants under Section 5(G) below.

## **Section 2. ENVIRONMENTAL MATTERS**

(A) Definitions. The following words and expressions shall, wherever they appear in this document, be construed as follows:

(1) "Asbestos" shall have the meanings provided under the Environmental Laws and shall include, but not be limited to, asbestos fibers and friable asbestos as such terms are defined under the Environmental Laws.

(2) "Environmental Claims" shall mean all claims, demands, suits, proceedings, actions, whether pending or threatened, contingent or non-contingent, known or unknown, including but not limited to investigations and notices by any governmental authority, brought under common law and/or under any of the Environmental Laws which can or do relate to the Property.

(3) "Environmental Laws" shall mean all applicable federal, state, and local laws, rules, regulations, orders, judicial determinations and decisions or determinations by any judicial, legislative or executive body of any governmental or quasi-governmental entity, whether in the past, present or future, with respect to:

(i) the installation, existence, or removal of, or exposure to, Asbestos on the Property;

(ii) the existence on, or discharge from, or removal from the Property of Hazardous Materials; and

(iii) the effects on the environment of the Property or any activity conducted now, previously or hereafter conducted on the Property.

Environmental Laws shall include, but are not limited to, the following: (i) the Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended ("NREPA"); the Comprehensive Environmental Response,

Compensation, and Liability Act, 42 USC Sections 9601, et seq. (“CERCLA”); the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Resource Conservation and Recovery Act, 42 USC Sections 6901, et seq.; the National Environmental Policy Act, 42 USC Section 4321; the Toxic Substances Control Act, 15 USC Section 2601; the Hazardous Materials Transportation Act, 49 USC Section 1801; the Clean Air Act, 42 USC Sections 7401, et seq.; and the regulations promulgated in connection therewith; (ii) Environmental Protection Agency regulations pertaining to Asbestos (including 40 CFR Part 61, Subpart M); Occupational Safety and Health Administration Regulations pertaining to Asbestos (including CFR Sections 1901.1001 and 1926.58) as each may now or hereafter be amended; and (iii) any Michigan state and local laws and regulations pertaining to any Hazardous Materials.

(4) “Hazardous Materials” shall mean any of the following as defined by the Environmental Laws: Asbestos; hazardous wastes; solid wastes; toxic or hazardous substances, wastes or contaminants (including but not limited to polychlorinated biphenyls (PCBs), paint containing lead and urea formaldehyde foam insulation), and sewage.

(B) The City and Developer acknowledge and agree that some of the parcels to be transferred may be “facilities” pursuant to Part 201 of NREPA, whether or not as yet discovered to be such, and that given the number of parcels being transferred, the 100-year period over which the parcels were developed, numerous changes in uses, and the City’s lack of knowledge about the condition or history of most of the parcels, it may not be practicable or possible to identify all pre-existing contamination or conditions on the parcels which may strictly violate Environmental Laws. Further, the City and Developer acknowledge that although the Developer can give its general undertaking to comply with Environmental Laws with regard to its conduct of future activities on the parcels, at the time of Closing, neither City nor Developer will be able to estimate exactly what such compliance may involve with regard to existing contamination and other existing conditions on the parcels that may violate Environmental Laws. The City acknowledges that the Developer may conduct a BEA and CERCLA “All Appropriate Inquiry” assessment activities respecting the Property, the results of which assessments may be reported to federal and state authorities at such time as Developer issues an Election Notice to proceed to Closing with respect to such Property, in order to seek the associated protections from liability with respect to pre-existing environmental conditions at the Property (“Liability Protection”), or such earlier date as required pursuant to Environmental Laws or in order to preserve Liability Protection.

(C) The City shall authorize the Developer, through a fully executed Right-of-Entry (in the form attached), to enter upon the applicable Property during the Due Diligence Period to, subject to the conditions set forth herein, undertake environmental remediation activities approved by the City hereunder, and make soil boring and bearing tests, undertake such surveying and environmental due diligence activities as Developer deems appropriate, including without limitation sampling and testing of soil, soil vapor, surface water, groundwater, indoor air, and the installation of groundwater wells, provided such do not materially and permanently interfere with demolition or site improvement activities of the City or the rightful use of the



Property by a tenant in possession or other third party, if any. All such testing and remediation shall be done at Developer's expense. Developer shall at all times during the Due Diligence Period comply with the terms and provisions of the Right-of-Entry, and Developer's right to enter upon the applicable Property is subject to execution of such Right-of-Entry. To the extent any provision of such Right-of-Entry conflicts with the terms set forth herein, the terms of this Agreement shall govern. Developer shall upon request submit to the City a copy of each final survey or environmental testing report generated as a result of such activities. Developer shall give prior written notice to the City to inspect, investigate and/or remediate the condition of the Property during the Due Diligence Period, including any investigation of the environmental condition (each such notice referred to herein as an "Investigation Notice"). To the extent the Investigation Notice includes a request to perform any environmental remediation activities upon the applicable Property, prior to undertaking such remediation, the Developer shall submit to the City in writing (i) the scope of remediation activities contemplated by the Developer, (ii) evidence of commercially reasonable insurance appropriate for the scope of remediation contemplated by the Developer, and (iii) evidence that the Developer has the financial resources to complete the scope of remediation contemplated, each of which shall be subject to the prior written approval of the City, which approval shall not be unreasonably withheld, conditioned or delayed. Upon written request of Developer, the City shall provide an electronic mail address for delivery of any Investigation Notice; provided, Developer shall mail a copy of any Investigation Notice sent via electronic mail to the City pursuant to the provisions of Section 4 below. Developer shall use all commercially reasonable efforts to minimize damage to the Property in connection with such entry and shall restore the Property to substantially the condition existing prior to such entry, provided that the City acknowledges that soil borings and groundwater well sampling may be conducted, and it may not be practicable to fully restore the Property to the exact same condition. Developer shall indemnify, defend and hold the City harmless from and against any and all loss, cost, liability and expense, including reasonable attorney fees and litigation costs, suffered or incurred by the City as a result of the Developer's (including any of its duly authorized employees, agents, engineers or other representatives) negligent acts or omissions or willful misconduct occurring in connection with the activities conducted in accordance with the Right-of-Entry; provided however that (A) in the event Developer provides an Objection Notice or otherwise elects not to proceed to Closing, the Developer shall in no circumstance have any indemnity obligation or other liability with respect to any environmental conditions pre-existing at the Property including without limitation any soil or groundwater contamination or other environmental conditions that may be discovered in the course of the Developer's Due Diligence Activities and thereafter disclosed to the City as required hereunder, except to the extent such environmental conditions are materially exacerbated due to the negligence or willful misconduct of Developer or any of its duly authorized employees, agents, engineers or other representatives, and (B) in no event shall Developer have any indemnity obligation or other liability with respect to any loss, cost, liability or expense incurred by the City as the result of the gross negligence or willful misconduct of the City or its agents.

(D) In the event Developer elects to proceed to take title to any Property, upon the Closing, Developer takes such Property as it finds it, "AS IS", and the City makes no express or implied representations or warranties as to its fitness for absolutely any purpose whatsoever, including but not limited to any warranty that the Property is fit for the Developer's purpose or

regarding the presence or absence of Hazardous Materials at, on, in, under, about, or from the Property and compliance with the Property with Environmental Laws. Developer acknowledges that neither the City nor any agent or employee of the City has made any representation, warranty or agreement, either express or implied, and Developer has not relied on any representation, warranty or agreement of any kind made by the City or any agent or employee of the City, concerning (a) the physical or environmental condition of the Property, or (b) the presence or absence of any condition, substance or material, including but not limited to any waste material, equipment or device at, on, in, under, about, or from the Property. Developer agrees that the disclosures of the City concerning the Property and its condition are intended to satisfy any duties the City may have under the law, including but not limited to the statutes, Environmental Laws, and common law. Developer shall rely solely on its own due diligence with respect to such inquiries, investigations and assessments. By executing this Agreement, Developer acknowledges that it is satisfied with the condition of the Property, subject only to its Due Diligence Activities, including but not limited to inspection of the Property, review of title, and the results of the tests, investigations and surveys permitted under this Agreement. If, prior to Closing, Developer fails to undertake such investigations and/or obtain such test results and surveys, or fails to object to the condition of the Property based on the results of its Due Diligence Activities, and Developer thereafter elects to proceed to Closing, Developer shall thereupon be deemed to have waived any right to object to the condition of the Property and shall be deemed to have declared its full satisfaction therewith.

(E) Upon Closing on any particular Property, subject to the City's covenant set forth in Section 5(G)(ii) below, Developer, for itself and its successors and assigns, expressly waives and releases all Environmental Claims (whether for personal injury, property damage or otherwise) that Developer may have against the City and its officials, employees and agents in connection with or related to such Property or any aspect thereof except for Environmental Claims arising out of actions by the City of its employees or agents that caused the release or threatened release of hazardous substances on the parcels being transferred. Upon Closing on any particular Property, Developer releases and discharges the City from all Environmental Claims that Developer may have against the City in connection with or arising out of the present condition of the Property.

(F) Intentionally omitted.

(G) Subject to the City's covenant set forth in Section 5(G)(ii) below, after the Closing with respect to a Property, the City shall have no obligation or liability to Developer whatsoever to undertake any cleanup or other remedial action that may be required in connection with the Property under any Environmental Law, or to comply with any other federal, state or local requirement to attend to the physical condition of the Property.

(H) At its sole cost and expense, with respect to an applicable Property for the period commencing on the applicable Closing and ending on the applicable Commencement of Construction, Developer shall: (a) comply with all Environmental Laws; (b) pay when due the cost of Developer's compliance with the Environmental Laws resulting directly or indirectly out of environmental conditions caused or permitted by Developer during its period of ownership, use, possession or development of the Property; and (c) keep the Property free of any lien

imposed pursuant to the Environmental Laws resulting out of Developer's ownership, use, possession, or development of the Property.

(I) During the earliest of the date that Developer (a) receives title to the Property, (b) receives possession of the Property or (c) performs any removal or remedial activities on the Property, Developer shall comply with all Environmental Laws and will undertake to complete any further investigation and remediation of the environmental conditions, if any, necessary to permit the intended use of the Property in accordance with the Environmental Laws. As between the City and Developer but not as to third parties, Developer assumes the risk of liability for any and all Hazardous Materials, whether known or unknown, which may have been or may be present in, at, on, under about or from the Property except for hazardous materials released by the City or its agents, employees, or contractors.

(J) Notwithstanding anything to the contrary which may be contained in this Agreement, Developer represents and warrants and covenants to the City for the period after Developer's commencement of ownership, use, possession or development of the Property and terminating upon the Commencement of Construction at an applicable Property, as follows:

(i) Developer shall not directly or indirectly use or allow the use of the Property for the purpose of storing any Hazardous Materials Developer brings into the Property, nor shall Developer directly or indirectly use the Property in a manner which will cause or increase the likelihood of causing the release of such Hazardous Materials onto or from the Property, other than those Hazardous Materials which are necessary and commercially reasonable for the conduct of Developer's development activities or the business operated on the Property and which Hazardous Materials shall be, handled and disposed of in compliance with all Environmental Laws and industry standards and in a commercially reasonable manner.

(ii) Developer shall promptly notify the City of any claims or litigation against the Developer by any person (including any governmental authority), concerning the presence or possible presence of Hazardous Materials contamination at the Property or concerning any violation or alleged violation of the Environmental Laws by the Developer respecting the Property, and shall furnish the City with a copy of any such communication received by Developer.

(iii) Developer shall notify the City promptly and in reasonable detail in the event that Developer becomes aware of or suspects the presence of Hazardous Materials contamination or a violation of the Environmental Laws at the Property.

(iv) If Developer's operations at the Property violate the Environmental Laws so as to subject Developer or the City to a formal notice of violation by a governmental agency alleging a violation of the Environmental Laws, Developer shall promptly investigate the underlying circumstances and notify the City within fourteen (14) days of the results of its investigation. If Developer determines that an ongoing violation by Developer is occurring or did occur, Developer shall, to

the extent required by Environmental Laws, cease or cause a cessation of or take other actions to address those aspects of the use or operations causing the violation and shall remedy and cure in compliance with the Environmental Laws any conditions arising therefrom to the extent required by Environmental Laws at its own cost and expense. If Developer disputes that its activities are violating Environmental Laws, it shall expeditiously appeal and prosecute an appeal of the notice of violation or take other commercially reasonable actions to dispute such notice.

### **Section 3. CLOSING**

(A) Time and Place of Closing. The closing with respect to a particular Property shall take place at the office of the PDD, or such other location designated by the City and acceptable to Developer. Each Closing will take place within fifteen (15) days following the earliest to occur of (i) delivery by Developer of a Election Notice with respect to a particular Property, (ii) written notice to Developer that the City has cured all Defects set forth in an Objection Notice provided prior to the expiration of the City Cured Period with respect to a particular Property, or (iii) waiver by Developer of any Defects with respect to a particular Property, each pursuant to Section 1(C)(5) above. For the avoidance of doubt, no additional consideration shall be due from the Developer to the City at any Closing.

(B) Conditions to Closing. The City's obligation to proceed with a Closing is conditioned on the fulfillment by Developer of each of the following conditions precedent:

a. Resolution of Developer's Authority. Developer shall furnish to the City a certified copy of a resolution in form and substance as set forth on **Exhibit E**, duly authorizing the execution, delivery and performance of this Agreement and all other documents and actions contemplated hereunder with respect to a particular Property.

b. Intentionally Omitted.

c. Payment of Closing Costs. Developer shall have tendered payment of the closing costs payable by Developer, which shall include all title charges, escrow, closing and recording fees associated with any conveyance hereunder. For avoidance of doubt, the City shall not be responsible for any closing charges or transaction fees in connection with any Closing hereunder other than the payment of its own legal fees and expenses.

(C) Delivery of Deeds and Possession. The City will deliver to Developer at each Closing the Deeds with respect to the particular Property that is subject of such Closing to and possession of the applicable Property.

(D) Recording. Provided that Developer has complied with all conditions precedent as specified herein, the Deeds with respect to a particular Property shall be delivered at the applicable Closing for prompt recordation with the Register of Deeds of Wayne County, Michigan. Developer shall pay at each Closing all costs for recording the Deeds. Possession of the applicable Property shall be delivered to Developer at the applicable Closing.

### **Section 4: NOTICES**

A notice, demand or other communication under this Agreement by either Party to the other shall be sufficiently given if it is dispatched by certified or registered mail, postage prepaid, return receipt requested, or sent by recognized overnight delivery service, or hand delivered, with receipt obtained, and addressed as follows:

If to Developer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the City: Director  
Planning & Development Department  
65 Cadillac Square, Suite 2300  
Detroit, Michigan 48226

With a copy to (which copy shall not constitute notice):

Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue  
Suite 500  
Detroit, MI 48226

All notices shall be deemed given on the day of mailing. Either Party to this Agreement may change its address for the receipt of notices at any time by giving notice thereof to the other as provided in this section. Any notice given by a Party hereunder must be signed by an authorized representative of such Party.

## **Section 5: COVENANTS**

(A) Developer covenants for itself and its successors and assigns and every successor in interest to any Property constituting a part of the Properties, that from and after Closing on such Property, Developer and its successors and assigns shall develop such Property only to and in accordance with the uses specified in this Agreement, unless otherwise agreed in writing by the City. The uses specified in this Agreement are for development and use of such Property into parking facilities, residential housing, commercial, retail space or any other use suitable for the location, consistent with the City's urban planning policies and the City's comprehensive development plan in effect as of the date the Developer seeks zoning and land use approval for such development. Subject to force majeure delays, within fifteen (15) months following Closing (the "Commencement Deadline") on any Property, the Developer shall achieve Commencement of Construction (as defined below) with respect to such Property. Following Commencement of Construction, the Developer shall diligently prosecute such development on the Property to substantial completion (which shall mean substantial completion of such development and all material improvements related thereto, exclusive of landscaping, punch list items and any tenant work for commercial or other space for which there are no tenants or for which the work is to be done by a tenant and any onsite or offsite work that is not commercially



necessary for occupancy) (the date upon which such substantial completion occurs referred to herein as the “Completion Date”). Subject to force majeure delays, the Completion Date shall occur within thirty nine (39) months following Closing for the applicable Property, or such longer period of time as may be reasonably necessary for Developer or its designee to actually achieve substantial completion of the applicable development or improvements, provided Developer is diligently pursuing such completion (the “Completion Deadline”). For purposes hereof, “force majeure delays” shall mean acts of God, terrorism, flooding, strikes, lockouts or other labor trouble, materially adverse weather conditions, fire or other casualty, governmental preemption in connection with an emergency, any rule, order or regulation of any governmental authority or any department or subdivision thereof and any other cause or event beyond the reasonable control of Developer (other than failure of Developer to secure necessary land use or zoning approvals from any governmental authority), or inability to secure materials, labor or access to the Property because of any such emergency, rule, order, regulation, war, civil disturbance, terrorist act or other emergency, or inability to secure materials, labor or access to the Property because of any other cause or event beyond the reasonable control of Developer (other than shortage of funds). In the event that the Developer elects to undertake environmental remediation of the Property after the Closing, “force majeure delays” also shall include the time reasonably necessary for the proper completion of all applicable remediation activities. In the event that Developer ceases, delays, or slows its development activities for a particular Property as a result of any claim or cause of action filed, threatened or asserted by the City (or any of its agencies or departments) and, (1) a court of competent jurisdiction dismisses such action or rules in favor of Developer with respect thereto or (2) the City withdraws its claims or causes of actions, the delay associated with such reduction or cessation in the development shall be deemed a “force majeure delay.” The Commencement Deadline and Completion Deadline shall be extended for a period of time equal to the number of days during which Developer is prevented from proceeding with the construction of the development at the Property by reason of force majeure, provided that (i) Developer is otherwise in material compliance with the terms and provisions of this Agreement, and (ii) Developer notifies the City of the events constituting such force majeure upon the later of (i) Closing with respect to the applicable Property and (ii) sixty (60) days after Developer has actual knowledge of their occurrence.

(B) For purposes of this Agreement, “Commencement of Construction” on a Property shall be deemed to have occurred when the Developer shall have commenced foundation or other equivalent site preparation work on the Property, which site preparation work may include renovation or demolition of existing buildings located on the Property, as applicable.

(C) If the development plan for a Property calls for development of improvements on the Property in two or more discrete phases, the requirements set forth in this Agreement relative to the Completion of Construction, as well as the remedies of the City applicable thereto, shall be satisfied upon Completion of Construction of the initial phase.

(D) Developer covenants and agrees that from and after Closing it will: (i) comply with all zoning requirements, and all other applicable state and federal statutes and regulations and local laws and ordinances applicable to the ownership, use and/or occupancy of the Property; and (ii) pay and discharge when due without penalty, and in all events before penalty for nonpayment attaches thereto, all taxes, assessments and governmental charges, including but not

limited to real estate taxes or assessments on the Property or any part thereof, except where the same may be contested in good faith.

(E) Certificate of Completion. The Developer shall give the City prompt written notice of the Completion Date. The City agrees that the PDD shall inspect the Property for purposes of issuance of the Certificate of Completion promptly following the Completion Date, and shall provide Developer with notice of any deficiencies in compliance with this Agreement, and an opportunity for cure and re-inspection. If, as of the Completion Deadline, PDD determines that Developer is in compliance with all provisions and requirements of this Agreement, PDD shall issue a “Certificate of Completion.” The Certificate of Completion shall be a conclusive acknowledgment by PDD of satisfaction by Developer of its obligations under this Agreement for the applicable Property or portion of the applicable Property addressed by the Certificate of Completion. The Certificate of Completion shall not, however, constitute evidence of compliance with or satisfaction of the requirements of any department, agency or entity with respect to any building, occupancy, or other permits, to the extent such departments are exercising their regulatory authority. The Certificate of Completion shall be in such form as can be recorded against the Property, or portion thereof, and shall release the Property, or portion thereof, from the City’s rights under this Agreement. The cost of recording the Certificate of Completion shall be the responsibility of Developer.

(F) Estate Conveyed. Notwithstanding anything contained in this Agreement to the contrary, the estate conveyed hereby shall be deemed to be a determinable fee and only upon the Commencement of Construction on the Property will the possibility of reverter retained by the City automatically expire as to that part of the applicable Property.

(G) City Covenants. During the Option Period and prior to a Closing with respect each Property, the City shall (i) maintain such Property in at least the same condition and repair (except for environmental condition and repair thereof, which is addressed in sub-clause (ii) below) as of the Effective Date, (ii) not, through its own action (or the action of any agency, department, employee, agent, or contractor), alter the environmental condition of the Property, as such exists as of the Effective Date, in a material and adverse manner, (iii) not “down zone” the Property or take zoning or land use action on the Property that would materially and adversely affect Developer’s ability to develop the Property for the uses otherwise permitted in this Agreement, and (iv) not execute or grant any lease, contract, agreement, lien, security interest, encumbrance, easement, or restriction with respect to such Property, or amend, modify, renew, extend or terminate any of the foregoing, without prior written consent of the Developer, which consent shall not be unreasonably withheld, conditioned or delayed.

## **Section 6: REMEDIES**

(A) City’s Remedies Prior to Conveyance. Except with respect to assignment to a Permitted Entity (as defined below), in the event that, prior to the conveyance of the Property, Developer assigns this Agreement or any right therein or in a Property without the prior written approval of the City, this Agreement and any rights of Developer in this Agreement, may, at the option of the City, be terminated by the City after thirty (30) days written notice and opportunity to cure provided by the City to Developer. Notwithstanding the foregoing, the Developer’s rights and obligations under this Agreement may be assigned: (i) to a wholly owned subsidiary

of Developer, or (ii) to a joint venture, limited liability company, partnership, limited partnership or other entity formed to develop or finance a Property or the Properties, provided that the Developer retains a direct or indirect interest in such entity (any such assignee being referred to as a “Permitted Entity”). In any case, the Developer shall provide written notice to the City of such assignment.

(B) City’s Remedies Subsequent to Conveyance.

(1) Event of Default. If, prior to the issuance of a Certificate of Completion on a Property, Developer breaches any covenant set forth in Sections 5(A) or (D) hereof applicable to such Property and fails to cure such breach within ninety (90) days after written demand by the City, such an event shall be deemed to constitute an **Event of Default**, provided, however, that if the nature of Developer's default is such that more than the cure period provided is reasonably required for its cure, then Developer shall not be deemed to be in default and an Event of Default shall not have occurred if Developer commences such cure within said period and thereafter diligently pursues such cure to completion within two hundred seventy (270) days of City’s initial written demand hereunder. Notwithstanding the foregoing, Developer shall have the right to dispute that an Event of Default has occurred or that an Event of Default has not been timely cured by written notice of dispute sent to the City (“Notice of Dispute”). In the event a Notice of Dispute is sent, the parties shall meet and in good faith work to resolve their differences. In the event the City and Developer cannot resolve their differences as to whether an Event of Default has occurred or has been cured, then the City shall not record a notice of an uncured and undisputed Event of Default as described in Section 6(B)(2) below without first bringing an action in a court of competent jurisdiction for a final judicial determination that an Event of Default occurred and was uncured. To the extent a court of competent jurisdiction deems that an Event of Default occurred prior to the Commencement of Construction and such cause of action was filed with the court of competent jurisdiction prior to the Commencement of Construction, irrespective of the date the court makes such determination, the City shall have all rights and remedies available to it hereunder as if such Event of Default was undisputed prior to the Commencement of Construction in the first instance. The City may, in its sole discretion, waive in writing any Default or Event of Default by Developer. Notwithstanding any provision contained herein to the contrary, any lender of Developer that has a security interest in a Property, shall have an additional notice and cure right that should provide such lender with a reasonable period of time after the expiration of any cure periods available to Developer in which to cure any Event of Default prior to the City enforcing its remedies hereunder.

(2) Right of Reverter. It is expressly understood and agreed between the Parties hereto that until the Commencement of Construction on a particular Property, the conveyance of such Property to Developer shall be construed and interpreted as the conveyance of a fee simple determinable, and that such conveyance shall endure only so long as subsequent to the conveyance and prior to the Commencement of Construction there has been no uncured or undisputed Event of Default with respect to such Property and such Event of Default results from a failure of the Commencement of Construction to have occurred prior to the Commencement Deadline (a “Reverter Event of Default”). In the event of an uncured and undisputed Reverter Event of Default and the City's recording of a notice thereof, after a judicial determination as required by Section 6(B)(1) above and written notice from the City to Developer of the City’s election to enforce the reverter set forth in this Section, title to the applicable Property (and only



the applicable Property) shall revert in the City, except for parcels of Property previously conveyed where Commencement of Construction has already been achieved. Upon such reversion of title, the City shall have the right to re-enter and take immediate possession of the applicable Property. Upon an uncured and undisputed Reverter Event of Default as to a Property occurring prior to the Commencement of Construction and expiration of the cure period, this Agreement and any rights of Developer arising hereunder with respect to the Property subject to the reverter, may, at the option of the City, be terminated by the City by the City providing written notice of such termination to the Developer prior to the cure of such Reverter Event of Default, and the Developer shall thereafter have no further interest in the reverted Property. In such case Developer agrees to promptly execute and deliver a quit claim deed for any such portion of reverted Property to the City. While the right of reversion as to a Property automatically terminates upon Commencement of Construction on such Property, the City agrees to provide Developer with a written acknowledgement, in recordable form, that the Commencement of Construction has occurred and the City's right of reversion has terminated as to such Property.

(3) Intentionally Omitted.

(C) Rights and Remedies Cumulative. The rights and remedies of the City, whether provided by law or by this Agreement, shall be cumulative, and the exercise by the City of any one or more remedies shall not preclude the exercise by it, at the same or different times, of any other remedy for the same default or breach or any other default or breach by the Developer. No waiver made by either Party shall apply to obligations beyond those expressly waived in writing.

(D) Developer's Remedies. If the City breaches its obligations under this Agreement after reasonable notice and opportunity to cure, Developer shall have the right to seek injunctive relief, specific performance or other equitable remedies for the City's breach of this Agreement. In no event shall the Developer be entitled to monetary damages as a result of the City's breach of this Agreement, except to the extent such damages arise out of the City's uncured breach of the covenant set forth in Section 5(G) above.

(E) City's Representatives Not Individually Liable. No official or employee of the City shall be personally liable to Developer or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligations under the terms of this Agreement.

## **Section 7: PROVISIONS NOT MERGED WITH DEEDS**

No provision of this Agreement is intended to or shall be merged into the Deeds transferring title to each Property from the City to Developer or any successor in interest, and any such Deeds shall not be deemed to affect or impair the provisions and covenants of this Agreement.

## **Section 8: ENTIRE AGREEMENT; AMENDMENT**

This Agreement (including all exhibits, schedules or other attachments hereto) constitutes the complete and exclusive statement of the terms of the agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, promises, and arrangements, oral or written, between the Parties with respect to the subject matter hereof. This Agreement may be amended or modified only by an instrument in writing signed by both of the Parties.

## **Section 9: GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to conflicts-of-law principles that would require the application of any other law.

## **Section 10: COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but together such counterparts shall constitute one and the same instrument.

## **Section 11: AUTHORITY OF CITY.**

Notwithstanding anything in this Agreement, in law or in equity, or otherwise to the contrary, this Agreement shall be of no force or effect and may not in any way be enforced against the City unless or until this Agreement and the transaction contemplated hereby have been: (i) approved in writing by the Emergency Manager for the City of Detroit, in accordance with Emergency Manager Order No. 5, (ii) either included in the Emergency Manager's financial and operating plan or approved in writing by the Governor of the State of Michigan or his or her designee, in accordance with Section 12(1)(k) of Public Act 436 of 2012; and (iii) either included in the Emergency Manager's financial and operating plan or approved in writing by the State Treasurer, in accordance with Section 15(1) of Public Act 436 of 2012.

**Section 12: CITY AGENCIES AND DEPARTMENTS.** Whenever this Agreement requires an action or creates an obligation on behalf of the City, the City shall also be required, as applicable, to cause all of its agencies and departments to undertake such obligations.

(signatures on following pages)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

WITNESSES:

DEVELOPER

PIKE POINTE HOLDINGS, LLC, a  
Delaware limited liability company

Print: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MICHIGAN     )  
                                      ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on September \_\_, 2014 by \_\_\_\_\_ the \_\_\_\_\_ of Pike Pointe Holdings, LLC, a Delaware limited liability company, on behalf of said company.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

*[signatures continue on following page]*

WITNESSES:

CITY OF DETROIT,  
a Michigan public body corporate

Print: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on September \_\_\_\_ 20\_\_ by \_\_\_\_\_, the \_\_\_\_\_ of the City of Detroit, a Michigan public body corporate, on behalf of the City.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

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Pursuant to § 18-5-12 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this contract.

Approved by the City Law Department pursuant to Sec. 7.5-206 of the Charter of the City of Detroit.

Finance Director

Corporation Counsel

City Council Approval Date:

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**Drafted by and when recorded return to:**

Bruce N. Goldman  
Senior Assistant Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue, Suite 500  
Detroit, Michigan 48226

**EXHIBIT A**  
**LEGAL DESCRIPTION**

1. The contiguous parcels of (2.701 acres):

1303 E Atwater .908

1365 E Atwater .220

1364 Franklin .337

1310 Franklin .145

1399 E Atwater .287

1325 E Atwater .707

1370 Gloin St .097

2. The contiguous parcels of (3.545):

2200 Franklin (3.545)

3. The contiguous parcels of (2.108 acres) :

2290 E Jefferson (1.199)

[2310 E Jefferson (.730)] **SUBJECT TO CITY APPROVAL**

301 Chene (.179)

4. 1300 Beaubien (Former Police HQ)

5. Parcel(s) mutually agreeable to the Parties which parcels shall:

a. have reasonably equivalent value to the aggregate value of 2263 E Atwater (2.812 acres) and 281 Chene St (.430 acres);

b. be consistent with the Developer's development scheme; and

c. be identified within forty-eight (48) hours following the September 15, 2014 bankruptcy court hearing related to the Arrangement.

[legal descriptions of the above parcels to be attached based on mutual agreement by the parties hereto following the Effective Date]

## **EXHIBIT B**

### **MEMORANDUM OF OPTION**

[the form of which shall be mutually agreed upon by the parties hereto promptly following the Effective Date hereof]

## **EXHIBIT C**

### **RIGHT OF ENTRY**

[the form of which shall be mutually agreed upon by the parties hereto promptly following the Effective Date hereof]

## EXHIBIT D

### QUIT CLAIM DEED

The City of Detroit, a Michigan public body corporate whose address is 2 Woodward Avenue, Detroit, MI 48226 ("Grantor"), quit claims to \_\_\_\_\_, a Michigan \_\_\_\_\_ ("Grantee"), whose address is \_\_\_\_\_, the premises located in the City of Detroit, Wayne County, Michigan, described as:

A/K/A \_\_\_\_\_

Ward: \_\_\_\_\_ Item(s): \_\_\_\_\_

(the "Property"), for the sum of \_\_\_\_\_ (\$ \_\_\_\_\_), subject to and reserving to the City of Detroit its rights under public easements and rights of way, easements of record, applicable zoning ordinances, development plans pursuant to Act 344 of 1945 as amended (if any), and restrictions of record.

This Deed is given subject to the terms, covenants and conditions of a Development Agreement - Option to Purchase and Develop Land dated \_\_\_\_\_, 20\_\_ entered into by the parties hereto and which is incorporated herein by reference and a memorandum of which was recorded on \_\_\_\_\_, 20\_\_ in the Office of the Register of Deeds for the County of Wayne in Liber \_\_\_\_\_ on Pages \_\_\_\_\_ through \_\_\_\_\_ inclusive, none of the terms, covenants and conditions of which shall be deemed merged in this Deed. The covenants therein recited to be covenants running with the land are hereby declared to be covenants running with the land enforceable by the City as therein set forth until issuance of a Certificate of Completion.

The Grantor grants to the Grantee the right to make all divisions under Section 108 of the land division act, Act No. 288 of the Public Acts of 1967, as amended. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

This deed is dated as of \_\_\_\_\_.

CITY OF DETROIT,  
a Michigan public body corporate

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

*[acknowledgement on following page]*



STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on \_\_\_\_\_  
20\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of  
the City of Detroit, a Michigan public body corporate, on behalf of the City.

\_\_\_\_\_  
Print: \_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

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Pursuant to § 18-5-12 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this contract.

Approved by the City Council on.

JCC pp \_\_\_\_\_ or Detroit Legal News,

\_\_\_\_\_, on file in my office.

Finance Director

Approved by the City Law Department  
pursuant to Sec. 7.5-206 of the Charter of  
the City of Detroit.

Approved by Mayor on

Corporation Counsel

City Clerk

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**This Instrument Drafted by:**

**When recorded, return to:**

Bruce N. Goldman  
Senior Assistant Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue, Suite 500  
Detroit, MI 48226

Grantee

Exempt from transfer taxes pursuant to MCL § 207.505(h)(i) and MCL § 207.526(h)(i).

**EXHIBIT E**

**CERTIFICATE OF AUTHORITY FOR LIMITED LIABILITY COMPANY**

I, \_\_\_\_\_, Manager of  
\_\_\_\_\_, a \_\_\_\_\_ limited liability company  
(the "Company")

DO HEREBY CERTIFY that the following is a true and correct excerpt from *[check appropriate box]*

- ☐ the minutes of a meeting of the Members of the Company duly called and held on
- ☐ a consent in lieu of a meeting, with signed consents received from all of the  
[Members] of the Company on

and that the same is now in full force and effect:

"RESOLVED, that any [Manager of the Company], is hereby authorized to execute and deliver, in the name and on behalf of the Company, any agreement or other instrument or document in connection with any matter or transaction with the City of Detroit that shall have been duly approved; the execution and delivery of any agreement, document, or other instrument by any of such [Managers] to be conclusive evidence of such approval."

I FURTHER CERTIFY that the following persons are [Managers]:

I FURTHER CERTIFY that any of the aforementioned managers of the Company are authorized to execute or guarantee and commit the Company to the conditions, obligations, stipulations and undertakings contained in the attached Agreement, and that all necessary approvals have been obtained in relationship thereto.

IN WITNESS WHEREOF, I have set my hand this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

\_\_\_\_\_  
Print: \_\_\_\_\_  
Its: Manager

*Schedule 1(H)*

1365 E Atwater St, 48207

1325 E Atwater St, 48207

1399 E Atwater, 48207

1370 Gloin St, 48207

1310 Franklin St, 48207

1364 Franklin St, 48207

**EXHIBIT I.A.125**

PRINCIPAL TERMS OF DIA SETTLEMENT

## Term Sheet

<p><b>Definitions</b></p>	<p>For the purposes of this Term Sheet the following terms have the meanings provided below:</p> <p><b><u>CFSEM</u></b> means Community Foundation for Southeast Michigan.</p> <p><b><u>City</u></b> means the City of Detroit.</p> <p><b><u>Closing</u></b> means the closing of the transactions contemplated herein.</p> <p><b><u>Definitive Documentation</u></b> means the definitive agreements and other transaction documents to be executed and delivered at Closing.</p> <p><b><u>DIA Funders</u></b> means those persons, businesses, business-affiliated foundations and other foundations that are listed on Exhibit C to this Term Sheet and all additional persons, businesses, business-affiliated foundations and any other foundations from which The DIA secures commitments to contribute monies as “DIA Funders” in furtherance of the transactions contemplated by this Term Sheet.</p> <p><b><u>Foundation Funders</u></b> means the foundations that are listed on Exhibit B to this Term Sheet and any additional foundations (other than foundations that are DIA Funders) that, subsequent to the date of this Term Sheet, agree to contribute monies as “Foundation Funders” in furtherance of the transactions contemplated by this Term Sheet.</p> <p><b><u>Funder</u></b> means a Foundation Funder, a DIA Funder, or The DIA (collectively, the “<b>Funders</b>”).</p> <p><b><u>Museum</u></b> means the museum that is commonly referred to as the Detroit Institute of Arts.</p> <p><b><u>Museum Assets</u></b> means the Museum art collection, operating assets, buildings, parking lots and structures, and any other assets having title vested in the City that are used primarily in servicing the Museum, including those covered by the 1997 Operating Agreement between the City and The DIA (the “<b>Operating Agreement</b>”) all as more particularly described on Exhibit A to this Term Sheet.</p> <p><b><u>Payment Amount</u></b> means at least \$815 million without interest and, to the extent applicable, reduced by any Present Value Discount.</p>
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	<p><b><u>Payment Period</u></b> means the twenty year period commencing on and immediately following the date of the Closing.</p> <p><b><u>State</u></b> means the State of Michigan.</p> <p><b><u>Supporting Organization</u></b> means the Foundation for Detroit's Future, a Michigan nonprofit corporation, which is a supporting organization of CFSEM, which was established to accommodate the contribution and payment of monies from the Funders, as contemplated under this Term Sheet, and will obtain 501(c)(3) status prior to the Closing.</p> <p><b><u>The DIA</u></b> means The Detroit Institute of Arts, a Michigan not-for-profit corporation.</p> <p><b><u>Tri-Counties</u></b> means the Counties of Macomb, Oakland and Wayne, all in the State.</p> <p>Other capitalized terms are defined elsewhere in this Term Sheet.</p>
<b>Scope of Settlement</b>	<p>The consummation of the transactions contemplated in this Term Sheet shall be in full and final settlement of all disputes relating to the rights of the City, the Police and Fire Retirement System and the General Retirement System for the City (collectively, the "<b>Pensions</b>"), The DIA, and the State with respect to the Museum, including the Museum Assets. Disputes held by other of the City's creditors pertaining to the foregoing subject matter shall be resolved by confirmation of the Plan of Adjustment (defined below).</p>
<b>Reservation of Rights</b>	<p>This Term Sheet proposes a settlement of disputed factual and legal issues. Nothing in this Term Sheet constitutes an admission as to any factual or legal issue or a waiver of any claim or defense, and all rights of the City, The DIA, the Funders and all other parties in the City's bankruptcy case regarding the Museum and the Museum Assets are fully preserved until the Closing.</p>
<b>Treatment of Museum Assets</b>	<p>As a result of this settlement, at Closing, all right, title and interest in and to the Museum Assets shall be conveyed to The DIA to be held in perpetual charitable trust for the benefit of the people of the City and the State, including the citizens of the Tri-Counties, permanently free and clear of all liens, encumbrances, claims and interests of the City and its creditors (the "<b>Transfer</b>").</p>

## Funding Commitments

All commitments of the Funders shall, subject to the terms and conditions of this Term Sheet and the Definitive Documentation, be the irrevocable, authorized, valid and binding commitments by the Funders, enforceable against such Funders, except that the commitment of The DIA as to any DIA Deficiency will be subject to its right of substitution as discussed in *"DIA Commitment Regarding Funding"* below. Exhibit B and Exhibit C, as applicable, set forth the commitment amount and, to the extent known prior to the date of this Term Sheet, the payment schedule for each Funder. Prior to execution of the Definitive Documentation, each Funder with respect to which the payment schedule was not known as of the date of this Term Sheet (unless such party becomes a **"Funder"** only after the date of the Definitive Documentation) shall agree to a payment schedule. Each Funder shall have the right to prepay its commitment in whole or in part at any time without penalty and no interest will be owed on any Funder's payments.

All payments by the Funders shall be made as set forth in *"Payment Mechanism"* of this Term Sheet. (The mechanics, timing and terms of all payments by the State shall be determined between the State and the City.)

The parties acknowledge that Funder payments are conditioned on the City meeting certain conditions both initially and on a continuing basis. See *"Conditions to Future Funding Obligations"* of this Term Sheet. Failure of the City to meet those conditions in any material respect may result in the delay of a scheduled payment by the Funders to the Supporting Organization and a delay of a scheduled payment by the Supporting Organization to the City until (i) all material requisite conditions for that payment are met; or (ii) cancellation of that payment if the material requisite conditions are not met within any established cure period.

Funding commitments of the following amounts (before giving effect to any Present Value Discount, as applicable) are required as a condition to Closing:

Foundation Funders (net)	\$366 million
DIA Funders and DIA	\$100 million*
State	\$350 million

\*inclusive of the intended  
funding amounts for the  
identified Foundation Funders

	<p>listed in Exhibit B</p> <p>To the extent the City fails to meet its indemnity obligations further described in Exhibit D, the Funders', the Supporting Organization's and The DIA's (with respect to a DIA Deficiency or under the Guaranty) funding commitments will be reduced by any litigation or defense costs, damages or settlement costs incurred by the applicable Funder, the Supporting Organization or The DIA in connection therewith. Similarly, the Funders, the Supporting Organization and The DIA may reduce their funding commitments to the extent that any litigation or defense costs, damages or settlement costs incurred by them and arising from the transactions contemplated by this Term Sheet and the Definitive Documentation are not otherwise covered by the City's indemnity obligations described in Exhibit D.</p>
<p><b>Present Value Discount</b></p>	<p>To the extent that the DIA Funders and The DIA have agreed upon an aggregate payment schedule (determined as of the Closing and adjusted after the Closing for any New Donor Commitments), that provides for the payment of greater than an aggregate of \$5 million per year during the Payment Period (the "<b>Agreed Required Minimum Schedule</b>"), the amount and timing of such annual excess in commitments shall, applying a discount rate to be agreed upon hereafter but prior to Closing, which may or may not be the same earnings rate that the Pensions use as provided for in the confirmed Plan of Adjustment as the Pensions' assumed future investment return, result in a present value discount in an amount which reflects the payments required to be made being instead made more rapidly than required by the Agreed Required Minimum Payment Schedule, which present value discount shall reduce the aggregate amount of the commitments that The DIA is required to secure or, as to any DIA Deficiency, undertake itself (the "<b>Present Value Discount</b>").</p> <p>Each Foundation Funder which funds its commitment more rapidly than ratably over twenty years shall likewise be entitled to a Present Value Discount determined in the same manner as set forth in the preceding paragraph.</p> <p>Any disputes regarding the calculation or application of a Present Value Discount will be irrevocably determined,</p>



	based upon the formula described in this Term Sheet, by an independent auditing firm to be agreed upon in the Definitive Documentation.
<b>The DIA Commitment Regarding Funding</b>	The DIA undertakes to secure commitments for contributions of \$100 million (subject to the Present Value Discount) from the business community (and their related foundations), other foundations and individuals. As of the Closing, The DIA shall be responsible for any portion of the \$100 million (subject to the Present Value Discount) for which it has not secured commitments from DIA Funders as of the Closing (the “ <b>DIA Deficiency</b> ”). However, The DIA shall have the right after the Closing to substitute for its obligation to pay any or all of the DIA Deficiency commitments from new DIA Funders or an increased funding commitment from an existing DIA Funder (each a “ <b>New Donor Commitment</b> ”) for such amount of the DIA Deficiency. Subject to the terms of this Term Sheet, all New Donor Commitments shall be payable according to payment schedules which shall not run later than the end of the Payment Period. In addition, The DIA agrees that it will have no claims against the Foundation Funders for failure to fund their commitments and that the Foundation Funders have made no commitments beyond those set forth in this Term Sheet (as will be reflected in the Definitive Documentation).
<b>DIA Guaranty</b>	Subject to the terms and conditions of this Term Sheet, The DIA shall guaranty (the “ <b>Guaranty</b> ”) the payment by all DIA Funders of all amounts such DIA Funders pledge against the \$100 million (subject to the Present Value Discount) commitment of The DIA under the “ <i>Funding Commitment</i> ” section of this Term Sheet. The City may take action to collect Default Amounts under the Guaranty as permitted under the “ <i>Default and Remedies</i> ” section of this Term Sheet. The City shall not otherwise take action to collect any amounts under the Guaranty, and under no circumstances will anyone other than the City have any right to take any action to collect any amounts under the Guaranty. The DIA Guaranty shall be in form and substance acceptable to the City and the Funders.
<b>Default and Remedies</b>	All Funders (including The DIA, both as to any DIA Deficiency and with respect to the Guaranty) shall have the right to rely upon the determination of the Board of Directors of the Supporting Organization as to whether the conditions

to a scheduled payment have been satisfied and, if not initially satisfied, whether they have been timely cured. In the event that the Supporting Organization has determined that the conditions have not been satisfied (or timely cured) and the City disputes that determination, the City's only recourse shall be to dispute the Supporting Organization's determination. The City shall have no claim against any Funder (or under the Guaranty) for such Funder's reliance upon the determination of the Board of Directors of the Supporting Organization. Any dispute between the City and the Supporting Organization regarding whether the conditions had been satisfied or timely cured shall be determined in accordance with the "*Dispute Resolution*" section of this Term Sheet.

In the event it is determined by the Supporting Organization or through arbitration that the conditions to a scheduled payment have been satisfied or timely cured, all Funders shall be required to make their scheduled payments to the Supporting Organization (or, as to DIA Funders that so elect in accordance with the "*Payment Mechanism*" section of this Term Sheet, to The DIA, which will be required to make its scheduled payments to the Supporting Organization). If a Foundation Funder, a DIA Funder or The DIA (either with respect to a Deficiency Amount or on behalf of a DIA Funder who elects to make its payments to The DIA) has made its scheduled payment to the Supporting Organization, the City shall have recourse only to the Supporting Organization (and not any Funder that made its scheduled payment) for such payment. If a Foundation Funder, a DIA Funder or The DIA (either with respect to a Deficiency Amount or on behalf a DIA Funder who elects to make its payments to The DIA) has not made its scheduled payment after it is determined by the Supporting Organization or through arbitration that the conditions to such payment have been satisfied or timely cured, the Supporting Organization shall, after making reasonable efforts to collect the scheduled payment from the Funder (the "**Non-funding Party**"), assign its right to enforce payment of that scheduled payment (the "**Default Amount**") to the City in full satisfaction of the Supporting Organization's obligation to make such payment to the City.

If the Supporting Organization assigns to the City, in accordance with the preceding paragraph, the Supporting Organization's right to enforce payment of a Default Amount from a DIA Funder (a "**Defaulted DIA Funder**"), during the twelve-month period following the assignment of the claim

	<p>to the City (the “<b>City Collection Period</b>”), the City shall exercise commercially reasonable efforts to collect the Default Amount from that Defaulted DIA Funder, and any amounts collected from that Defaulted DIA Funder shall reduce the amount subject to the Guaranty. If the City is unable to collect the Default Amount from a Defaulted DIA Funder during the City Collection Period, upon the expiration of the City Collection Period, the City may collect the Default Amount from The DIA under the Guaranty and, in such event, assign to The DIA all right and title to (and exclusive authority to collect) the Default Amount.</p> <p>In no event will any Funder other than the Non-funding Party have any responsibility for the payment or obligations of such Non-funding Party (except, as to The DIA, under the Guaranty), and the City will not have any right to collect any amounts from any Funder except as set forth above. Moreover, there will be no third-party beneficiaries to the rights of the City or the Supporting Organization, and no party other than the City or the Supporting Organization (or The DIA in respect of the Guaranty), as applicable, shall have the right to assert any claim against any Funder in respect of the obligations arising under the Definitive Documentation. Without limiting the foregoing, the failure of any Funder or the Supporting Organization to make a scheduled payment shall give rise to a claim by the City against such Non-funding Party, as set forth above, and not against any other Funder, the Supporting Organization, The DIA or the Museum Assets; provided, however, (i) as contemplated in “<i>The DIA Commitment Regarding Funding</i>” above, The DIA will be obligated for any DIA Deficiency except to the extent the DIA Deficiency is replaced during the Payment Period with a New Donor Commitment, and (ii) The DIA will have its obligations under the Guaranty.</p> <p>The City will be responsible for all costs of its enforcement against the Non-funding Party and will not seek reimbursement of costs of enforcement from any other party or the Supporting Organization. No other person or entity shall have the right to enforce payment.</p>
<b>Initial Payment</b>	<p>At and as a condition to the Closing (a) each of the Foundation Funders and the State shall pay at least 5% of its commitment under this Term Sheet and (b) The DIA and the DIA Funders in the aggregate shall pay at least \$5 million.</p>

<p><b>Transfer on Initial Payment</b></p>	<p>The Transfer shall be irrevocably consummated upon the Initial Payment to the City Account (defined in “<i>Conditions to Future Funding Obligations</i>” of this Term Sheet) (which shall be made at the Closing). In addition, at the Closing, the City and The DIA will enter into an agreement that (1) terminates the Operating Agreement, (2) includes a mutual release of pre-Closing claims, and (3) assigns (without recourse) from the City to The DIA all current and future commitments or gifts made or intended for the benefit of the Museum or The DIA, including without limitation money and works of art. The City will not, however, make any representations or warranties relating to the condition of, or title to, the Museum Assets or such commitments and will not have any liability with respect thereto.</p>
<p><b>Payment Mechanism</b></p>	<p>All payments by the Funders shall be made directly to the Supporting Organization which shall hold such payments in a segregated account (the “<b>Account</b>”) pending payment to the City. Notwithstanding the foregoing, any DIA Funder may make its payments to The DIA instead of to the Supporting Organization; payments by The DIA (either with respect to a Deficiency Amount or on behalf a DIA Funder who elects pursuant to the preceding sentence to make its payments to The DIA) to the Supporting Organization shall be pursuant to the terms of an agreement which will be entered into between The DIA and the Supporting Organization in connection with the execution of the Definitive Documentation. As set forth under “<i>Default and Remedies</i>” above, only the City will have recourse or claims against the Account, provided all conditions specified in “<i>Conditions to Future Funding Obligations</i>” of this Term Sheet have been satisfied and as otherwise provided in this Term Sheet, and the City shall be paid when due, directly from the Account for the exclusive payment of the Pensions. The City will not be entitled to any interest or earnings on the balances of the Account. The City shall then pay such amounts to and for the exclusive payment of the Pensions in accordance with the allocation determined by the City and agreed by the Funders.</p>
<p><b>DIA Commitment for State-wide Services for State Contribution</b></p>	<p>In addition to continuing to operate the Museum for the benefit of the people of the City and the State, including the citizens of the Tri-Counties, and continuing to provide the special services to the residents of the Tri-Counties during the millage term that are provided for in the millage</p>

	<p>agreements, during the Payment Period The DIA will provide an array of art programs at no or discounted costs to the residents of the State. In determining which programs to offer, both the cost to The DIA of developing and operating these programs and The DIA's other fundraising obligations, including its need to raise funds for general operations and its stated goal of building endowment funds, as well as any fundraising obligation under this settlement, will be taken into account. As appropriate, The DIA will collaborate with its Michigan museum colleagues in the development of these programs. Given the length of the Payment Period, it is expected that these programs would be developed and adjusted over time. Such programs could include at the outset:</p> <ul style="list-style-type: none"> <li>• Two exhibitions in each twelve-month period, with the first such period beginning six months after the Closing, of objects from the Museum collection that would rotate through museums and art centers around the State on a schedule to be determined by The DIA and the recipient museums. Each exhibition will be developed and organized by The DIA and will include installation and de-installation of the objects, a marketing package (logo and advertising template) and, possibly, input on programming and education opportunities.</li> <li>• An annual professional development program coordinated with the Michigan Museums Association designed to strengthen museum professionals and introduce museum job opportunities to student audiences.</li> <li>• An expansion of the Museum's popular Inside/Out program (during the tenure of the program), which places high-quality art reproductions in Southeast Michigan communities, to include two additional outstate locations annually, supporting tourism, cultural awareness and life-long learning.</li> <li>• Art object conservation services at a discounted rate to Michigan museums conducted in consultation with the Museum conservators and the curatorial staff of the requesting museum.</li> <li>• The development of an educational program based on the Museum collection that supports National Common Core Standards, to be offered in two</li> </ul>
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	Michigan communities annually and to include follow-up support for educators.
<b>DIA Operating and Maintenance Commitments</b>	<p>(1) Subject to the terms set forth herein and the Definitive Documentation, The DIA shall have complete responsibility for and control over Museum operations, capital expenditures, collection management, purchase or sale of assets, <i>etc.</i> and will be responsible for all related liabilities, including existing liabilities of The DIA to its employees, contractors and vendors.</p> <p>(2) The permanent primary situs of The DIA and its art collection will remain in the City in perpetuity. This Term Sheet and the Definitive Documentation will not otherwise restrict the ability of The DIA to lend or to otherwise allow works to travel outside of the City or the State, consistent with ordinary Museum operations and the state-wide services proposed under this settlement. Notwithstanding anything to the contrary set forth in this Term Sheet, The DIA acknowledges and agrees that the Museum shall be operated primarily for the benefit of the people of the City and the State, including the citizens of the Tri-Counties.</p> <p>(3) The DIA will be required to operate the Museum as an encyclopedic art museum in the City, in accordance with changing future demands in the operation of such a Museum. The DIA will not deaccession from its collection or sell, lease, pledge, mortgage, or otherwise encumber art that is accessioned to or otherwise held in its collection except in accordance with the code of ethics or applicable standards for museums published by the American Alliance of Museums (the "AAM") as amended or modified by the accreditation organization. If the AAM ceases to exist or to be generally regarded by leading American art museums as the preeminent American art museum accreditation organization, then the AAM's successor organization or such other organization that is at that time generally regarded by leading American art museums as the preeminent American art museum accreditation organization shall be substituted for the AAM.</p>



	<p>(4) In the event of a liquidation of The DIA, the Museum Assets will be transferred only to another not-for-profit entity (which entity shall be subject to the reasonable approval of the City and the Supporting Organization, if then in existence, and otherwise by majority vote of the City and the then-existing Foundation Funders). Such successor entity would subject itself to the same conditions as set forth in this Term Sheet and the Definitive Documentation, including but not limited to holding the Museum Assets in perpetual charitable trust for the people of the City and the State, including the citizens of the Tri-Counties. For the purposes of determining the majority vote described above, and for the avoidance of doubt, the parties agree that the City and each of the then-existing Foundation Funders shall each have one vote with respect to such approval.</p>
<p><b>City Commitments Relating to Pensions</b></p>	<p>(1) The City will adopt and maintain pension governance mechanisms that meet or exceed commonly accepted best practices reasonably satisfactory to the Funders and the State to ensure acceptable fiscal practices and procedures for management and investment of pensions and selection of acceptable pension boards to ensure the foregoing.</p> <p>(2) The City will establish, by the Effective Date (as defined below), a Receivership Transition Review Board ("<b>Review Board</b>") or other independent fiduciary that is independent of the City and any association of City employees or retirees for future supervision of the Pensions' management, administration and investments for at least twenty years after the Effective Date.</p> <p>(3) Any commitments by the City to make payments hereunder, or cause payments to be made, to the Pensions shall be subject to receipt of the related payment amount from the Supporting Organization which, in turn, will be conditioned on the City's compliance with the above.</p> <p>(4) The Pension funds themselves shall agree as part of the settlements approved through the confirmed Plan of Adjustment that they waive and release</p>

	<p>any and all claims against, and shall have no recourse directly against, the Funders or the Supporting Organization with respect to enforcement of the City's commitment to make payments to the Pensions or any such party, nor for any matter arising from the contemplated transaction. The agreement of the Pension funds, as implemented through the Plan of Adjustment and any associated court orders shall be binding on the Pensions and all entities or persons claiming through the Pensions, including without limitation any successors or assigns and any plan participants, and any of their representatives, successors or assigns.</p>
<p><b>Other City Commitments</b></p>	<ol style="list-style-type: none"> <li>(1) The City shall pass no charter, ordinance or other provision that solely affects or primarily targets the Museum, The DIA or museums within the City generally which such charter, ordinance or other provision has a material adverse impact on the Museum or The DIA (it being understood that a "material adverse impact" shall include any adverse financial impact or any contradiction, or adverse impact on the enforceability, of the terms of this settlement), except pursuant to State-enabling legislation, and the City agrees that the Detroit Arts Commission will henceforth have no oversight of The DIA, the Museum or the Museum Assets.</li> <li>(2) The City shall not impose any fee, tax or other cost on the Museum or The DIA that solely affects or primarily targets the Museum, The DIA or museums within the City generally.</li> <li>(3) The City shall provide (or cause to be provided) utilities and other City services to The DIA at the same pricing and on the same terms upon which the City offers to provide utilities and such other City services to arm's-length third parties generally.</li> <li>(4) The City agrees that there are no further commitments from the Funders, the Supporting Organization, The DIA or the State relating to the Museum or the Museum Assets beyond those contained in the Term Sheet or the Definitive</li> </ol>



	<p>Documentation.</p> <p>(5) The City agrees to the indemnification, jurisdiction, venue and choice of law language contained in Exhibit D for the benefit of the Funders.</p>
<p><b>Bankruptcy Court Approval Process</b></p>	<p>The settlement between the City and The DIA over the Transfer in exchange for the Funders' and the State's commitments for the Payment Amount and The DIA's commitment to provide for the operation and maintenance of the Museum is subject to the Bankruptcy Court's approval in a manner acceptable to the parties hereto, which the City shall seek promptly after the signing of the Definitive Documentation for the settlement.</p>
<p><b>Conditions to The DIA's, the City's and the Funders' Commitments and Initial Payments under the Settlement</b></p>	<p>The City's and the Funders' obligations under the settlement will become binding only upon:</p> <ol style="list-style-type: none"> <li>(1) execution of Definitive Documentation acceptable in all respects to The DIA, the City, the State and the Funders, memorializing the terms of this Term Sheet, including irrevocable commitments (subject to The DIA's right of substitution as to the DIA Deficiency) of the Funders, in the aggregate, for the full Payment Amount,</li> <li>(2) Bankruptcy Court entry of an order confirming the Plan of Adjustment of Debts of the City of Detroit, Michigan (the "<b>Plan of Adjustment</b>") that is binding on The DIA, the City and all of the City's creditors and provides, among other things, for approval and inclusion of all of the terms of this settlement, including treatment of the Payment Amount in accordance with this Term Sheet and protection of the Museum Assets as provided in "<i>Treatment of Museum Assets</i>" of this Term Sheet, and not stayed on appeal,</li> <li>(3) occurrence of the Effective Date,</li> <li>(4) approval of the settlement by the Michigan Attorney General as consistent with Michigan law and with Attorney General Opinion No. 7272,</li> <li>(5) agreement by the millage authorities for each of the Tri-Counties to the settlement for protection of the three-county millage payable to the Museum for the balance of the millage period approved in 2012,</li> </ol>

	<p>(6) approval of the relevant City and State persons or entities specified in the Local Financial Stability and Choice Act (PA 436) to the extent applicable, including, but not limited to, the Emergency Manager, the Governor of the State and/or the Treasurer of the State and (if needed) the Detroit City Council and/or Detroit Arts Commission, in each case, for the Transfer,</p> <p>(7) The DIA, the Foundation Funders, the City and the State being satisfied with The DIA's governance structure, mechanisms and documents, program for provision of statewide services, multi-year fundraising plan, insurance coverage, policies, practices and procedures and such other matters as the Funders determine are critical to their decision to fund and the City determines are critical to its decision to execute the Definitive Documentation,</p> <p>(8) Closing occurring no later than December 31, 2014,</p> <p>(9) All existing agreements and other arrangements between the City and The DIA are either affirmed, modified or terminated, as provided in this Term Sheet or as otherwise agreed between the City and The DIA.</p> <p>(10) The DIA agrees to indemnify and hold harmless the Foundation Funders, the City and the Supporting Organization from any and all claims against them (together with all reasonable associated costs and expenses) that result from The DIA's failure to perform any of its obligations under the Definitive Documentation. The DIA acknowledges that the Foundation Funders and the Supporting Organization have no financial obligations other than, in the case of the Foundation Funders, the amount specified in the "Funding Commitments" of this Term Sheet and are not guaranteeing payment to the City of any amount committed by the DIA Funders or The DIA.</p>
<b>Closing of Settlement</b>	<p>Upon satisfaction of all "Conditions to The DIA's, the City's, the State's and the Funders' Commitments and Initial Payments under the Settlement" under this Term Sheet (any of which may be waived by agreement of all parties to this Term Sheet for whose benefit the condition exists) and the occurrence of the</p>

	effective date of the Plan of Adjustment (" <b>Effective Date</b> ").
<b>Conditions to Future Funding Obligations</b>	<p>The Funders' obligations to continue to fund the settlement (and the Supporting Organization's obligation to continue to pay funds provided by the Funders to the City) are conditioned on the following:</p> <ol style="list-style-type: none"> <li>(1) all amounts paid by the Funders shall be used only to pay Pensions as provided in this Term Sheet and the confirmed Plan of Adjustment,</li> <li>(2) the Funders' receipt of an annual certification from the Review Board or other oversight authority reasonably acceptable to the Funders that the City is in compliance with its obligation to use the amounts paid by the Funders solely for the benefit of the pensioners and that the amounts received from the Funders are unencumbered by the City or any other entity,</li> <li>(3) the amounts paid by the Funders and transmitted by the Supporting Organization to the City are placed into a segregated account to be used for payments to the Pensions only and shown separately on the City's books ("<b>City Account</b>"),</li> <li>(4) the Funders' receipt of an annual reconciliation report of the City Account prepared by external auditors reasonably satisfactory to the Funders at the City's expense, certifying use of funds in a manner consistent with the settlement,</li> <li>(5) full compliance by the City with the terms of the funding agreements with the Funders or the Supporting Organization, and</li> <li>(6) the City's continued compliance with the first two commitments set forth above in the provision entitled "<i>City Commitments Relating to Pensions</i>" of this Term Sheet.</li> </ol> <p>The City shall have the opportunity to cure any breach or failure of these conditions within 180 days of issuance of notice of the same by the Funders or the Supporting Organization. Notwithstanding the foregoing, to the extent that the applicable event of default cannot reasonably be cured within the period specified above, and as long as the City has commenced to cure, and diligently pursues the cure of such default in good faith, such cure period shall be</p>

	<p>extended by a reasonable period of time to permit the City to cure such event of default; provided, however, such additional extended cure period shall not extend beyond the later of: (i) 180 days beyond the initial cure period; and (ii) the date that the next applicable payment is due the City by the Supporting Organization. The City's ability to receive the benefit of the extended cure period, beyond the initial cure period, shall be subject to the approval of the Supporting Organization upon receipt of a written request from the City setting forth why the City is entitled to such extended cure period by meeting the requirements set forth above, which approval shall not be unreasonably withheld, conditioned or delayed. All obligations of the Funders and Supporting Organization to make payments shall be suspended for the duration of the cure period. If the City fails to cure a breach or failure during the cure period each Funder and the Supporting Organization shall have the right to cancel its remaining commitments.</p>
<p><b>Changes in DIA Governance</b></p>	<p>The DIA shall establish an ad-hoc committee (the "<b>Governance Committee</b>") to review best practices in museum governance, gather input from the parties to this Term Sheet and the State, and make recommendations regarding the future governance of The DIA. In addition to three members representing the perspective of The DIA, The DIA shall appoint to the Governance Committee one member representing each of the following perspectives: 1) the Foundation Funders; 2) the City; and 3) the State. In addition, The DIA shall appoint to the Governance Committee one person who is selected by agreement of the millage authorities of the Tri-Counties. The parties believe the proposed make-up of the Governance Committee will appropriately represent the perspectives of The DIA, the City, the State, the millage authorities and the Foundation Funders, but The DIA will consider adjustments to the proposed membership to the extent necessary to address any concerns raised by the State. Susan Nelson, principal of Technical Development Corporation, will facilitate and advise the process, with funding as required from the Foundation Funders. The process will be completed as quickly as possible but in any event prior to the Closing, with the Governance Committee's recommendations taking effect upon their approval by The DIA's Board of Directors and prior to Closing. The goal of the Governance Committee will be to ensure that The DIA has the best possible governance</p>

	structure for maintaining its position as one of America's great art museums.
<b>Future Obligations of The DIA</b>	The DIA will provide to the other Funders and the City, or their representatives, on an annual basis, a narrative report covering overall operations, fundraising and state services, as well as audited financial statements.
<b>Dispute Resolution</b>	In connection with the negotiation of the Definitive Documentation, the parties shall use good faith efforts to work with the State to identify and agree upon alternative dispute resolution mechanisms that provide a process for resolution of disputes surrounding whether conditions to a scheduled payment have been satisfied or cured while considering the ability of the public, Pensions and other stakeholders to monitor such alternative dispute resolution process.

## EXHIBIT A

### MUSEUM ASSETS

1. The Museum building and grounds, and the employee parking lot located at 5200 Woodward Avenue, Detroit, Michigan, comprised of land and improvements bounded by Woodward Avenue as widened, existing John R Street, existing East Kirby Avenue and the South line of Farnsworth Avenue, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in Commitment for Title Insurance No. 58743275 revision 5, with an effective date of December 16, 2013, and Commitment for Title Insurance No. 58781215, with an effective date of December 26, 2013, (collectively, the "Title Commitment") issued by Title Source Inc., as follows:

PARCEL 1: Block A; together with the Northerly half of vacated Frederick Douglass Avenue adjacent thereto, of Ferry's Subdivision of Park Lot 40 and of Lots 1 to 18 inclusive of Farnsworth's Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 18 of Plats, Page 71, Wayne County Records.

PARCEL 6: Lots 43 through 78, both inclusive, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 43 through 58, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 63 through 78, and together with vacated alleys appurtenant to said lots.

PARCEL 11: Lots 103 through 120, both inclusive, together with the Southerly half of vacated Farnsworth Avenue adjacent to Lots 103 through 118, and vacated portions of Farnsworth Avenue adjacent to the South of Lots 103 through 117 and Lot 120, and vacated alleys appurtenant to said lots, of Farnsworth Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

2. The Frederick Lot (across from the Museum, Easterly from existing John R to existing Brush) located, in the City of Detroit, Wayne County, Michigan, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in the Title Commitment as follows:

PARCEL 4: Lots 31 to 37 of Farnsworth Subdivision of Park Lots 38 and 39, together with the southerly half of vacated Frederick Douglass Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

PARCEL 7: Lots 79 and 80 of Farnsworth Subdivision of Park Lots 38 and 39, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.



PARCEL 9: The East 5 feet of Lot 85 and Lots 86 and 87 and the West 16 feet of Lot 88, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots of Farnsworth Subdivision of Park Lots 38 and 39, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 12: Lots 1 through 5, both inclusive, and Lots 10 through 14, both inclusive, Block 25, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 1 through 5, Block 25, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 10 through 14, Block 25 and together with the vacated alley appurtenant to said lots of Brush's Subdivision of that part of the Brush Farm lying between the North line of Farnsworth Street and South line of Harper Avenue, as recorded in Liber 17, Page 28 of Plats, Wayne County Records.

3. The cultural center underground garage<sup>1</sup> *i.e.*, the parking garage with all appurtenant utilities, equipment, drives, pedestrian and vehicular entrances and easements therefor, on the south side of the Museum building located at 40 Farnsworth, Detroit, Michigan, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in the Title Commitment as follows:

PARCEL 14: A parking structure in the City of Detroit occupying space under and on the following described parcel of land. Land in the City of Detroit, being a part of Lots 62 through 68 inclusive; parts of Lot 112 and 118 through 120 inclusive; all that part of Lots 113 through 117 inclusive not set aside as a part of Farnsworth Avenue, parts of public alleys and Farnsworth Avenue (60 feet wide) vacated by the Common Council on October 7, 1924 and January 11, 1927; all as platted in "Farnsworth's Subdivision of Park Lots 38 and 39, City of Detroit" recorded in Liber 1, Page 16 of Plats, Wayne County Records and also a portion of the Northerly 49 feet of Farnsworth Avenue (70 feet wide), which was opened as a public street by action of the Common Council on October 7, 1924. Being more particularly described as follows: Commencing at the intersection of the South line of Farnsworth Avenue 70 feet wide and the East line of Woodward Avenue as widened August 2, 1932, J.C.C. Page 1279, thence North 29 degrees 42 minutes 10 seconds West 22.17 feet, thence North 60 degrees 17 minutes 50 seconds East 6.00 feet to the point of beginning of this parcel, thence North 29 degrees 42 minutes 10 seconds West 248.16 feet; thence North 60 degrees 11 minutes 50 seconds East 268.00 feet; thence South 29 degrees 42 minutes 10 seconds East 15.79 feet; thence North 60 degrees 17 minutes 50 seconds East 1.00 feet to a point of curve; thence 11.77 feet along the arc of a curve concave to the Northeast with a Radius of 14.00 feet, a Delta of 48 degrees 11 minutes 23 seconds with a Long Chord of 11.43 feet which bears South 53 degrees 47 minutes 52 seconds East to a point of reverse curve; thence 26.07 feet along the arc of curve concave to the Southwest, with a Radius of 31 feet, a Delta 48

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<sup>1</sup> In connection with the preparation for Closing, the City will advise on the mechanics for the release of existing encumbrances on title to the garage.

degrees 11 minutes 23 seconds with a Long Chord of 25.31 feet which bears South 53 degrees 47 minutes 52 seconds East; thence South 29 degrees 42 minutes 10 seconds East 140.50 feet; thence 78.54 feet along the arc of a curve concave to the Northwest, with a Radius of 50.00 feet, a Delta of 90 degrees with a Long Chord of 70.71 feet which bears South 15 degrees 17 minutes 50 seconds West; thence South 60 degrees 17 minutes 50 seconds West 0.50 feet; thence South 29 degrees 42 minutes 10 seconds East 4.00 feet; thence South 60 degrees 17 minutes 50 seconds West 4.00 feet; thence South 29 degrees 42 minutes 10 seconds East 6.00 feet; thence South 60 degrees 17 minutes 50 seconds West 39.50 feet; thence North 29 degrees 42 minutes 10 seconds West 1.67 feet; thence South 60 degrees 17 minutes 50 seconds West 190 feet to the point of beginning.

The bottom floor of this structure is at elevation 129.10 feet as related to the City of Detroit Datum Plane; the structure has two (2) floors of vehicle parking with the top of the roof at elevation 149.34 feet. The structure has three (3) pedestrian exit buildings, four (4) air exhaust shafts and a vehicular ramp all of which extend upwards from the garage roof to the ground surface at elevations varying from 150.6 to 153.7 feet.

Together with the Easements created in Liber 20846, Page 762, Wayne County Records.

4. The collection of works of art owned by the City and located primarily at the Museum, the Museum's off-site warehouse or the Josephine Ford Sculpture Garden located at or about 201 East Kirby Street, Detroit, Michigan (which included at the effective date of the Operating Agreement the items listed in Exhibit 2 to the Operating Agreement) or included in the Museum collection (whether or not accessioned), whether or not reflected on any inventory and irrespective of the manner in which acquired by the City.
5. All assets of any kind located on or within the real estate described in items 1-4 above and used in the operations of the Museum, as well as any easements or other property rights benefiting such real estate.
6. All intangible property solely to the extent used in connection with the Museum and its art collection, including trademarks, copyrights and intellectual property, whether or not related to collection pieces.
7. All City records, books, files, records, ledgers and other documents (whether on paper, computer, computer disk, tape or other storage media) presently existing to the extent relating to the Museum, its art collection or its operations or to The DIA (other than those documents which are confidential to the City and not The DIA).
8. All monies held by the City that are designated for The DIA or the Museum or that were raised for the benefit of, or express purpose of supporting, The DIA or the Museum, including the approximately \$900,000 balance of proceeds of bonds issued for the benefit of The DIA by the City in 2010.



## EXHIBIT B

### FOUNDATION FUNDERS

**NOTE:** The list of Foundation Funders below is being provided based on information known as of March 27, 2014. Foundation Funder commitments remain subject to: (i) final approval of the commitments by the appropriate governing body of the respective foundation listed below; (ii) all conditions otherwise contained in the Term Sheet and Definitive Documentation being met; (iii) approval of the Definitive Documentation by the Foundation Funder; and (iv) approval of the Plan of Adjustment through the bankruptcy proceedings.

<u>Foundation Funder</u>	<u>Intended Funding Amount</u>
Community Foundation for Southeast Michigan	\$10,000,000
William Davidson Foundation	25,000,000
The Fred A. and Barbara M. Erb Family Foundation	10,000,000
Max M. and Marjorie S. Fisher Foundation	2,500,000*
Ford Foundation	125,000,000
Hudson-Webber Foundation	10,000,000
The Kresge Foundation	100,000,000
W. K. Kellogg Foundation	40,000,000
John S. and James L. Knight Foundation	30,000,000
McGregor Fund	6,000,000
Charles Stewart Mott Foundation	10,000,000
A. Paul and Carol C. Schaap Foundation	5,000,000*
<b>Total</b>	<b>\$373,500,000</b>
Less Credits to DIA Commitments	(7,500,000)
<b>Net Total</b>	<b>\$366,000,000</b>

\*The payment of the intended funding amount by these Foundation Funders will be credited against the \$100 million to be paid by DIA Funders and the DIA provided under *Funding Commitments* of the Term Sheet.

#### Payment Schedule

Each Foundation Funder intends to make payments available at 5% of the total intended funding amount per year over the 20 year term, subject to the right of any Foundation Funder to pay early without penalty and as otherwise provided in the Term Sheet and Definitive Documentation. Collectively, this will result in an annual payment of **\$18,300,000** (exclusive of Foundation Funder commitments credited to the DIA) to the City of Detroit as provided in the Term Sheet and Definitive Documentation.

EXHIBIT C

DIA FUNDERS

[to be provided]

## EXHIBIT D

### INDEMNIFICATION, JURISDICTION, VENUE AND CHOICE OF LAW

*All capitalized terms used but not defined in this Exhibit D are defined in the Term Sheet.*

- (a) To the maximum extent permitted by law, the City shall indemnify, defend, and hold the Foundation Funders, the DIA Funders, The DIA and the Supporting Organization and their affiliates and all their respective shareholders, officers, directors, members, managers, employees, successors, assigns, representatives, attorneys and agents (the “**Indemnified Parties**”) harmless from, against, and with respect to any claim, liability, obligation, loss, damage, assessment, judgment, cost and expense (including, without limitation, actual out-of-pocket attorney fees and actual expenses incurred in investigating, preparing, defending against, or prosecuting any litigation or claim, action, suit, hearing, proceeding or demand) of any kind or character, arising out of or in any manner, incident, relating or attributable to the following (provided indemnification will not be available to an Indemnified Party to the extent resulting from such Indemnified Party’s breach of contract, sole ordinary negligence, gross negligence or intentional wrongful acts):
  - (i) *Any claims by third parties or the City arising out of any action properly taken by the Indemnified Parties under the Definitive Documentation with respect to the contemplated transaction including, but not limited to, any payment, non-payment or other obligation of the Indemnified Parties permitted thereunder;*
  - (ii) *Any breach or failure of any representation or warranty of the City contained in the Definitive Documentation between the City and the Indemnified Parties and/or other parties related to the contemplated transaction;*
  - (iii) *Any failure by the City to perform, satisfy or comply with any covenant, agreement or condition to be performed, satisfied or complied with by the City under the Definitive Documentation with the Indemnified Parties or under agreements with any third parties contemplated by this transaction;*
  - (iv) *Reliance by the Indemnified Parties upon any books or records of the City or reliance by them on any written information furnished by the City or any of the City’s employees, officials or agents to them to the extent any such information should prove to be false or materially inaccurate or misleading (including, without limitation, by omission), but only to the extent that such books, records or written information was furnished by the City in connection with the City showing its compliance with the conditions to initial or future funding as set forth in the Term Sheet;*
  - (v) *Any claim or objection made in the City’s Chapter 9 Bankruptcy (Case No. 13-53846) or any other action brought against, or involving, the Indemnified Parties with respect to their participation in any transaction contemplated by the proposed or confirmed Plan of Adjustment;*

(vi) *The transfer, assignment or sale by the City to The DIA of any assets or property (real or personal) and any rights, title and interests therein including, but not limited to, the Museum and all of the Museum Assets;*

(vii) *Any action or claim against the Indemnified Parties made by the Pensions, including any successors or assigns and any plan participants, or their representatives, successors or assigns (collectively, the "Pension Funds"), as nothing under the Term Sheet or the Definitive Documentation is intended to, nor are they to be construed or interpreted to, make the Indemnified Parties a party in privity with, or having an obligation in any capacity to the Pension Funds. By way of illustration and not limitation, the following statements apply:*

*First, the Indemnified Parties have no responsibility for the operation or administration of the Pension Funds and have no fiduciary responsibility for the Pension Funds as plan sponsor, plan administrator, investment advisor or otherwise.*

*Second, the Indemnified Parties have no obligation to contribute towards the funding of the Pension Funds and are not a funding guarantor.*

(viii) *Any action or claim brought by the City, The DIA, the Pension Funds or any other party concerning non-payment of the contributions pursuant to the contemplated transaction by the Indemnified Parties due to the breach of the Definitive Documentation by the City, the DIA, the Pension Funds or any other party, so long as the Indemnified Parties have made a good faith determination of the breach of the Definitive Documentation or payment condition.*

(b) An Indemnified Party shall notify the City in a timely manner of any matters as to which the Indemnified Party is entitled to receive indemnification and shall set forth in such notice reasonable detail regarding specific facts and circumstances then known by the Indemnified Party which pertain to such matters. Failure or delay in providing such notice shall not relieve the City of its defense or indemnity obligations except to the extent the City's defense of an applicable claim against an Indemnified Party is actually prejudiced by such Indemnified Party's failure or delay.

(c) The City shall not contest on any grounds the enforceability of its indemnification obligations hereunder.

(d) Notwithstanding the foregoing, the parties acknowledge that the City is not making any representations to The DIA regarding the City's title to the Museum Assets prior to the Closing and that The DIA will not be entitled to indemnification in connection with its defense of any post-Closing claims by third parties challenging The DIA's title to any Museum Asset to the extent that such claim is based on an allegation that the City did not have legal title to the particular Museum Asset prior to the Closing (a "**Quitclaim Challenge**"). To be clear, however, The DIA will be entitled to indemnification by the City under this Exhibit D in connection with any post-Closing challenges to The DIA's title to Museum Assets that are in any way based upon a claim that the title that the City

had to the Museum Assets prior to Closing was not effectively conveyed to The DIA at and as a result of the Closing.

### **Defense of Indemnity Claims**

(a) To the extent the City is notified of claim for which it is required to indemnify an Indemnified Party, the City shall be solely responsible for responding to or otherwise defending such claim. In such event, the City shall assume exclusive control of the defense of such claim at its sole expense using counsel of its sole choosing and may settle such claim in its sole discretion; provided, however, that (i) with respect to any claim that involves allegations of criminal wrongdoing, the City shall not settle such claim without the prior written approval of the Indemnified Party, which approval may be withheld in such Indemnified Party's sole discretion, and (ii) with respect to any other claim, the City shall not settle such claim in a manner that requires the admission of liability, fault, or wrongdoing on the part of an Indemnified Party, that fails to include a release of all covered claims pending against the Indemnified Party, or that imposes any obligation on the Indemnified Party without the prior written approval of the Indemnified Party, which approval may be withheld in such Indemnified Party's sole discretion. The City will keep the Indemnified Party reasonably informed of the status of any negotiations or legal proceedings related to any claim, and the Indemnified Party shall be entitled to engage counsel (at its own expense) to monitor the handling of any claim by the City. Notwithstanding the foregoing, other than as relates to a Quitclaim Challenge (for which The DIA will not be entitled to indemnification, as set forth above), The DIA shall be entitled to defend on its own behalf any claims regarding title to, interest in or control of the Museum Assets or operation of the Museum. To the extent The DIA intends to exercise such right, the City and The DIA shall use their commercially reasonable efforts in good faith to coordinate a joint defense of such claim (including as to selection of joint counsel). If the City and The DIA cannot agree on a joint defense of the claim, each party shall undertake its own defense, reserving all rights against the other for indemnification hereunder with respect to such claim, but, in such case, The DIA shall not be entitled to indemnification of its defense costs in connection therewith.

(b) Notwithstanding anything to the contrary set forth in this Exhibit D or the Term Sheet, to the extent that the City is required to indemnify an Indemnified Party hereunder, and the underlying claim being indemnified does not arise out of the City's breach of contract, sole ordinary negligence, gross negligence or intentional wrongful acts and is not due to a claim brought by the City, the City may reimburse itself for the costs of such indemnity out of the payments from the Supporting Organization, in which case the amount payable by the City to the Pensions shall be reduced by the amount reimbursed to the City for such indemnity.

### **Jurisdiction/Venue/Choice of Law**

The parties agree that, except as to disputes that are subject to arbitration in accordance with the "*Dispute Resolution*" section of the Term Sheet, jurisdiction shall be retained by

the United States Bankruptcy Court for the Eastern District of Michigan for all matters related to the contemplated transaction and venue shall be in Detroit. The parties agree that this agreement is to be governed by Michigan law.

**EXHIBIT I.A.126**

FORM OF DIA SETTLEMENT DOCUMENTS

**OMNIBUS TRANSACTION AGREEMENT**

**BY AND AMONG**

**THE CITY OF DETROIT**

**THE DETROIT INSTITUTE OF ARTS**

**AND**

**FOUNDATION FOR DETROIT'S FUTURE**



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### **List of Exhibits**

- Exhibit A - Settlement, Conveyance and Charitable Trust Agreement
- Exhibit B - Foundation FDF Agreement
- Exhibit C - DIA Direct Funder FDF Agreement
- Exhibit D - DIA FDF Agreement
- Exhibit E - Closing Direction

### **List of Schedules**

- Schedule 1 - Wire Transfer Instructions for City Account
- Schedule 2 - Examples of Calculation of The DIA's Payment Obligation

## OMNIBUS TRANSACTION AGREEMENT

THIS OMNIBUS TRANSACTION AGREEMENT (this “Agreement”), effective as of the Closing Date, is entered into by and among the City of Detroit, Michigan (the “City”), The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts (“The DIA”), and Foundation for Detroit’s Future, a Michigan nonprofit corporation (the “Supporting Organization”). The City, The DIA, and the Supporting Organization are collectively referred to herein as the “Parties” and individually as a “Party”.

### RECITALS

WHEREAS, The DIA currently manages and operates the museum that is now commonly referred to as the Detroit Institute of Arts (the “Museum”) under an Operating Agreement for the Detroit Institute of Arts, made on December 12, 1997, between The DIA and the City (the “Operating Agreement”);

WHEREAS, on July 18, 2013, the City filed a petition under chapter 9 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”) captioned “*In re City of Detroit, Michigan*”, Case No. 13-53846 (the “Bankruptcy Case”);

WHEREAS, the City and The DIA are willing, on the terms and conditions set forth herein, to enter into a settlement (the “DIA Settlement”) pursuant to which the City will convey all of its right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) to the Museum and the Museum Assets (as defined in the Charitable Trust Agreement) to The DIA in exchange for fair value by virtue of (i) the settlement of any dispute regarding the ownership of the Museum Assets, (ii) the commitment of The DIA to hold the DIA Assets in perpetual charitable trust and to operate the Museum primarily for the benefit of the residents of the City and the Tri-Counties and the citizens of the State and (iii) the contributions through the Supporting Organization by The DIA (and through it, DIA Indirect Funders), DIA Direct Funders and Special Foundation Funders of \$100 million, by Foundation Funders (excluding Special Foundation Funders) of \$366 million, and an additional contribution by the State of Michigan (the “State”) of \$350 million, which total \$816 million (in each case and in the aggregate before applying any discount for early payment) (the “Payment Amount”);

WHEREAS, the Payment Amount will be paid for the benefit of Pension Claims of the City;

WHEREAS, the Bankruptcy Court has entered an order confirming the Corrected Fifth Amended Plan for the Adjustment of Debts of the City of Detroit, as it may be further amended and as modified prior to the Closing Date (the “Plan of Adjustment”) which provides for the treatment of the Payment Amount and the conveyance and protection of the Museum Assets in a manner consistent with the DIA Settlement;

WHEREAS, all conditions to the Effective Date of the Plan of Adjustment (as defined therein) have been satisfied or waived;

WHEREAS, the City, the State, each of their Related Entities (as defined in the Plan of Adjustment) and each of the Indemnified Parties is the beneficiary of the release and exculpation provisions of the Plan of Adjustment;

WHEREAS, the Supporting Organization has been established by the Community Foundation for Southeast Michigan as a tax exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to accommodate the contribution and payment of moneys from The DIA, DIA Direct Funders and Foundation Funders (and certain other contributions and payments that are not related to the DIA Settlement);

WHEREAS, the Attorney General of the State has approved the DIA Settlement as being consistent with Michigan law and with Attorney General Opinion No. 7272;

WHEREAS, The DIA and the applicable Art Institute Authority in each of Macomb, Oakland and Wayne Counties, Michigan (the “**Tri-Counties**”) have amended the applicable Art Institute Service Agreement for such county in a manner to provide that termination of the Operating Agreement will not affect the obligations of the Art Institute Authorities’ obligations under such agreements to collect and pay millage proceeds (the “**Millage**”) to The DIA;

WHEREAS, the Governor of the State, the Treasurer of the State, the applicable legislative bodies of the State, the Emergency Manager specified in the Local Financial Stability and Choice Act (PA 436), and the Detroit City Council, in each case, have approved the DIA Settlement and the Transfer;

WHEREAS, the board of directors of The DIA has, to the extent necessary, adopted the recommendations of the ad-hoc committee established by The DIA, comprised of representatives from Foundation Funders, the City, the State and a representative of the Tri-Counties, regarding the future governance and oversight of The DIA;

WHEREAS, the City has adopted the Combined Plan for the General Retirement System of the City of Detroit, Michigan (“**GRS**”), effective July 1, 2014, which provides for the establishment, membership, terms, operation and duties of the GRS Investment Committee (“**GRS Pension Governance Terms**”), as set forth in the GRS, attached as Exhibit I.A.212.a to the Plan of Adjustment;

WHEREAS, the City has adopted the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan (“**PFRS**”), effective July 1, 2014, which provides for the establishment, membership, terms operation and duties of the PFRS Investment Committee (“**PFRS Pension Governance Terms**,” together with the GRS Pension Governance Terms referred to as the “**Pension Governance Terms**”), as set forth in the PFRS, attached as Exhibit I.A.216.a to the Plan of Adjustment;

WHEREAS, in accordance with the Pension Governance Terms, the initial independent members for the respective GRS and PFRS Investment Committees shall be selected by mutual agreement of the appropriate representatives of the State, the City and the respective Boards of Trustees of GRS and PFRS, in consultation with the Supporting Organization, and shall be named in the Plan of Adjustment; provided, however, that if one of more of the initial independent Investment Committee members for GRS and PFRS, respectively, are not selected

by mutual agreement prior to confirmation of the Plan of Adjustment, then the United States Bankruptcy Court, Eastern District of Michigan shall designate such number of independent Investment Committee members as necessary to bring the number of independent members for the GRS and PFRS Investment Committees to five each;

WHEREAS, in accordance with the Pension Governance Terms and rules and procedures that may be adopted by the Investment Committees, successor independent members of the respective GRS and PFRS Investment Committees shall be recommended by a majority of the remaining independent members of the applicable Investment Committee and confirmed by the GRS Board or PFRS Board, as applicable, and the State Treasurer in consultation with the Supporting Organization; provided, however, that if the applicable Board and State Treasurer cannot agree on the successor independent member, the remaining independent members of the applicable Investment Committee shall appoint the successor independent member;

WHEREAS, the Emergency Manager has issued an order directing the City to comply with the covenants benefitting The DIA and the Museum incorporated in Section 5.3 of this Agreement; and

WHEREAS, the Michigan Settlement Administration Authority, the disbursement agent for the State, shall disburse to GRS and to PFRS the total contribution by the State of \$194.8 million, which is the present value of \$350 million paid in installments over twenty (20) years applying the discount rate of 6.75% per annum, in accordance with the terms and conditions of the State Contribution Agreement attached as Exhibit I.A.294 to the Plan of Adjustment.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereby agree as follows:

## **ARTICLE I** **Definitions**

### **1.1 Definitions.** As used in this Agreement:

“**AAM**” means the American Alliance of Museums.

“**Business Day**” means any day other than a Saturday, Sunday or “legal holiday” on which banks in the State of Michigan are closed for business.

“**Charitable Trust Agreement**” means that certain Settlement, Conveyance and Charitable Trust Agreement between the City and The DIA in the form of **Exhibit A** to this Agreement pursuant to which the DIA Settlement will be consummated, including by virtue of the Transfer, the termination of the Operating Agreement, and the other transactions contemplated therein, as the same may be amended or modified from time to time.

“**City Account**” means a segregated escrow account titled “City of Detroit, in Trust for Certain of Its Retirement Systems and Associated Accounts”, established pursuant to that certain Escrow Agreement dated as of even date herewith by and among the City, the Supporting Organization and U.S. Bank National Association (the “**Escrow Agent**”) with instructions that

the amounts contributed to this escrow account by the Supporting Organization, which except as otherwise provided in Section 6.3(e) of this Agreement and the payment of reasonable expenses of maintaining the City Account, shall be used only for the payment of contributions to GRS and PFRS in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan (attached as Exhibit I.A.244 to the Plan of Adjustment) (the "**Prior GRS Pension Plan**") and the Prior PFRS Pension Plan (attached as Exhibit I.A.245 to the Plan of Adjustment) (the "**Prior PFRS Pension Plan**") and which is shown separately on the City's books and records. For the avoidance of doubt, in addition to the contributions made hereunder, contributions to the City Account may be made by the Supporting Organization to be used for the payment of contributions to the City of Detroit Retiree Health Care Trust, the City of Detroit Police and Fire Retiree Health Care Trust, the Section 401(h) Medical Benefits Account for Retirees in the Combined Plan for the General Retirement System of the City of Detroit, Michigan and the Section 401(h) Medical Benefits Account for Retirees in the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan.

**"DIA Assets"** has the same definition contained in the Charitable Trust Agreement.

**"DIA Direct Funders"** means those DIA Funders whose commitments (whether made before or after the Effective Time) to contribute monies in furtherance of The DIA's payment obligations under this Agreement are made directly to the Supporting Organization pursuant to a DIA Direct Funder FDF Agreement.

**"DIA Funders"** means those persons, businesses, business-affiliated foundations and other foundations from which The DIA secures commitments (whether made before or after the Effective Time) to contribute monies or otherwise secures contributions of monies in support of The DIA's payment obligations under this Agreement and, for clarity, includes all DIA Direct Funders and all DIA Indirect Funders.

**"DIA Indirect Funders"** means those DIA Funders whose commitments (whether made before or after the Effective Time) to contribute monies or whose actual contributions in furtherance of The DIA's payment obligations under this Agreement are made directly to The DIA.

**"Effective Time"** has the same definition contained in the Charitable Trust Agreement.

**"Foundation Funder"** means a business-affiliated foundation or other foundation that has entered into a Foundation FDF Agreement.

**"Funder"** means a Foundation Funder, a DIA Direct Funder, a DIA Indirect Funder or The DIA (collectively, the "**Funders**").

**"Funding Agreements"** means, collectively, the Foundation FDF Agreement, the DIA Direct Funder FDF Agreement and the DIA FDF Agreement, as such written agreements may be amended or modified in writing from time to time in accordance with this Agreement.

**"Indemnified Parties"** means, as applicable, DIA Indemnified Parties or City Indemnified Parties.



“**Loss**” means any claim, liability, obligation, loss, damage, assessment, judgment, cost and expense (including, without limitation, actual out-of-pocket attorney fees and actual expenses incurred in investigating, preparing, defending against, or prosecuting any litigation or claim, action, suit, hearing, proceeding or demand) of any kind or character.

“**Museum Assets**” has the same definition contained in the Charitable Trust Agreement.

“**Payment Date**” means the later of (x) June 30 of each calendar year commencing June 30, 2016 and (y) thirty (30) days after receipt by the Supporting Organization of evidence for that year of the satisfaction of the conditions precedent to funding set forth in Sections 2.4(a) -(d) of this Agreement (subject to the City’s right to cure in Section 2.5 of this Agreement).

“**Payment Period**” means the period commencing on the Closing Date and ending on June 30, 2034, subject to extension for any cure period in Section 2.5 of this Agreement.

“**Pension Claims**” means the Claims in Classes 10 and 11 of the Plan of Adjustment (as such terms are defined in the Plan of Adjustment).

“**Present Value Discount**” means the value of any amount that The DIA, a DIA Direct Funder or a Foundation Funder pays to the Supporting Organization as contemplated under this Agreement, discounted from the date that the Supporting Organization remits such payment to the City Account (on behalf of the Funder that paid the amount to the Supporting Organization) to the Closing Date at the rate of 6.75% per annum.

“**Related Parties**” means a person’s or entity’s Affiliates (as defined in the United States Bankruptcy Code), predecessors, successors and assigns (whether by operation of law or otherwise), and with respect to any of the foregoing, their respective present and former Affiliates and each of their respective current and former officials, officers, directors, employees, managers, members, attorneys, advisors, professionals, agents and consultants each acting in such capacity, and any entity claiming by or through any of them (including their respective officials, officers, directors, employees, managers, advisors, professionals, agents and consultants).

“**Special Foundation Funders**” means the following Foundation Funders: Max M. and Marjorie S. Fisher Foundation and the A. Paul and Carol C. Schaap Foundation.

“**Title Company**” means Title Source, Inc.

“**Transaction Documentation**” means the agreements and other transaction documents to be executed and delivered at the Closing under this Agreement and under the Charitable Trust Agreement.

“**Transfer**” has the same definition contained in the Charitable Trust Agreement.

**1.2 Other Defined Terms.** The following capitalized terms shall have the meanings given to them in the Sections of this Agreement set forth opposite such term:

.pdf ..... Section 7.12

AAA .....	Section 7.3
Accountant .....	Section 2.3(c)
Agreement .....	Preamble
Bankruptcy Case .....	Recitals
Bankruptcy Court .....	Recitals
City .....	Preamble
City Event of Default .....	Section 2.4(d)
City Indemnified Parties .....	Section 6.2(a)
Closing .....	Section 3.1
Closing Date .....	Section 3.1
Closing Direction .....	Section 3.1
Compliance Report .....	Section 2.4(b)(iii)
Contribution Agreement .....	Section 2.4(b)(iii)
Default Amount .....	Section 2.8(b)
Defaulted DIA Funder .....	Section 2.8(b)
DIA Direct Funder FDF Agreement .....	Section 3.3(b)
DIA FDF Agreement .....	Section 3.3(c)
DIA Indemnified Parties .....	Section 6.1(a)
DIA Settlement .....	Recitals
Escrow Agent .....	Section 1.1
Extended Cure Period .....	Section 2.5(a)
Foundation FDF Agreement .....	Section 3.3(a)
Funders .....	Section 1.1
GRS .....	Recitals
GRS Board .....	Section 2.4(a)(iv)(A)
GRS Investment Committee .....	Section 2.4(a)(iv)(C)
GRS Pension Governance Terms .....	Recitals
Indemnifying Party .....	Section 6.3(a)
Independent Audited Financial Reports .....	Section 2.4(b)(i)
Interim Reaffirmation .....	Section 2.4(c)
Millage .....	Recitals
Museum .....	Recitals
Non- funding Party .....	Section 2.8(b)
Operating Agreement .....	Recitals
Parties .....	Preamble
Party .....	Preamble
Payment Amount .....	Recitals
Pension Certificate .....	Section 2.4(b)(ii)
Pension Funds .....	Section 6.2(a)(vii)
Pension Governance Terms .....	Recitals
PFRS .....	Recitals
PFRS Board .....	Section 2.4(a)(iv)(B)
PFRS Investment Committee .....	Section 2.4(a)(iv)(D)
PFRS Pension Governance Terms .....	Recitals
Plan of Adjustment .....	Recitals
Prior GRS Pension Plan .....	Section 1.1



Prior PFRS Pension Plan .....	Section 1.1
Quitclaim Challenge .....	Section 6.2(c)
State.....	Recitals
Supporting Organization.....	Preamble
Termination Date .....	Section 2.1(b)
The DIA .....	Preamble
Treasurer .....	Section 2.4(b)(iii)
Tri-Counties .....	Recitals

## **ARTICLE II**

### **The Commitments**

#### **2.1 DIA Funding Obligation.**

(a) Subject to the terms and conditions of this Agreement, including The DIA's guaranty obligations in Section 2.8(c) of this Agreement, The DIA hereby commits to pay to the Supporting Organization on the Closing Date and with respect to each Payment Date: (A) \$5 million multiplied by the number of annual payments required before and with respect to the then current Payment Date (treating the Closing Date for such purpose as a Payment Date) minus (B) the sum of (i) the aggregate amounts previously paid by The DIA, all DIA Direct Funders and both Special Foundation Funders plus (ii) the amount to be paid in the aggregate by all DIA Direct Funders and both Special Foundation Funders on such Payment Date. The DIA may pay an amount in excess of its obligation in this Section 2.1(a) without penalty or premium in connection with any payment otherwise made with respect to a Payment Date.

(b) Except for The DIA's guaranty obligations as provided in Section 2.8(c) of this Agreement, and taking into account the application of Sections 2.1(c) and (d) below, The DIA shall have no obligation to make any further payments and The DIA's obligations shall be entirely satisfied at such time (the "**Termination Date**") as: (A) the sum of (1) the remaining aggregate funding commitments of DIA Direct Funders to the Supporting Organization assuming such commitments are paid precisely in accordance with the funding schedule reflected in their individual DIA Direct Funder FDF Agreements plus, (2) the remaining aggregate funding commitments of both Special Foundation Funders to the Supporting Organization assuming such commitments are paid precisely in accordance with the funding schedule reflected in their individual Foundation FDF Agreements, plus (3) the aggregate amount theretofore paid by DIA Direct Funders, The DIA and both Special Foundation Funders to the Supporting Organization that is paid to the City Account is greater than or equal to (B) the sum of (i) \$5 million paid on the Closing Date plus (ii) nineteen (19) payments of \$5 million on each Payment Date thereafter, with each of the amounts in (A) and (B) being calculated with application of the Present Value Discount. The term "Termination Date" includes the date, if any, of the cancellation of the commitment of The DIA hereunder in accordance with Section 2.5(b) of this Agreement. Hypothetical examples of the calculation of The DIA's payment obligations pursuant to this Section 2.1 are attached as Schedule 2 to this Agreement.

(c) For purposes of the calculations in Sections 2.1(a) and 2.1(b) of this Agreement, in the event of a City Event of Default during a particular fiscal year (July 1 through June 30) that results in the cancellation of a payment pursuant to Section 2.5(b) of this

Agreement, The DIA, all DIA Direct Funders and both Special Foundation Funders shall, in each case, be deemed to have made the annual payment required by, with respect to The DIA, Section 2.1(a) of this Agreement and The DIA FDF Agreement, and with respect to DIA Direct Funders and Special Foundation Funders by their respective Funding Agreements, on June 30 of such year notwithstanding such cancellation of such scheduled payment.

(d) The DIA's payment obligations under Sections 2.1(a) and 2.1(b) above and Section 2.8(c) shall be reduced by (x) any litigation or defense costs, damages or settlement costs incurred by The DIA, any DIA Direct Funder or any Special Foundation Funder to the extent the City fails to meet its indemnity obligations set forth in Section 6.2 of this Agreement, and (y) to the extent of any litigation or defense costs, damages or settlement costs incurred by The DIA, any DIA Direct Funder or any Special Foundation Funder arising from the transactions contemplated by this Agreement and the other Transaction Documentation that are not otherwise covered by the City's indemnity obligations in Section 6.2 of this Agreement.

**2.2 Foundation Funders Commitments to Supporting Organization.** Under their respective Foundation FDF Agreements, each Foundation Funder has committed to make an aggregate amount of payments to the Supporting Organization. The obligation of each Foundation Funder to make such aggregate amount of payments to the Supporting Organization shall terminate at such time as, taking into account the application of Section 2.3(d), (A) the aggregate amount theretofore paid by that Foundation Funder to the Supporting Organization that is paid to the City Account is greater than or equal to (B) the aggregate amount of its commitment paid (i) on the Closing Date plus (ii) the nineteen (19) payments on each Payment Date thereafter, with each of the amounts in (A) and (B) being calculated with application of the Present Value Discount. For purposes of the calculations in this Section 2.2, in the event of a City Event of Default during a particular fiscal year (July 1 through June 30) that results in the cancellation of a payment pursuant to Section 2.5(b) of this Agreement, all Foundation Funders shall be deemed to have made the scheduled payment under their respective Foundation FDF Agreements on June 30 of such year notwithstanding the cancellation of such scheduled payment.

### **2.3 Payments.**

(a) Subject to the terms and conditions of ARTICLE II, funding of the commitments shall be made by (i) each Foundation Funder pursuant to the terms and conditions of its Foundation FDF Agreement, (ii) The DIA pursuant to the terms and conditions of this Agreement and the DIA FDF Agreement, and (iii) each DIA Direct Funder pursuant to the terms and conditions of its DIA Direct Funder FDF Agreement.

(b) Subject to the terms and conditions of this Agreement, on the Closing Date, and on an annual basis thereafter commencing in 2016, on each Payment Date the Supporting Organization will remit to the City Account pursuant to the wire transfer instructions on Schedule 1 to this Agreement: (x) the payments made by all Foundation Funders as described in Section 2.2 of this Agreement and any prepayments by Foundation Funders, plus (y) the payments made by The DIA pursuant to Section 2.1 of this Agreement and the DIA FDF Agreement and any prepayments by The DIA, plus (z) the payments made by all DIA Direct Funders pursuant to the DIA Direct Funder FDF Agreements and any prepayments by DIA

Direct Funders. No interest will be owed on any Funder's payments. The Supporting Organization shall not have any obligation to remit funds to the City Account if it has not received scheduled payments from a Funder, except as provided in Section 2.8(c) of this Agreement with respect to The DIA's guaranty of payment obligations with respect to a Defaulted DIA Funder. Further, the obligation of the Supporting Organization to remit payments to the City shall terminate upon the remittance in the aggregate of \$466 million, comprised of \$100 million from The DIA (including the commitments of DIA Direct Funders and Special Foundation Funders) and \$366 million from Foundation Funders (excluding Special Foundation Funders), in each case, without interest and before applying any Present Value Discount, if applicable, or the equivalent of such amount, applying the Present Value Discount, payable \$23.3 million at Closing and \$23.3 million with respect to each Payment Date thereafter. For purposes of the calculations in this Section 2.3(b), (x) in the event of a City Event of Default during a particular fiscal year (July 1 through June 30) that results in the cancellation of a payment by any Funder pursuant to Section 2.5(b) of this Agreement, the Supporting Organization shall be deemed to have made the scheduled payment under this Agreement on June 30 of such year notwithstanding such cancellation of such scheduled payment and (y) the provisions of Section 2.3(d) shall, if applicable, be taken into account in such calculation.

(c) Either the City or the Supporting Organization may deliver written notice to the other party that they have been unable to reach agreement upon the calculation of the amount of any prepayment by any Foundation Funder applying the Present Value Discount in accordance with the applicable Foundation FDF Agreement in advance of a particular Payment Date. In addition, the City may deliver a written notice of objection to the Supporting Organization regarding the calculation of the payment obligations of The DIA with respect to a particular Payment Date within sixty (60) days after the remittance of the funds by the Supporting Organization to the City on behalf of The DIA. Any such disputes regarding the calculation of any such payment obligations under this Agreement or the applicable Foundation FDF Agreement will be determined by an independent accounting firm of national or regional (Midwest) reputation; provided that no such firm may have a conflict of interest and such firm shall be required to maintain independence as those terms are defined by the AICPA Code of Professional Conduct (as of June 1, 2012) (the "Accountant"). The Accountant shall be agreed to by the City and the Supporting Organization with respect to a Foundation Funder or by the City and The DIA if the dispute relates to The DIA's payment obligations. If the applicable Parties cannot agree on the Accountant within fourteen (14) days after either Party issues written notice to the other Party of the existence of a dispute, then within seven (7) days after the end of such fourteen (14) day notice period, each of such Parties shall submit the names of two (2) accounting firms that meet the standards of the preceding sentence, within seven (7) days thereafter, either Party may strike one name submitted by the other Party and the Accountant shall be selected by lot from the remaining names. The City and the Supporting Organization or The DIA, as applicable, shall deliver their calculations of the amounts they assert are owing to the Accountant within fourteen (14) days after the selection of the Accountant. The Accountant shall deliver its determination of the disputed payment obligations under this Agreement within thirty (30) days after receipt of the written notice of calculations from the Parties, and when rendered in writing, shall be final and binding upon each of the Parties. The City and The DIA agree that the Supporting Organization shall not be responsible for any shortfall in the amount of funds remitted to the City Account on behalf of The DIA due to a dispute regarding the calculation of The DIA's payment obligations in accordance with the provisions of this Section

2.3(c) nor shall the Supporting Organization have any other liability as a result of any such dispute.

(d) The obligation of the Foundation Funders under Section 2.2 of this Agreement and of the Supporting Organization to remit funds to the City Account under Section 2.3(b) above shall be reduced by (x) any litigation or defense costs, damages or settlement costs incurred by the Supporting Organization or the Foundation Funder to the extent the City fails to meet its indemnity obligations set forth in Section 6.2 of this Agreement, and (y) to the extent of any litigation or defense costs, damages or settlement costs incurred by the Supporting Organization or the Foundation Funder arising from the transactions contemplated by this Agreement and the other Transaction Documentation, that are not otherwise covered by the City's indemnity obligations in Section 6.2 of this Agreement.

## **2.4 City Reporting and Conditions to Funding.**

(a) Commencing in 2015, by December 31<sup>st</sup> of each year, the City shall, at its expense, provide an annual report (the "**Annual Report**") to the Supporting Organization containing the following information:

(i) an annual reconciliation report of the City Account, performed at the City's expense, prepared by an independent external auditor, the selection of which is reasonably satisfactory to the Supporting Organization, certifying that the amounts transferred to the City Account by the Supporting Organization on each preceding Payment Date were used by the City in a manner consistent with the terms of the Transaction Documentation, including, without limitation, to make contributions to GRS and PFRS in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan in accordance with the Plan of Adjustment, the payment of reasonable expenses of maintaining the City Account and consistent with Section 6.3(e) of this Agreement,

(ii) certification by the City's Chief Financial Officer on behalf of the City that the City has complied with the covenants in Sections 5.2 and 5.3(a)-(d) of this Agreement through the date of the Annual Report,

(iii) certification from the Escrow Agent that to its knowledge the amounts contributed to the GRS or PFRS from the City Account were unencumbered by the City or any other entity,

(iv) information as of the date of the Annual Report about the current membership of the:

- (A) board of trustees of the GRS (the "**GRS Board**"),
- (B) board of trustees of the PFRS (the "**PFRS Board**"),
- (C) investment committee of the GRS (the "**GRS Investment Committee**"), and

- (D) investment committee of the PFRS (the “**PFRS Investment Committee**”).

The information for this subsection (iv) should include the term of each member (where applicable), whether the person is a member of the GRS Board or PFRS Board by virtue of his or her position with the City, by appointment or by election, and, with respect to the independent members of the Investment Committees, such person’s qualifications.

(v) evidence from the respective Investment Committee reasonably necessary to show that the internal controls governing the investment of the respective Pension Funds are in compliance with the applicable provision of the Plan of Adjustment, and

(vi) any additional information that is necessary to evidence that the City is in compliance with the terms of this Agreement as may be reasonably requested by the Supporting Organization from time to time.

(b) Prior to the Closing Date, the City shall cause the Pension Governance Terms to be amended to provide that, commencing in 2015, no later than December 31 of each year, the GRS Investment Committee and the PFRS Investment Committee will provide the Supporting Organization with the following information:

(i) a copy of the audited annual financial statement and the corresponding management letter for each of the GRS and the PFRS, as applicable, for the fiscal period ending June 30 of that year, containing a non-qualified opinion of an independent external auditor to the GRS and the PFRS, as applicable (the “**Independent Audited Financial Reports**”).

(ii) a certification as of the date of the Annual Report from the respective Chair of each of the PFRS Investment Committee and the GRS Investment Committee on behalf of their respective Investment Committees in a form reasonably acceptable to the Supporting Organization (the “**Pension Certificate**”) that:

- (A) the City is current in its obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan in accordance with the Plan of Adjustment,
- (B) the operation of the respective Investment Committees is in accordance with the applicable Pension Governance Terms, and
- (C) the City has complied and is continuing to comply with the covenants in Section 5.2(a) of this Agreement,

(iii) copies of the documentation provided for under Section 6 of the Contribution Agreement by and among the Michigan Settlement Administration Authority, GRS, PFRS and the City (“**Contribution Agreement**”), including, as



applicable: (A) the compliance report(s) ("**Compliance Report**") covering the calendar year for which the Annual Report is made that the respective Investment Committee provided to the Treasurer of the State of Michigan ("**Treasurer**"); (B) any additional compliance reports provided during the calendar year for which the Annual Report is made as requested by the Treasurer; (C) either the certificate of compliance or the Default Notice, within the meaning of Section 6 of the Contribution Agreement, as applicable, that was provided to the respective Investment Committee by the Treasurer; and (D) in the event that the Treasurer issued a Default Notice, the Cure Certification, within the meaning of Section 6 of the Contribution Agreement, provided by the Investment Committee for the defaulting system. Notwithstanding anything in this subsection (iii) to the contrary, if the parties to the Contribution Agreement agree to revise the requirements of Section 6 of the Contribution Agreement or the information required in the Compliance Report, in order to meet the conditions of this subsection (iii), the respective Investment Committee shall be required only to provide documentation to the Supporting Organization that meets such revised requirements. However, any such change in reporting requirements pursuant to this subsection (iii) shall not change the reporting obligations under subsections (i), (ii), (iv) and (v) of this **Section 2.4(b)**.

(iv) Commencing in 2016, before May 15th of each year, the GRS Investment Committee and the PFRS Investment Committee will provide the Chief Financial Officer of the City with the information required of the GRS and PFRS in **Section 2.4(c)** of this Agreement, and

(v) any additional information from the GRS Investment Committee or the PFRS Investment Committee that may be reasonably requested by the Supporting Organization from time to time.

(c) Commencing in 2016, by May 15<sup>th</sup> of each year, the City shall provide (or with respect to the Pension Certificates cause to be provided) to the Supporting Organization a reaffirmation of the information and certifications provided by the City in the Annual Report which shall be executed by the Chief Financial Officer of the City (the "**Interim Reaffirmation**") and which shall confirm that as of the date of the Interim Reaffirmation there has been no impairment or modification of the information in the most recent Annual Report since the date of that Annual Report, and which shall include confirmation from the GRS Investment Committee and PFRS Investment Committee that as of the date of the Interim Reaffirmation there has been no impairment or modification of the information in the most recent Pension Certificates since the date of such Pension Certificates. The Interim Reaffirmation shall include copies of the unaudited financial statements as of and for the most recent period prepared for each of the PFRS and the GRS.

To further confirm that the conditions precedent to funding are satisfied, the Supporting Organization reserves the right to make an onsite review and inspection of the City's records and financial information and may employ at its cost an outside agent or consultant to undertake that review. The City will cooperate with any such onsite review and will provide those persons conducting the review adequate office space and assistance (without charge) to conduct that review. The City specifically waives, in favor of the Supporting Organization, or its agent or consultant, any fee for a public record search, pursuant to MCLA 15.234.

(d) The obligation of The DIA, a DIA Direct Funder and a Foundation Funder to make payment to the Supporting Organization of any portion of its commitment under this Agreement or any other Funding Agreement is conditioned upon the City's compliance with the covenants in Sections 5.2 and 5.3(a)-(d) of this Agreement, satisfaction of the conditions specified in Sections 2.4(a)-(c) above, the receipt of the Independent Audited Financial Reports and the Pension Certificate. The City acknowledges that The DIA under this Agreement, and under the DIA FDF Agreement, and each DIA Direct Funder and Foundation Funder under its respective Funding Agreement, shall have no obligation to make any payment to the Supporting Organization, nor shall the Supporting Organization have any obligation to remit any funds to the City Account, until all material requisite conditions precedent to funding in Section 2.4 of this Agreement are met. Failure of the City to meet the conditions to funding specified in this Section 2.4 in any material respect, including based on the Supporting Organization informing the City that the information provided in the Annual Report, the Independent Audited Financial Reports, the Pension Certificates or the Interim Reaffirmation is incomplete or unsatisfactory, shall be a "City Event of Default".

## **2.5 The City's Cure Right; Suspension or Cancellation of Funding.**

(a) The City shall have the opportunity to cure any City Event of Default by May 15th of the year following the date the Annual Report is due under Section 2.4(a) above (this being 135 days from the time conditions to funding were due to be met by the City) provided an issuance of written notice of a City Event of Default by the Supporting Organization was provided to the City by the Supporting Organization by January 31st of the year following the year such Annual Report was due from the City under Section 2.4(a) above. Notwithstanding the foregoing, to the extent that the applicable City Event of Default cannot reasonably be cured by May 15th as specified above or if the Event of Default arises out of the Independent Audited Financial Reports, the Pension Certificates or the Interim Reaffirmation of that Annual Report, and as long as the City has commenced to cure, and diligently pursues the cure of such default in good faith, such cure period shall be extended in writing by a reasonable period of time (the "Extended Cure Period"), to permit the City to cure such City Event of Default; provided, however, such Extended Cure Period shall not extend beyond December 15<sup>th</sup> (being 346 days from the date the Annual Report was due under Section 2.4(a) above). The City's ability to receive the benefit of the Extended Cure Period shall be subject to the written approval of the Supporting Organization upon receipt of a written request from the City setting forth why the City believes that it will be able to meet the requirements set forth above within the requested Extended Cure Period, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) All obligations of The DIA under this Agreement, and as acknowledged by the City, all obligations of The DIA under the DIA FDF Agreement and of DIA Direct Funders and Foundation Funders under their respective Funding Agreements, to make scheduled payments and of the Supporting Organization to remit funds to the City Account shall be suspended for the duration of the initial and any Extended Cure Period. The City acknowledges and agrees that, if the City fails to cure a City Event of Default during the initial and any Extended Cure Period, the scheduled payment of The DIA under this Agreement and under the DIA FDF Agreement and of all DIA Direct Funders and Foundation Funders under their respective Funding Agreements shall be cancelled, and the Supporting Organization shall have

no obligation to remit any funds to the City Account with respect to such Payment Date. Further, the City acknowledges and agrees that if the City fails to cure a City Event of Default during the initial and any Extended Cure Period under this Agreement, The DIA, all DIA Direct Funders, Foundation Funders and the Supporting Organization shall have the right to cancel their respective remaining commitments under their respective Funding Agreements and this Agreement.

**2.6 Disputes and Remedies Regarding Conditions Precedent to Funding.** The DIA shall have the right to rely upon the determination of the board of directors of the Supporting Organization as to whether the conditions to a scheduled payment have been satisfied and, if not initially satisfied, whether any City Event of Default shall have been timely cured. The City acknowledges that each DIA Direct Funder and each Foundation Funder shall, pursuant to its respective Funding Agreement, similarly have the right to rely upon the determination of the board of directors of the Supporting Organization as to whether the conditions to a scheduled payment have been satisfied and, if not initially satisfied, whether any City Event of Default shall have been timely cured. The City shall have no claim (and not pursue any claim) against The DIA, any DIA Direct Funder or any Foundation Funder for such Funder's reliance upon the determination of the Supporting Organization. In the event that the Supporting Organization has determined that the conditions have not been satisfied (or the City Event of Default not timely cured) and the City disputes that determination, the City's only recourse shall be to dispute the Supporting Organization's determination in accordance with the provisions of Section 7.3 of this Agreement.

**2.7 Notification of Funding Conditions.** In the event it is determined by the Supporting Organization or through the dispute resolution provisions in Section 7.3 of this Agreement that the conditions to funding in Section 2.4 of this Agreement have been satisfied or a City Event of Default timely cured, the Supporting Organization shall within five (5) Business Days thereafter give written notification to each of The DIA, DIA Direct Funders and Foundation Funders. The DIA, and pursuant to each Funder's respective Funding Agreement, each DIA Direct Funder and Foundation Funder, shall be required to make its respective payment to the Supporting Organization (without interest) within twenty (20) days after written notification of such determination is issued by the Supporting Organization.

**2.8 Failures to Fund.**

(a) If The DIA has made its payment required under Section 2.1 of this Agreement or a Foundation Funder or DIA Direct Funder has made its scheduled payment under its respective Funding Agreement, in each case, to the Supporting Organization, the City shall have recourse only to the Supporting Organization (and not to any such Funder that made its payment) for such payment.

(b) If The DIA, a DIA Direct Funder or a Foundation Funder (the "**Non-funding Party**") has not within the twenty (20) day period specified in Section 2.7 of this Agreement made its payment to the Supporting Organization in accordance with this Agreement with respect to The DIA, or such DIA Direct Funder's or Foundation Funder's schedule reflected in its Funding Agreement, as applicable ("**Default Amount**"), the Supporting Organization shall notify the Non-funding Party that it must pay its Default Amount within thirty (30) days and if



not so paid, that the Supporting Organization shall assign its right to enforce payment of the Default Amount to the City. If the Non-funding Party does not pay its Default Amount within the thirty (30) day period, the Supporting Organization shall assign its right to enforce payment of the Default Amount to the City in full satisfaction of the Supporting Organization's obligation to make such payment to the City; provided that if the Non-funding Party is a DIA Direct Funder or a Special Foundation Funder (a "**Defaulted DIA Funder**") such assignment shall be made to The DIA and not the City. Except with respect to the guaranty obligation of The DIA with respect to a Defaulted DIA Funder in accordance with Section 2.8(c) below, the annual payment amount due to the City from the Supporting Organization on the Payment Date will be reduced by the Default Amount.

(c) In the case of a Defaulted DIA Funder, the Supporting Organization shall issue written notice to The DIA within two (2) days after the expiration of the twenty (20) day funding period specified in Section 2.7 of this Agreement of the name of the Defaulted DIA Funder and the Default Amount. The DIA shall within five (5) Business Days of receipt of such notice pay to the Supporting Organization (x) the Default Amount if the Termination Date has occurred and (y) if the Termination Date has not occurred, such additional amount as is necessary, if any, such that The DIA's payment to the Supporting Organization with respect to such Payment Date is equal to the amount that The DIA is otherwise required to pay pursuant to Section 2.1 of this Agreement. The DIA shall not, however, have any obligation pursuant to this Section 2.8(c) if The DIA's commitment has been cancelled as provided in Section 2.5 of this Agreement. If the Supporting Organization thereafter collects the Default Amount from the Defaulted DIA Funder, the Supporting Organization shall promptly pay such amount to The DIA.

(d) The City agrees that, except for the guaranty obligation of The DIA in Section 2.8(c) of this Agreement with respect to a Defaulted DIA Funder, in no event will any Funder other than the Non-funding Party have any responsibility for the payment or obligations of such Non-funding Party, and the City will not have any right to collect any amounts from any Funder except as set forth in Section 2.8(b) of this Agreement. No party other than the City (as provided in Section 2.8(b) of this Agreement), the Supporting Organization, or The DIA with respect to a Defaulted DIA Funder or a DIA Indirect Funder pursuant to any grant agreement directly with The DIA shall have the right to assert any claim against any Funder. Without limiting the foregoing, the failure of The DIA, any DIA Direct Funder, any Foundation Funder or the Supporting Organization to make a scheduled payment shall only give rise to a claim by the City against such Non-funding Party (pursuant to Section 2.8(b) above), or by the Supporting Organization, and not against any other Funder, the Supporting Organization, The DIA or the DIA Assets; provided, however, (x) The DIA will have its guaranty obligations under Section 2.8(c) of this Agreement and its rights under its applicable grant agreement with each DIA Indirect Funder and (y) the foregoing shall not preclude the City from asserting claims in satisfaction of an indemnity claim pursuant to Section 6.1(b) of this Agreement but only against cash, cash equivalents or cash receivables of The DIA (excluding any cash, cash equivalents or cash receivables that are restricted in use by the terms of the donation, gift, bequest or contribution of a third party or by restrictions imposed on the use of proceeds from the sale of art by the applicable standards or ethical guidelines of the AAM or the Association of Art Museum Directors (or such other organizations by which The DIA or the Museum or its Director is accredited in the future or of which they become members in accordance with then applicable art

museum best practices). Without limiting the foregoing, under no circumstances shall the City or the Supporting Organization have a claim against any DIA Indirect Funder.

(e) The City will be responsible for all costs of its enforcement against the Non-funding Party or the Supporting Organization, as applicable, and will not seek reimbursement of costs of enforcement from any other Funder or the Supporting Organization. No other person or entity shall have the right to enforce payment of any commitments in connection with any Funding Agreement or any Transactional Documentation except as specifically set forth in this Agreement.

### **ARTICLE III** **Initial Funding; Closing**

**3.1 Closing.** The closing of the transactions pursuant to this Agreement (the “**Closing**”) will take place immediately following the written confirmation from an authorized representative of the City, the Supporting Organization and The DIA in the form of **Exhibit E** to this Agreement (the “**Closing Direction**”); provided, that the Closing hereunder shall in all events occur concurrently with the closing under the Charitable Trust Agreement. The time and date on which the Closing occurs is referred to in this Agreement as the “**Closing Date**”.

**3.2 Initial Funding.** On the Closing Date, subject to the satisfaction of the deliverables pursuant to Section 3.3 of this Agreement, the Supporting Organization shall remit to the City Account pursuant to the wire transfer instructions on Schedule 1 to this Agreement:

(i) the aggregate payment by Foundation Funders (excluding Special Foundation Funders) of at least \$18.3 million, and

(ii) the aggregate payment by The DIA, DIA Direct Funders and Special Foundation Funders of at least \$5 million.

**3.3 At the Closing.** At the Closing, the Supporting Organization shall deliver, or cause to be delivered, to each of the other Parties fully executed copies of the following which, to the extent held by the Title Company in escrow, shall be deemed delivered by virtue of the release of such documents by the Title Company in accordance with escrow instructions previously delivered to the Title Company:

(a) each grant agreement between a Foundation Funder and the Supporting Organization in substantially the form of **Exhibit B** to this Agreement (the “**Foundation FDF Agreement**”).

(b) each grant agreement between a DIA Direct Funder and the Supporting Organization in substantially the form of **Exhibit C** to this Agreement (the “**DIA Direct Funder FDF Agreement**”).

(c) the agreement between The DIA and the Supporting Organization in substantially the form of **Exhibit D** to this Agreement with respect to The DIA’s payment obligations as set forth in Section 2.1 of this Agreement (the “**DIA FDF Agreement**”).

## **ARTICLE IV**

### **Representations and Warranties; Covenants of The DIA and the Supporting Organization**

#### **4.1 DIA Representations, Warranties and Covenants.**

(a) The DIA represents and warrants that this Agreement and the DIA FDF Agreement have been duly executed and The DIA's obligations under this Agreement and under the DIA FDF Agreement are authorized, valid and binding commitments of The DIA, enforceable against it in accordance with their respective terms.

(b) The DIA acknowledges that (x) Foundation Funders, DIA Funders and the Supporting Organization have no financial obligations other than, in the case of Foundation Funders, on a several basis, their individual commitments in their respective Foundation FDF Agreement, in the case of DIA Direct Funders, their respective commitments in each of their DIA Direct Funder FDF Agreements, and DIA Indirect Funders pursuant to any grant agreement directly with The DIA, and (y) that the Funders are not guaranteeing payment to the City of any amount committed by any other Funder (other than The DIA with respect to its obligations in Section 2.8(c) of this Agreement).

(c) The DIA agrees not to amend or modify the DIA FDF Agreement, or release or waive any rights that it has under such Funding Agreement, in a manner that would reasonably be expected to adversely affect the timing or amount of the payments to be made thereunder without the consent of the City.

**4.2 Supporting Organization Representations and Warranties.** The Supporting Organization represents that its obligations under this Agreement and under the applicable Funding Agreements have been duly executed and are authorized, valid and binding upon the Supporting Organization, enforceable against it in accordance with their respective terms.

#### **4.3 Supporting Organization Covenants as to Funding Agreements.**

(a) The Supporting Organization agrees not to amend or modify any Funding Agreement, or release or waive any rights that it has under any Funding Agreement, in a manner that would reasonably be expected to adversely affect the timing or amount of the payments to be made thereunder (i) without the consent of the City and, (ii) with respect to any DIA Direct Funder FDF Agreement or Foundation FDF Agreement with a Special Foundation Funder, the consent of The DIA.

(b) The Supporting Organization shall promptly after execution thereof deliver to The DIA and the City copies of any DIA Direct Funder FDF Agreement entered into after the Closing Date, or any modifications to any DIA Direct Funder FDF Agreement or Foundation FDF Agreement with a Special Foundation Funder executed at Closing, in the event that the commitments thereunder are increased or modified (with the consent of The DIA) after the Closing Date.

(c) Concurrently with the remittance of payments to the City Account by the Supporting Organization, the Supporting Organization shall deliver to The DIA and the City a schedule which reflects all payments received in such year from DIA Direct Funders and Special

Foundation Funders and shall denote thereon whether any such payment represents a prepayment in excess of the funding schedule under the applicable DIA Direct Funder FDF Agreement or Foundation FDF Agreement, as applicable, and the date on which such payment was remitted to the City Account.

**4.4 Reporting Obligations.** The DIA will provide to the other Funders and the City, and/or their representatives, within 150 days after the end of each fiscal year during the Payment Period (i) annual financial statements of The DIA audited by an independent certified public accountant and (ii) the annual report of the Director of the Museum in the form provided to the board of directors of the Museum.

**4.5 Supporting Organization Observer Right.** During the Payment Period, the Supporting Organization shall have the right to designate a representative to attend and participate in a non-voting observer capacity in the meetings of the Board of The DIA (or its successor entity) subject to such observer's compliance with the applicable policies regarding confidentiality, conflicts of interest and other similar matters as may reasonably be adopted from time to time by The DIA.

## **ARTICLE V** **Representations and Warranties; Covenants of the City**

### **5.1 City Representations and Warranties.**

(a) The City represents and warrants that this Agreement has been duly executed and the City's obligations under this Agreement are authorized, valid and binding commitments of the City, enforceable against it in accordance with its terms.

(b) The City acknowledges that (x) Foundation Funders, DIA Funders and the Supporting Organization have no financial obligations other than, in the case of Foundation Funders, on a several basis, each of their commitments in their individual Foundation FDF Agreements, in the case of DIA Direct Funders, their respective commitments in each of their DIA Direct Funder FDF Agreements, and DIA Indirect Funders pursuant to any grant agreement directly with The DIA, and (y) that the Funders are not guaranteeing payment to the City of any amount committed by any other Funder (other than The DIA with respect to its obligations in Section 2.8(c) of this Agreement). The City further acknowledges that it has no rights under any grant agreement between any DIA Indirect Funder and The DIA.

**5.2 City Commitments Relating to Pensions.** The City covenants to The DIA and Supporting Organization as follows:

(a) For the twenty (20) year period following the effective date of the Plan of Adjustment, the City shall maintain the Pension Governance Terms reflected in the GRS and the PFRS, as applicable, without modification or amendment, except as required to comply with applicable federal law, including without limitation to maintain the tax qualified status of the GRS or PFRS under the Internal Revenue Code, or the Plan of Adjustment.

(b) The City acknowledges that, except as provided in Section 6.3(e) and to pay reasonable expenses of maintaining the City Account, all funds remitted by the Supporting

Organization to the City Account in connection with this Agreement shall be used solely for the payment of contributions to GRS and PFRS, allocated as provided in the Plan of Adjustment, in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan in accordance with the Plan of Adjustment. Except as provided in Section 6.3(e) and to pay reasonable expenses of maintaining the City Account, the City shall cause to be transferred from the City Account for payment of contributions to the Prior GRS Pension Plan and the Prior PFRS Pension Plan all amounts received from the Supporting Organization within not more than three (3) Business Days after such funds are deposited in the City Account.

(c) The City shall notify the Supporting Organization in writing prior to the selection of the initial and successor independent GRS Investment Committee and PFRS Investment Committee members and such notice shall include information regarding the identity and qualifications of the candidates under consideration by the State, the City and the GRS Board or PFRS Board, as applicable. In addition, upon the written request of the Supporting Organization, the City shall provide to the appropriate representatives of the State and the applicable Board any written comments or observations about the candidates that the Supporting Organization elects in its consulting role to provide to the City, provided that such written comments or observations are received by the City no later than three (3) days after the City has provided notice to the Supporting Organization of the identity of the candidates under consideration.

(d) The City shall provide written notification of any change to the wire transfer instructions to the City Account on Schedule 1 to this Agreement at least ten (10) Business Days prior to the next Payment Date.

**5.3 Other City Commitments.** The City covenants to The DIA and Supporting Organization as follows:

(a) The City shall pass no charter, ordinance or other provision that solely affects or primarily targets the Museum, The DIA or museums within the City generally which charter, ordinance or other provision has a material adverse impact on the Museum or The DIA (it being understood that a "material adverse impact" shall include any adverse financial impact or any contradiction, or adverse impact on the enforceability, of the terms of the DIA Settlement or the Transaction Documentation), except pursuant to State-enabling legislation.

(b) The City agrees that after the Effective Time the City of Detroit Arts Commission will have no oversight of The DIA, the Museum or the DIA Assets.

(c) The City shall not impose any fee, tax or other cost on the Museum or The DIA that solely affects or primarily targets the Museum, The DIA, the DIA Assets or museums within the City generally.

(d) The City shall provide (or cause to be provided) utilities, police, fire and other City services to The DIA at the same pricing and on the same terms upon which the City offers to provide utilities, police, fire and such other City services to arm's-length third parties generally.



(e) The City agrees that, as of the date hereof, there are no further commitments from the Funders, the Supporting Organization, The DIA or the State relating to the Museum or the DIA Assets beyond those contained in this Agreement or the other Transaction Documentation.

## **ARTICLE VI** **Indemnification**

**6.1 Indemnification by The DIA.** To the maximum extent permitted by law, The DIA shall indemnify, defend and hold harmless:

(a) DIA Funders, Foundation Funders, the City and the Supporting Organization and each of their Related Parties (the “**DIA Indemnified Parties**”) from, against, and with respect to any Loss arising out of or in any manner, incident, relating or attributable to, or resulting from The DIA’s failure to perform any of its obligations under the Transaction Documentation; and

(b) the City and its Related Parties from, against, and with respect to any Loss arising out of or in any manner, incident, relating or attributable to, or resulting from any claim brought by an employee of The DIA arising from or relating to his/her employment with The DIA which employment commenced at any time after the effective date of the Operating Agreement and prior to the Effective Time, including without limitation, wrongful termination, workers’ compensation, unemployment compensation, discrimination, violation of federal or state labor or employment laws, ERISA, bodily injury, personal injury or defamation, but excluding any claim relating to pension benefits from the GRS to which such employee was or is entitled by virtue of having been employed by the City prior to the commencement of employment with The DIA (the “**Employee Liabilities**”).

### **6.2 Indemnification by the City.**

(a) To the maximum extent permitted by law, the City shall indemnify, defend, and hold Foundation Funders, DIA Funders, The DIA and the Supporting Organization and their respective Related Parties (the “**City Indemnified Parties**”) harmless from, against, and with respect to any Loss arising out of or in any manner incident, relating or attributable to, or resulting from the following (provided indemnification will not be available to an Indemnified Party to the extent resulting from such Indemnified Party’s breach of contract, sole ordinary negligence, gross negligence or intentional wrongful acts):

(i) Any claims by third parties or the City arising out of any action properly taken by a City Indemnified Party under the Transaction Documentation, including but not limited to, any payment or non-payment or performance of any other obligation of the City Indemnified Parties permitted thereunder;

(ii) Any breach or failure of any representation or warranty of the City contained in the Transaction Documentation between the City and the City Indemnified Parties and/or other parties related to the transactions consummated pursuant to this Agreement or the Charitable Trust Agreement;

(iii) Any failure by the City to perform, satisfy or comply with any covenant, agreement or condition to be performed, satisfied or complied with by the City under the Transaction Documentation with the City Indemnified Parties or under agreements with any third parties contemplated by this Agreement or the Charitable Trust Agreement;

(iv) Reliance by the City Indemnified Parties upon any books or records of the City or reliance by them on any written information furnished by the City or any of the City's employees, officials or agents to them to the extent any such information should prove to be false or materially inaccurate or misleading (including, without limitation, by omission), but only to the extent that such books, records or written information was furnished by the City in connection with the City showing its compliance with the conditions to initial or future funding as set forth in this Agreement;

(v) Any claim or objection made after the Effective Date of the Plan of Adjustment in the Bankruptcy Case or any other action brought against, or involving, the City Indemnified Parties with respect to their participation in any transaction contemplated by the proposed or confirmed Plan of Adjustment;

(vi) The transfer, assignment or sale by the City to The DIA of any assets or property (real or personal) and any rights, title and interests therein including but not limited to, the Museum and all of the Museum Assets;

(vii) Any action or claim against the City Indemnified Parties made by the GRS or PFRS, including any successors or assigns and any plan participants, or their representatives, successors or assigns (collectively, the "**Pension Funds**"), as nothing under the Transaction Documentation is intended to, nor are they to be construed or interpreted to, make the City Indemnified Parties a party in privity with, or having an obligation in any capacity to the Pension Funds. By way of illustration and not limitation, the following statements apply:

First, the City Indemnified Parties have no responsibility for the operation or administration of the Pension Funds and have no fiduciary responsibility for the Pension Funds as plan sponsor, plan administrator, investment advisor or otherwise; and

Second, the City Indemnified Parties have no obligation to contribute towards the funding of the Pension Funds and are not a funding guarantor.

(viii) Any action or claim brought by the City, The DIA, the Pension Funds or any other party concerning non-payment of the commitments pursuant to this Agreement (and the Funding Agreements) by the City Indemnified Parties due to the breach of the Transaction Documentation by the City, The DIA, the Pension Funds or any other party, so long as the City Indemnified Parties have made a good faith determination of the breach of the Transaction Documentation or payment condition.

(b) The City shall not contest on any grounds the enforceability of its indemnification obligations hereunder.

(c) Notwithstanding the foregoing, the Parties acknowledge that the City is not making any representations to The DIA regarding the City's title to the Museum Assets prior to the Effective Time and that The DIA will not be entitled to indemnification in connection with its defense of any claims by third parties after the Effective Time challenging The DIA's title to any Museum Asset to the extent that such claim is based on an allegation that the City did not have legal title to the particular Museum Asset prior to the Effective Time (a "**Quitclaim Challenge**"). To be clear, however, The DIA will be entitled to indemnification by the City under this Section 6.2 in connection with any challenges after the Effective Time to The DIA's title to Museum Assets that are in any way based upon a claim that the title that the City had to the Museum Assets prior to the Effective Time was not effectively conveyed to The DIA at and as a result of the closing under the Charitable Trust Agreement. For avoidance of doubt, in the event of a final determination by the Bankruptcy Court not subject to appeal or certiorari by a court of competent jurisdiction that the Museum Assets must be re-conveyed to the City, the Losses for which The DIA may be indemnified shall not include the value of the Museum Assets but shall include all other Losses incurred by The DIA for which it is otherwise entitled to indemnification under this Agreement.

(d) Notwithstanding the foregoing, the City's indemnification of an Indemnified Party shall be limited solely to Losses arising out of or related to the Indemnified Party's participation in any transaction contemplated by the DIA Settlement.

### **6.3 Defense of Indemnity Claims.**

(a) An Indemnified Party shall provide written notice to The DIA or the City, as applicable (the "**Indemnifying Party**") in a timely manner and in any event, within twenty-one (21) days of receipt of any claim, of any matters as to which the Indemnified Party is entitled to receive indemnification and shall set forth in such notice reasonable detail regarding specific facts and circumstances then known by the Indemnified Party which pertain to such matters. Failure or delay in providing such notice shall not relieve the Indemnifying Party of its defense or indemnity obligations except to the extent the Indemnifying Party's defense of an applicable claim against an Indemnified Party is actually prejudiced by such Indemnified Party's failure or delay.

(b) To the extent the Indemnifying Party is notified of a claim for which it is required to indemnify an Indemnified Party, the Indemnifying Party shall be solely responsible at its expense for responding to or otherwise defending such claim. In such event, the Indemnifying Party shall assume exclusive control of the defense of such claim at its sole expense using counsel of its sole choosing and may settle such claim in its sole discretion; provided, however, that (i) with respect to any claim that involves allegations of criminal wrongdoing, the City shall not settle such claim without the prior written approval of the City Indemnified Party, which approval may be withheld in such City Indemnified Party's sole discretion, and (ii) with respect to any other claim, the Indemnifying Party shall not settle such claim in a manner that requires the admission of liability, fault, or wrongdoing on the part of an Indemnified Party, that fails to include a release of all covered claims pending against the



Indemnified Party, or that imposes any obligation on the Indemnified Party without the prior written approval of the Indemnified Party, which approval may be withheld in such Indemnified Party's sole discretion.

(c) The Indemnifying Party will keep the Indemnified Party reasonably informed of the status of any negotiations or legal proceedings related to any claim, and the Indemnified Party shall be entitled to engage counsel (at its own expense) to monitor the handling of any claim by the Indemnifying Party.

(d) Notwithstanding the foregoing, The DIA shall be entitled to defend on its own behalf any claims regarding title to, interest in or control of the Museum Assets or operation of the Museum (including with respect to a Quitclaim Challenge provided The DIA shall not be entitled to indemnification for a Quitclaim Challenge, as set forth above). To the extent The DIA intends to exercise such right, the City and The DIA shall use their commercially reasonable efforts in good faith to coordinate a joint defense of such claim (including as to selection of joint counsel). If the City and The DIA cannot agree on a joint defense of the claim, each Party shall undertake its own defense, reserving all rights against the other for indemnification hereunder with respect to such claim, but, in such case, The DIA shall not be entitled to indemnification of its defense costs in connection therewith.

(e) Notwithstanding anything to the contrary set forth in this Agreement or in the Charitable Trust Agreement, to the extent that the City is required to indemnify a City Indemnified Party hereunder, and the underlying claim being indemnified does not arise out of the City's breach of contract (including a City Event of Default), sole ordinary negligence, gross negligence or intentional wrongful acts and is not due to a claim brought by the City (including pursuant to Section 2.8(b) of this Agreement), the City may reimburse itself for the costs of such indemnity out of the City Account, in which case the amount payable by the City in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan shall be reduced by the amount reimbursed to the City for such indemnity.

## **ARTICLE VII**

### **Miscellaneous**

**7.1 No Third Party Beneficiary.** Except for the Indemnified Parties, each of whom is an express third-party beneficiary under this Agreement with respect to ARTICLE VI of this Agreement, and each Funder who is an express third-party beneficiary under Sections 2.3(d), 2.5(b), 2.6, 2.8(a), 2.8(d), 2.8(e), 4.1(b), 4.4, 5.1(b) and 5.3(e) of this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the City, The DIA, and the Supporting Organization any third-party beneficiary rights or remedies.

**7.2 Choice of Law; Jurisdiction; Venue.** This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties irrevocably and unconditionally agrees for itself that, except as to disputes regarding the calculation of the The DIA's payment

obligations under this Agreement or of a Foundation Funder under a Foundation FDF Agreement which shall be determined in accordance with Section 2.3(c) of this Agreement, or any disputes that are subject to arbitration in accordance with Section 7.3 of this Agreement, any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement, or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, including a proceeding under Section 2.3(c) or Section 7.3 of this Agreement, shall be brought in the Bankruptcy Court for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan; and provided, further, that The DIA may bring a legal action, suit or proceeding in a state court to obtain a writ of mandamus to enforce the obligations of the City in Section 5.3 of this Agreement. By execution and delivery of this Agreement, each of the Parties irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

**7.3 Dispute Resolution.** Any controversy or claim arising out of or relating to the satisfaction of the conditions precedent to funding in ARTICLE II of this Agreement shall be settled by arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof in accordance with Section 7.2 of this Agreement. Any such controversy or claim shall be submitted to a panel of three (3) AAA arbitrators. The place of the arbitration shall be within the Wayne County, Michigan. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties to the arbitration. The Parties may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. The Parties also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction in accordance with Section 7.2 of this Agreement any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal’s determination of the merits of the controversy). Each Party shall bear its own costs and expenses and an equal share of the arbitrators’ and administrative fees of arbitration. With respect to any dispute as to a City Event of Default and a payment in connection with the same, the arbitration proceeding and its findings contemplated under this Section must be held and received by no later than the January 31<sup>st</sup> of the second calendar year after the year in which the Annual Report was due, as provided in Section 2.4(a) above, from the City to the Supporting Organization from which the disputed City Event of Default arose, regardless of whether the City Event of Default arises from the Annual Report or the Interim Reaffirmation of said report. If the arbitration hearing findings cannot be received by that January 31<sup>st</sup>, the position of the Supporting Organization that the City Event of Default exists and has not been cured will be deemed a final determination for purposes of determining whether the conditions to funding have been satisfied.

**7.4 Specific Performance.** It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, including, without limitation, seeking an order of the court having jurisdiction in accordance with Section 7.2 of this Agreement requiring any Party to comply promptly with any of its obligations hereunder.

**7.5 Amendment and Waiver.** This Agreement may be amended and any provision of this Agreement may be waived; provided that any such amendment or waiver will be binding upon the Parties only if such amendment or waiver is set forth in a writing executed by all Parties during the Payment Period and, thereafter, by The DIA and the City. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

**7.6 Notices.** All notices, demands and other communications given or delivered under this Agreement shall be given in writing to the address indicated below (or such other address as the recipient specifies in writing) and will be deemed to have been given when delivered personally, three (3) Business Days after mailed by certified or registered mail, return receipt requested and postage prepaid, or when delivery is guaranteed if sent via a nationally recognized overnight carrier, or when receipt is confirmed if sent via facsimile or other electronic transmission to the recipient with telephonic confirmation by the sending party.

**The City of Detroit**  
Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, 5<sup>th</sup> Floor  
Detroit, Michigan 48226  
Telephone: (313)224-1352  
Facsimile: (313)224-5505  
Attention: Corporation Counsel

with a copy to (which will not constitute notice):

Office of the Mayor  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, Michigan 48226  
Facsimile: (313)224-4128  
Attention: Mayor

**The Detroit Institute of Arts**  
5200 Woodward Avenue  
Detroit, Michigan 48202  
Facsimile:  
E-mail:  
Attention: Director and Chief Financial Officer

with a copy to (which will not constitute notice):

Honigman Miller Schwartz and Cohn LLP  
2290 First National Bank Building  
660 Woodward Avenue  
Detroit, Michigan 48226-3506  
Facsimile: (313)465-7575  
E-mail: azschwartz@honigman.com  
Attention: Alan S. Schwartz and  
E-mail: jopperer@honigman.com  
Attention: Joshua F. Opperer

**Foundation for Detroit's Future**

333 West Fort Street, Suite 2010  
Detroit, Michigan 48226-3134  
Facsimile: (313)961-2886  
E-mail: rferriby@cfsem.org  
Attention: Robin D. Ferriby

**7.7 Binding Agreement; Assignment.** This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party (by operation of law or otherwise) without the prior written consent of all the other Parties. Any attempted assignment in violation of this Section 7.7 shall be null and void.

**7.8 Severability.** Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

**7.9 No Strict Construction.** The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

**7.10 Captions.** The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

**7.11 Entire Agreement.** This Agreement, including the Exhibits, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and

supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

**7.12 Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterpart. The exchange of copies of this Agreement or of any other document contemplated by this Agreement (including any amendment or any other change thereto) and of signature pages thereof by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in “portable document format” (“**.pdf**”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of an original Agreement or other document for all purposes. Signatures of the Parties transmitted by facsimile, by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Omnibus Transaction Agreement effective as of the Closing Date.

**THE CITY OF DETROIT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FOUNDATION FOR DETROIT'S FUTURE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT**

**EXHIBIT B**  
**FOUNDATION FDF AGREEMENT**



**EXHIBIT C**

**DIA DIRECT FUNDER FDF AGREEMENT**

**EXHIBIT D**  
**DIA FDF AGREEMENT**

**EXHIBIT E**  
**CLOSING DIRECTION**

\_\_\_\_\_, 2014

Title Source, Inc.  
662 Woodward Avenue  
Detroit, Michigan 48226-3422

Re: Certification of Release Conditions

Ladies and Gentlemen:

We refer to the Escrow Agreement, dated as of \_\_\_\_\_, 2014 (the "Escrow Agreement"), among each of you and the undersigned. Capitalized terms used herein shall have the meaning given in the Omnibus Transaction Agreement or Escrow Agreement, as applicable.

By execution of this Certificate, each of the undersigned certifies that the conditions to the Closing under the Omnibus Transaction Agreement and to the Closing Release specified in Section 2.1 of the Escrow Agreement have been satisfied and directs that you shall undertake the actions specified in Section 2.1 of the Escrow Agreement.

*[signature pages follow]*

**THE CITY OF DETROIT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[SIGNATURE PAGE TO CLOSING DIRECTION]*

**FOUNDATION FOR DETROIT'S FUTURE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## SCHEDULE 1

### Wire Transfer Instructions for City Account

U.S. Bank  
777 E. Wisconsin Avenue  
Milwaukee, WI 53202  
ABA# 091000022  
BNF: USBANK WIRE CLRG  
Beneficiary Account Number: 180121167365  
OBI: Detroit Art Escrow

## SCHEDULE 2

### Examples of the Calculation of The DIA's Payment Obligations

#### Examples Illustrating The DIA's Payment Obligation under the Omnibus Transaction Agreement

##### Example 1

<u>Previous and Current Payment Dates</u>	<u>Payment Number</u>	<u>Aggregate Committed Payment</u>	<u>Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments</u>	<u>DIA Direct Funder and Special Foundation Funder Scheduled Payments*</u>	<u>DIA Payment</u>
Closing**	1	\$5,000,000	\$0	\$0	\$5,000,000
6/30/16	2	\$10,000,000	\$5,000,000	\$2,000,000	\$3,000,000
6/30/17	3	\$15,000,000	\$10,000,000	\$5,000,000	\$0
6/30/18	4	\$20,000,000	\$15,000,000	\$5,000,000	\$0
6/30/19	5	\$25,000,000	\$20,000,000	\$5,000,000	\$0
6/30/20	6	\$30,000,000	\$25,000,000	\$5,000,000	\$0
6/30/21	7	\$35,000,000	\$30,000,000	\$5,000,000	\$0
6/30/22	8	\$40,000,000	\$35,000,000	\$5,000,000	\$0
6/30/23	9	\$45,000,000	\$40,000,000	\$5,000,000	\$0
6/30/24	10	\$50,000,000	\$45,000,000	\$5,000,000	\$0
6/30/25	11	\$55,000,000	\$50,000,000	\$5,000,000	\$0
6/30/26	12	\$60,000,000	\$55,000,000	\$5,000,000	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$5,000,000	\$0
6/30/28	14	\$70,000,000	\$65,000,000	\$5,000,000	\$0
6/30/29	15	\$75,000,000	\$70,000,000	\$5,000,000	\$0
6/30/30	16	\$80,000,000	\$75,000,000	\$5,000,000	\$0
6/30/31	17	\$85,000,000	\$80,000,000	\$5,000,000	\$0
6/30/32	18	\$90,000,000	\$85,000,000	\$5,000,000	\$0
6/30/33	19	\$95,000,000	\$90,000,000	\$5,000,000	\$0
6/30/34	20	\$100,000,000	\$95,000,000	\$5,000,000	\$0
<b>Total</b>			<b>\$100,000,000</b>	<b>\$92,000,000</b>	<b>\$8,000,000</b>

As of the Closing Date, \$5 million multiplied by the single Payment Date (Closing) equals \$5 million. The sum of previous payments by The DIA, DIA Direct Funders and Special Foundation Funders (\$0) and the DIA Direct Funders' and Special Foundation Funders' scheduled payment at Closing (\$0) equals \$0. Therefore, at Closing, The DIA is obligated to pay \$5 million less \$0, which equals \$5 million. The formula applies in an identical manner to the June 30, 2016 Payment Date (and the remaining Payment Dates). \$5 million multiplied by the two (2) relevant Payment Dates (the Closing Date and June 30, 2016) equals \$10 million. The sum of the previous payments by The DIA, DIA Direct Funders and Special Foundation Funders (\$5 million) and the DIA Direct Funders' and Special Foundation Funders' scheduled payment (\$2 million) equals \$7 million. Therefore, on June 30, 2016, The DIA is obligated to pay \$10 million less \$7 million, which equals \$3 million.

As of June 30, 2016, The DIA has satisfied its payment obligation under the Omnibus Transaction Agreement (other than its guarantee obligation). The Present Value Discount of the total payments made as of the end of the day June 30, 2016, plus the Present Value Discount of



the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments equals the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\* All examples assume an October 31, 2014 Closing Date.

**Examples Illustrating The DIA's Payment Obligation  
under the Omnibus Transaction Agreement**

**Example 2: DIA Payments and Present Value Discount Limitation**

<u>Previous and Current Payment Dates</u>	<u>Payment Number</u>	<u>Aggregate Committed Payment</u>	<u>Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments</u>	<u>DIA Direct Funder and Special Foundation Funder Scheduled Payments*</u>	<u>DIA Payment</u>	<u>DIA Prepayment</u>
Closing	1	\$5,000,000	\$0	\$10,000,000	\$0	\$0
6/30/16	2	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
6/30/17	3	\$15,000,000	\$20,000,000	\$10,000,000	\$0	\$0
6/30/18	4	\$20,000,000	\$30,000,000	\$10,000,000	\$0	\$0
6/30/19	5	\$25,000,000	\$40,000,000	\$10,000,000	\$0	\$0
6/30/20	6	\$30,000,000	\$50,000,000	\$10,000,000	\$0	\$0
6/30/21	7	\$35,000,000	\$60,000,000	\$0	\$0	\$0
6/30/22	8	\$40,000,000	\$60,000,000	\$0	\$0	\$0
6/30/23	9	\$45,000,000	\$60,000,000	\$0	\$0	\$0
6/30/24	10	\$50,000,000	\$60,000,000	\$0	\$0	\$0
6/30/25	11	\$55,000,000	\$60,000,000	\$0	\$0	\$0
6/30/26	12	\$60,000,000	\$60,000,000	\$0	\$0	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$0	\$5,000,000	\$0
6/30/28	14	\$70,000,000	\$65,000,000	\$0	\$5,000,000	\$0
6/30/29	15	\$75,000,000	\$70,000,000	\$0	\$4,316,096	\$0
6/30/30	16	\$80,000,000	\$74,316,096	\$0	\$	** \$0
6/30/31	17	\$85,000,000	\$74,316,096	\$0	\$	** \$0
6/30/32	18	\$90,000,000	\$74,316,096	\$0	\$	** \$0
6/30/33	19	\$95,000,000	\$74,316,096	\$0	\$	** \$0
6/30/34	20	\$100,000,000	\$74,316,096	\$0	\$	** \$0
<b>Total</b>			<b>\$74,316,096</b>	<b>\$60,000,000</b>	<b>\$14,316,096</b>	<b>\$0</b>

As of the Closing Date, \$5 million multiplied by the single Payment Date (the Closing Date) equals \$5 million. The sum of previous payments by The DIA, DIA Direct Funders and Special Foundation Funders (\$0) and the DIA Direct Funders' and Special Foundation Funders' scheduled payment at Closing (\$10,000,000) is \$10 million. Therefore, at Closing, The DIA is not obligated to make a payment. The same result occurs for each Payment Date up to June 30, 2027.

As of the June 30, 2027 Payment Date, \$5 million multiplied by the 13 relevant Payment Dates equals \$65 million. The sum of the previous payments by The DIA (\$0) and DIA Direct Funders and Special Foundation Funders (\$60 million) and the DIA Direct Funders' and Special Foundation Funders' scheduled payments on June 30, 2027 (\$0), equals \$60 million. Therefore, on June 30, 2027, The DIA is obligated to pay \$65 million less \$60 million, which equals \$5 million. The same result would occur for each of the remaining Payment Dates, except the Present Value Discount limitation under Section 2.1(b) applies as of the June 30, 2029 Payment Date. On that Payment Date, the formula for the Present Value Discount will result in The DIA only needing to pay \$4,316,096 in order for the Present Value Discount of the total payments made as of the end of that day, plus the Present Value Discount of the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments (\$0) equaling the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\*No payment due because of Present Value Discount limitation.

**Examples Illustrating The DIA's Payment Obligation  
under the Omnibus Transaction Agreement**

**Example 3: DIA Prepayments and Present Value Discount Limitation**

<u>Previous and Current Payment Dates</u>	<u>Payment Number</u>	<u>Aggregate Committed Payment</u>	<u>Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments</u>	<u>DIA Direct Funder and Special Foundation Funder Scheduled Payments*</u>	<u>DIA Payment</u>	<u>DIA Prepayment</u>
Closing	1	\$5,000,000	\$0	\$10,000,000	\$0	\$0
6/30/16	2	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
6/30/17	3	\$15,000,000	\$20,000,000	\$10,000,000	\$0	\$0
6/30/18	4	\$20,000,000	\$30,000,000	\$10,000,000	\$0	\$0
6/30/19	5	\$25,000,000	\$40,000,000	\$10,000,000	\$0	\$0
6/30/20	6	\$30,000,000	\$50,000,000	\$10,000,000	\$0	\$0
6/30/21	7	\$35,000,000	\$60,000,000	\$0	\$0	\$0
6/30/22	8	\$40,000,000	\$60,000,000	\$0	\$0	\$0
6/30/23	9	\$45,000,000	\$60,000,000	\$0	\$0	\$0
6/30/24	10	\$50,000,000	\$60,000,000	\$0	\$0	\$0
6/30/25	11	\$55,000,000	\$60,000,000	\$0	\$0	\$0
6/30/26	12	\$60,000,000	\$60,000,000	\$0	\$0	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$0	\$5,000,000	\$4,683,841**
6/30/28	14	\$70,000,000	\$69,683,841	\$0	\$ 316,159	\$3,726,128***
6/30/29	15	\$75,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/30	16	\$80,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/31	17	\$85,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/32	18	\$90,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/33	19	\$95,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/34	20	\$100,000,000	\$73,726,128	\$0	\$-----****	\$0
<b>Total</b>			<b>\$73,726,128</b>	<b><u>\$60,000,000</u></b>	<b><u>\$5,316,159</u></b>	<b><u>\$8,409,969</u></b>

The facts are the same as in Example 2, except that The DIA makes a \$4,683,841 prepayment at the time of the June 30, 2027 Payment Date. For the June 30, 2028 Payment Date, The DIA is obligated to pay \$316,159, calculated as follows: \$5 million multiplied by 14 relevant Payment Dates equals \$70 million, less previous payments of \$69,683,841, equals \$316,159. The DIA makes a \$3,726,128 prepayment at the time of the June 30, 2028 Payment Date also. For the June 30, 2029 Payment Date, The DIA is not obligated to make any payment, notwithstanding the following calculation: \$5 million multiplied by 15 relevant Payment Dates equals \$75 million, less previous payments of \$73,726,128, equals \$1,273,872. However, under Section 2.1(b), the Present Value Discount of the payments made as of the end of the day on June 30, 2028 (\$73,726,128, before discounting), plus the Present Value Discount of the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments (\$0) equals the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016. The DIA's prepayments at the time of the 2027 and 2028 Payment Dates results in The DIA not having a payment obligation in 2029 or thereafter.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\*\$4,683,841 is the discounted value of \$5 million at a 6.75% discount rate for a one-year period.

\*\*\*\$3,726,128 is the discounted amount that results in The DIA fulfilling its payment obligation on a present value basis as of June 30, 2028.

\*\*\*\*No payment due because of Present Value Discount limitation and no guarantee because there are no remaining commitments.

**Examples Illustrating the DIA's Payment Obligation  
under the Omnibus Transaction Agreement**

**Example 4: DIA Prepayments and Present Value Discount Limitation**

Previous and Current Payment Dates	Payment Number	Aggregate Committed Payment	Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments	DIA Direct Funder and Special Foundation Funder Scheduled Payments*	DIA Payment	DIA Prepayment
Closing	1	\$5,000,000	\$0	\$10,000,000	\$0	\$0
6/30/16	2	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
6/30/17	3	\$15,000,000	\$20,000,000	\$10,000,000	\$0	\$0
6/30/18	4	\$20,000,000	\$30,000,000	\$10,000,000	\$0	\$0
6/30/19	5	\$25,000,000	\$40,000,000	\$0	\$0	\$0
6/30/20	6	\$30,000,000	\$40,000,000	\$0	\$0	\$0
6/30/21	7	\$35,000,000	\$40,000,000	\$0	\$0	\$0
6/30/22	8	\$40,000,000	\$40,000,000	\$0	\$0	\$0
6/30/23	9	\$45,000,000	\$40,000,000	\$0	\$5,000,000	\$0
6/30/24	10	\$50,000,000	\$45,000,000	\$0	\$5,000,000	\$0
6/30/25	11	\$55,000,000	\$50,000,000	\$0	\$5,000,000	\$0
6/30/26	12	\$60,000,000	\$55,000,000	\$0	\$5,000,000	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$0	\$5,000,000	\$4,683,841**
6/30/28	14	\$70,000,000	\$69,683,841	\$0	\$ 316,159	\$0
6/30/29	15	\$75,000,000	\$70,000,000	\$0	\$5,000,000	\$0
6/30/30	16	\$80,000,000	\$75,000,000	\$0	\$1,969,618***	\$0
6/30/31	17	\$85,000,000	\$76,969,618	\$0	\$0****	\$0
6/30/32	18	\$90,000,000	\$76,969,618	\$0	\$0****	\$0
6/30/33	19	\$95,000,000	\$76,969,618	\$5,000,000	\$0****	\$0
6/30/34	20	\$100,000,000	\$81,969,618	<u>\$5,000,000</u>	<u>\$0****</u>	<u>\$0</u>
Total			<b>\$86,969,618</b>	<b><u>\$50,000,000</u></b>	<b><u>\$32,285,777</u></b>	<b><u>\$4,683,841</u></b>

The facts are the same as in Example 3, except the DIA Direct Funders' and Special Foundation Funders' Scheduled Payment has been revised as set forth above and The DIA will be required to make payments for the Payment Dates in years 2023 through 2030. The DIA's prepayment of \$4,683,841 at the time of the June 30, 2027 Payment Date and its payment obligation on the June 30, 2028 Payment Date remain the same as in Example 3. Under Section 2.1(a), The DIA has a \$5 million payment obligation with respect to the June 30, 2029 Payment Date. On the June 30, 2030 Payment Date, The DIA pays \$1,969,618, notwithstanding the following calculation: \$5 million multiplied by 16 relevant Payment Dates equals \$80 million, less previous payments of \$75,000,000, equals \$5,000,000. However, under Section 2.1(b), the Present Value Discount of the payments made as of the end of the day on June 30, 2030 (\$76,969,618 before discounting), plus the Present Value Discount of the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments (\$10,000,000, before discounting) equals the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016. The DIA's aggregate payments as of the June 30, 2030 Payment Date result in The DIA not having a payment obligation in 2031 or thereafter.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\*\$4,683,841 is the discounted value of \$5 million at a 6.75% discount rate for a one-year period.

\*\*\*\$1,969,618 is the discounted amount that results in The DIA fulfilling its payment obligation on a present value basis as of June 30, 2030.

\*\*\*\*No payment due because of Present Value Discount limitation, but The DIA guarantee applies if the 2033 and 2034 payments are not made or are not made on a timely basis.

**Form of Settlement, Conveyance and Charitable Trust Agreement  
By and Between the City of Detroit and the Detroit Institute of Arts**



**FORM OF SETTLEMENT, CONVEYANCE  
AND CHARITABLE TRUST AGREEMENT**

**SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT**

**BY AND BETWEEN**

**THE CITY OF DETROIT**

**AND**

**THE DETROIT INSTITUTE OF ARTS**

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**List of Exhibits**

- |           |   |  |
|-----------|---|--|
| Exhibit A | – | Museum Assets                          |
| Exhibit B | – | Bill of Sale                           |
| Exhibit C | – | Intellectual Property Assignment       |
| Exhibit D | – | Museum Quit Claim Deed                 |
| Exhibit E | – | Cultural Center Garage Quit Claim Deed |

## **SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT**

THIS SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT (this “**Agreement**”), effective as of the Effective Time, is entered into by and between the City of Detroit, Michigan (the “**City**”) and The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts (“**The DIA**”). The City and The DIA are together referred to herein as the “**Parties**” and individually as a “**Party**”. Capitalized terms used in this Agreement and not defined herein shall have the meaning ascribed thereto in the Omnibus Transaction Agreement among the City, The DIA and Foundation for Detroit’s Future, a Michigan nonprofit corporation (the “**Omnibus Transaction Agreement**”).

### **RECITALS**

WHEREAS, beginning in 1885 The DIA held the assets of the museum that is now commonly referred to as the Detroit Institute of Arts (the “**Museum**”) in charitable trust for the benefit of the people of the City and the State of Michigan (the “**State**”) and, beginning in 1919, the City began to hold certain of such assets in charitable trust, with museum assets acquired by either The DIA or the City, and assets contributed by other donors and the State, constituting additions to the trust corpus to the extent not expended for the ongoing conduct of the trust’s charitable and educational activities;

WHEREAS, the Attorney General of the State has determined that the Museum collection is held by the City in charitable trust;

WHEREAS, The DIA asserts that the Museum and all Museum Assets are owned by the City in charitable trust, the co-trustees of which are the City and The DIA and subject to the protections of a public trust;

WHEREAS, the City acknowledges that certain creditors of the City and other interested persons have taken the position that the City has full legal and beneficial title to the Museum, including its art collection;

WHEREAS, this Agreement is being entered into as part of the DIA Settlement pursuant to the Omnibus Transaction Agreement whereby the City will convey all of its right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) to the Museum and all related assets to The DIA in exchange for fair value by virtue of (i) the settlement of any dispute regarding the ownership of Museum and the Museum Assets, (ii) the contributions through the Supporting Organization by The DIA (and through it, the DIA Indirect Funders), DIA Direct Funders and Special Foundation Funders of \$100 million, of Foundation Funders (excluding Special Foundation Funders) of \$366 million, and an additional contribution by the State of \$350 million, which aggregate \$816 million (in each case and in the aggregate before applying any discount for early payment), which amounts will be paid for the benefit of Pension Claims of the City, and (iii) the commitment of The DIA to hold the Museum Assets (as they may be augmented, replaced or disposed of consistent with the perpetual charitable trust and as otherwise permitted under this Agreement) (collectively, “**DIA Assets**”) in perpetual charitable trust and to operate the Museum primarily for benefit of the residents of the City and the Tri-Counties and the citizens of the State;

WHEREAS, the allocation of responsibilities with respect to the charitable trust assets and the operation of the Museum has changed from time to time;

WHEREAS, The DIA currently operates the Museum and manages its assets under an Operating Agreement for the Detroit Institute of Arts, made on December 12, 1997, between The DIA and the City (the “**Operating Agreement**”) whereby those responsibilities have been performed by The DIA as operator on the terms set forth therein;

WHEREAS, the City and The DIA currently are parties to that certain Licensing Agreement, dated December 12, 1997 (the “**Licensing Agreement**”) under which the City licensed the use of certain intellectual property assets to The DIA, which will be terminated by the Parties pursuant to this Agreement;

WHEREAS, as part of the DIA Settlement and concurrently with the closing pursuant to the Omnibus Transaction Agreement, the Transfer shall occur, each of the Operating Agreement and the Licensing Agreement shall be terminated, and the other transactions and agreements reflected herein shall become effective; and

WHEREAS, the Transfer of the Museum and the Museum Assets is for fair value, for a public purpose and authorized by law.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereby agree as follows:

## **ARTICLE I** **Definitions**

### **1.1. Definitions.** As used in this Agreement:

“**Museum Assets**” means the Museum art collection, operating assets, buildings, parking lots and structures, and any other assets that are used primarily in operating or servicing the Museum, including, without limitation, any item that is in the “City art collection” (as defined in the Operating Agreement but taking into account any additions to or subtractions from such collection over time) as of the Effective Time and including, without limitation, those items described in Exhibit A to this Agreement and all items conveyed pursuant to the Bill of Sale, Intellectual Property Assignment, Museum Quit Claim Deed and Cultural Center Garage Quit Claim Deed (each as defined below).

**1.2. Other Defined Terms.** The following capitalized terms shall have the meanings given to them in the Sections set forth opposite such term:

Agreement	Preamble
Assigned Intellectual Property	Exhibit C
Bill of Sale	Section 3.2(i)
City	Preamble
Cultural Center Garage	Section 3.2(iv)
Cultural Center Garage Quit Claim Deed	Section 3.2(iv)
DIA Assets	Recitals
Effective Time	Section 3.1
Intellectual Property Assignment	Section 3.2(ii)
Licensing Agreement	Recitals
Museum	Recitals
Museum Quit Claim Deed	Section 3.2(iii)
Omnibus Transaction Agreement	Preamble
Operating Agreement	Recitals
Parties	Preamble
Party	Preamble
State	Recitals
The DIA	Preamble
Title Company	Section 3.2
Transfer	Section 2.1

## **ARTICLE II**

### **Transfer of Assets**

**2.1. Transfer.** As of the Effective Time, the City hereby irrevocably sells, transfers, conveys, assigns and delivers to The DIA, and The DIA hereby acquires, all of the City's right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum and the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors (the "**Transfer**"). Subject to the provisions in this Agreement, from and after the Effective Time, The DIA shall have exclusive responsibility for and control over the Museum, Museum Assets, Museum operations, capital expenditures, collection management, and the purchase or sale of assets.

**2.2. Liabilities.** From and after the Effective Time, The DIA is assuming (i) the obligations arising prior to the Effective Time to pay operating expenses to third parties to the extent that any such obligation was an expense imposed on The DIA under the Operating Agreement prior to the Effective Time and (ii) the Employee Liabilities. Except as provided in the preceding sentence, The DIA is not assuming or in any way becoming liable for any of the City's debts, liabilities or obligations, whether known, unknown, absolute, contingent, matured or unmatured, regardless of whether any of the foregoing relate to the Museum or the Museum Assets.

**ARTICLE III**  
**Effective Time; Deliverables**

**3.1. Effective Time.** This Agreement will become effective immediately following the written confirmation under the Omnibus Transaction Agreement that the Closing under the Omnibus Transaction Agreement shall be deemed to occur (the “**Effective Time**”).

**3.2. Deliverables.** The City hereby delivers or causes to be delivered to The DIA the following which, to the extent Title Source, Inc. (the “**Title Company**”) shall be deemed delivered by virtue of the release of such documents by the Title Company in accordance with the escrow instructions previously delivered to the Title Company:

(i) the bill of sale substantially in the form of **Exhibit B** to this Agreement (the “**Bill of Sale**”) duly executed by the City pursuant to which all tangible and intangible assets included in the Museum Assets (including those described on **Exhibit A** to this Agreement) and not otherwise conveyed by a distinct instrument delivered pursuant to this **Section 3.2** shall be conveyed to The DIA, including, without limitation, all rights to donations, gifts, bequests, grants and contributions for the benefit of the Museum or The DIA;

(ii) the transfer agreement with respect to all Assigned Intellectual Property substantially in the form of **Exhibit C** to this Agreement (the “**Intellectual Property Assignment**”) duly executed by the City;

(iii) a quitclaim deed substantially in the form of **Exhibit D** to this Agreement (the “**Museum Quit Claim Deed**”) duly executed by the City with respect to the real estate referenced as the Museum building and grounds, the employee parking lot located at 5200 Woodward Avenue, Detroit, Michigan, and the Frederick Lot (Parcels 1-7 in **Exhibit A** to this Agreement);

(iv) a quitclaim deed substantially in the form of **Exhibit E** to this Agreement (the “**Cultural Center Garage Quit Claim Deed**”) duly executed by the City with respect to the real estate referenced as the cultural center underground garages (Parcel 8 in **Exhibit A** to this Agreement being the “**Cultural Center Garage**”).

**ARTICLE IV**  
**Termination of the Various Agreements**

**4.1. Termination of the Operating Agreement.** As of the Effective Time, the Operating Agreement is terminated without any further action or notice by the Parties and without any further rights or obligations of any Party thereunder other than The DIA’s indemnity obligation under Section J of the Operating Agreement (which shall survive in accordance with its terms).

**4.2. Termination of the Licensing Agreement.** As of the Effective Time, the Licensing Agreement is terminated without any further action or notice by the Parties and without any further rights or obligations of any Party thereunder.

**4.3. Release.** Each of the Parties hereby fully and forever, knowingly, voluntarily, and irrevocably, releases, acquits, discharges and promises not to sue the other Party or its Related Parties from, including, without limitation, any and all claims, demands, damages, obligations, losses, causes of action, costs, expenses, attorneys' fees judgments, liabilities, duties, debts, liens, accounts, obligations, contracts, agreements, promises, representations, actions and causes of action, other proceedings and indemnities of any nature whatsoever arising from or in any way related to the Operating Agreement other than The DIA's indemnity obligation under Section J of the Operating Agreement (which shall survive in accordance with its terms), the Licensing Agreement, the Museum, the Museum Assets or any other matter of any kind or nature, whether accrued or contingent, known or unknown and whether based on law, equity, contract, tort, statute or other legal or equitable theory of recovery, whether mature or to mature in the future, which from the beginning of time of the world to the Effective Time, either Party had, now has, or may have against the other Party or its Related Parties; provided that the foregoing release shall not extend to, nor be deemed to modify in any respect, any right of any Party under this Agreement or any other Transaction Documentation.

## **ARTICLE V**

### **Representations and Warranties**

**5.1. Representations and Warranties of The DIA.** The DIA represents and warrants to the City that (a) it has the power and authority to execute and deliver this Agreement and each Exhibit to this Agreement to which it is a party and to perform its obligations hereunder and thereunder, (b) the execution, delivery and performance of this Agreement and each Exhibit to this Agreement to which it is a party have been duly authorized by all necessary action, (c) this Agreement and each Exhibit to this Agreement to which it is a party constitutes the valid and binding obligation of The DIA, enforceable in accordance with its respective terms, and (d) its performance under this Agreement and each Exhibit to this Agreement to which it is a party will not conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, any agreement or other instrument or any applicable law binding upon The DIA.

**5.2. Representations and Warranties of The City.** The City represents and warrants to The DIA that (a) it has the power and authority to execute and deliver this Agreement and each Exhibit to this Agreement to which it is a party and to perform its obligations hereunder and thereunder, (b) the execution, delivery and performance of this Agreement and each Exhibit to this Agreement to which it is a party have been duly authorized by all necessary action, (c) this Agreement and each Exhibit to this Agreement to which it is a party constitutes the valid and binding obligation of the City, enforceable in accordance with its respective terms, and (d) its performance under this Agreement and each Exhibit to this Agreement to which it is a party will not conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, any agreement or other instrument or any applicable law binding upon the City.

**5.3. Acknowledgement of No Further Representations and Warranties.** Except for the representations and warranties in Section 5.2 of this Agreement or as otherwise specifically set forth in the Transaction Documentation, the Museum Assets are being transferred by the City to The DIA without warranty or representation of any kind, including any warranty of merchantability or fitness for a particular purpose or any warranty or representation which might otherwise be inherent in a description or in specifications.



**ARTICLE VI**  
**Covenants of the City**

**6.1. Further Assurances.** In addition to the actions specifically provided for elsewhere in this Agreement, at any time and from time to time, at The DIA's reasonable request, the City shall (x) at its own expense (except as provided in subsection (y)), do, execute, acknowledge and deliver all and every such further acts, transfers, assignments, conveyances, powers of attorney, and assurances (including in recordable form) as The DIA reasonably may require to transfer, convey, assign and deliver the Museum and the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors and to confirm The DIA's title to the Museum and all of the Museum Assets and (y) at no cost or expense to the City, take such actions, including filing such releases, as may be necessary to remove any security interest, lien, encumbrance, claim or interest of the City or any of its creditors on the Museum or the Museum Assets.

**6.2. Remittance of Museum Assets.** If after the Effective Time, the City receives (a) any monies for the benefit of The DIA or the Museum, including with respect to any existing or future (i) donations, gifts, bequests, and contributions from individuals, corporations, foundations and trusts, if any, and (ii) federal, state, regional, county or local tax proceeds and grants from governmental or quasi-public entities, if any, other than proceeds or grants that are intended for the City for reimbursement for specific amounts that were previously advanced or funded by the City with the expectation of the City at the time of such advance or funding that such reimbursement would be received by the City, or (b) any art or other property that is, as designated by its grant, intended for the benefit of the Museum or The DIA, in each case, the City shall promptly pay or deliver such monies, art or other property to The DIA.

**6.3. NO RECOURSE.** THE TRANSFER OF THE MUSEUM AND THE MUSEUM ASSETS IS FINAL AND IRREVOCABLE. THE DIA SHALL RETAIN TITLE TO AND OWNERSHIP OF THE MUSEUM AND THE DIA ASSETS IN PERPETUITY AND THE CITY SHALL NOT HAVE RECOURSE TO ANY OF THE DIA ASSETS FOR ANY CLAIMS THE CITY MAY HAVE AGAINST THE DIA, ANY OTHER FUNDER, THE SUPPORTING ORGANIZATION, THE STATE OR OTHERWISE, WHETHER ARISING NOW OR IN THE FUTURE, INCLUDING, WITHOUT LIMITATION, NONCOMPLIANCE BY THE DIA, ANY OTHER FUNDER OR THE SUPPORTING ORGANIZATION WITH ANY OF THE TERMS OR CONDITIONS OF THE OMNIBUS TRANSACTION AGREEMENT, THE TRANSACTION DOCUMENTS OR ANY RELATED DOCUMENTS; PROVIDED THAT THE FOREGOING SHALL NOT PRECLUDE THE CITY FROM ASSERTING CLAIMS IN SATISFACTION OF AN INDEMNITY OBLIGATION PURSUANT TO SECTION J OF THE OPERATING AGREEMENT OR SECTION 6.1(b) OF THE OMNIBUS AGREEMENT BUT ONLY AGAINST CASH, CASH EQUIVALENTS OR CASH RECEIVABLES OF THE DIA (EXCLUDING ANY CASH, CASH EQUIVALENTS OR CASH RECEIVABLES THAT ARE RESTRICTED IN USE BY THE TERMS OF THE DONATION, GIFT, BEQUEST OR CONTRIBUTION OF A THIRD PARTY OR BY RESTRICTIONS IMPOSED ON THE USE OF PROCEEDS FROM THE SALE OF ART BY THE APPLICABLE STANDARDS OR ETHICAL GUIDELINES OF THE AAM OR THE ASSOCIATION OF ART MUSEUM DIRECTORS (OR SUCH OTHER ORGANIZATIONS BY WHICH THE DIA OR THE MUSEUM OR ITS DIRECTOR IS ACCREDITED IN THE FUTURE OR OF WHICH THEY

BECOME MEMBERS IN ACCORDANCE WITH THEN APPLICABLE ART MUSEUM BEST PRACTICES).

## **ARTICLE VII** **Covenants of The DIA**

### **7.1. Charitable Trust.**

(a) The DIA as trustee shall hold the DIA Assets in perpetual charitable trust. The primary purpose of the charitable trust shall be to provide for the primary benefit of the residents of the City and the Tri-Counties and the citizens of the State an art museum located in the City of Detroit, including the ownership, maintenance and operation of The Detroit Institute of Arts, and all the benefits that are derivative thereof.

(b) The DIA shall neither change the name of the Museum from “The Detroit Institute of Arts” nor relocate the primary situs of the Museum from its current location at 5200 Woodward Avenue, Detroit, Michigan, without the approval of the City; provided that nothing in this Agreement or in any other agreement included in the Transaction Documentation shall be deemed to otherwise restrict the ability of The DIA to lend or to otherwise allow art works to travel outside of the City or the State consistent with ordinary Museum operations.

(c) In its capacity as trustee of the perpetual charitable trust, The DIA shall operate the Museum as an encyclopedic art museum in the City, in accordance with changing future demands in the operation of such a Museum. The DIA shall not deaccession from its collection or sell, lease, pledge, mortgage, or otherwise encumber art that is accessioned to its permanent collection except in accordance with the code of ethics or applicable standards for museums published by the AAM, as amended or modified by the AAM. If the AAM ceases to exist or ceases to be generally regarded by leading American art museums as the preeminent American art museum accreditation organization, then the code of ethics or applicable standards (as may be amended or modified) of AAM’s successor organization, or such other organization that is at that time generally regarded by leading American art museums as the preeminent American art museum accreditation organization, shall be substituted for such policies of the AAM.

**7.2. State-wide Services.** In addition to continuing to operate the Museum for the primary benefit of the residents of the City, the Tri-Counties and the citizens of the State, and continuing to provide the special services to the residents of the Tri-Counties during the balance of the ten (10) year millage period commencing in 2013 that are provided for in the agreements for the Millage, during the Payment Period The DIA will provide an array of art programs at no or discounted costs to the residents of the State. In determining which programs to offer, both the cost to The DIA of developing and operating these programs and The DIA’s other fundraising obligations, including its need to raise funds for general operations and its stated goal of building endowment funds, as well as any fundraising obligation under the Omnibus Transaction Agreement, will be taken into account. As appropriate, The DIA will collaborate with its Michigan museum colleagues in the development of these programs. Given the length of the Payment Period, it is expected that these programs would be developed and adjusted over time. Such programs could include at the outset:

(i) two exhibitions in each twelve-month period, with the first such period beginning six (6) months after the Closing, of objects from the Museum collection that will rotate through museums and art centers around the State on a schedule to be determined by The DIA and the recipient museums. Each exhibition will be developed and organized by The DIA and will include installation and de-installation of the objects, a marketing package (logo and advertising template) and, possibly, input on programming and education opportunities,

(ii) an annual professional development program coordinated with the Michigan Museums Association designed to strengthen museum professionals and introduce museum job opportunities to student audiences,

(iii) an expansion of the Museum's popular Inside/Out program (during the tenure of the program), which places high-quality art reproductions in Southeast Michigan communities, to include two additional outstate locations annually, supporting tourism, cultural awareness and life-long learning,

(iv) art object conservation services at a discounted rate to Michigan museums conducted in consultation with the Museum conservators and the curatorial staff of the requesting museum, and

(v) the development of an educational program based on the Museum collection that supports National Common Core Standards, to be offered in two Michigan communities annually and to include follow-up support for educators.

**7.3. Liquidation.** In the event of a dissolution of, and liquidation of the assets and affairs of, The DIA in accordance with the Michigan Nonprofit Corporation Act, the DIA Assets will be conveyed to another nonprofit entity determined by the board of directors of The DIA, subject to the reasonable approval of the City and the Supporting Organization, if then in existence, and otherwise by majority vote of the City and any Foundation Funders who have remaining commitments under their Funding Agreements. As a condition to receiving the conveyance, such successor entity must subject itself to the same conditions as set forth in this Agreement, including but not limited to, holding the DIA Assets in perpetual charitable trust for the primary benefit of the residents of the City and the Tri-Counties and the citizens of the State. For the purposes of determining the majority vote described above, and for the avoidance of doubt, the Parties agree that the City and each of the Foundation Funders who have remaining commitments under their Funding Agreements at the time of such dissolution or liquidation shall each have one vote with respect to any such approval.

**7.4. City Board Representative.** From and after the Effective Time, in perpetuity, the City shall have the right to appoint one director to the Board of The DIA (or its successor entity). Such representative shall be designated in writing to The DIA by the Mayor of the City with approval by the City Council. Such director shall be subject to removal by The DIA for cause. The City shall have the right in accordance with this Section 7.4 to appoint a successor representative to any vacancy created by the removal of the City's representative for cause or otherwise.

**7.5. Enforcement of Certain of The DIA's Obligations.** The Attorney General of the State and the Corporation Counsel of the City (on behalf of the City) (or their respective successors) shall have the exclusive rights to enforce the obligations of The DIA (x) to hold the DIA Assets in perpetual charitable trust and (y) under ARTICLE VII of this Agreement. If the Corporation Counsel of the City (on behalf of the City) exercises its rights to enforce the obligations of The DIA pursuant to this Section 7.5 by means of a legal action or proceeding, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees and disbursements, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees and disbursements shall be included in and as a part of such judgment.

## **ARTICLE VIII**

### **Incorporation by Reference; Entire Agreement**

**8.1. Incorporation by Reference.** The following provisions of the Omnibus Transaction Agreement are hereby incorporated by reference as if set forth in full herein *mutatis mutandis*: Article I (Definitions), Article VI (Indemnification) with respect to the indemnification of the City by The DIA pursuant to Section 6.1 of the Omnibus Transaction Agreement and the indemnification of The DIA by the City pursuant to Section 6.2 of the Omnibus Transaction Agreement, subject to the limitations and procedural requirements otherwise set forth in Article VI of the Omnibus Transaction Agreement, Section 7.4 (Specific Performance), Section 7.6 (Notices) (with respect to the Parties hereto), Section 7.7 (Binding Agreement; Assignment), Section 7.8 (Severability), Section 7.9 (No Strict Construction), Section 7.10 (Captions), and Section 7.12 (Counterparts).

**8.2. No Third Party Beneficiary.** Except for the Related Parties, each of whom is an express third-party beneficiary under this Agreement with respect to Section 4.3 of this Agreement, and the Attorney General of the State who is an express third party beneficiary under this Agreement with respect to Section 7.5 of this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of the City and The DIA and their respective successors and permitted assigns, and nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity any third-party beneficiary rights or remedies.

**8.3. Choice of Law; Jurisdiction; Venue.** This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties irrevocably and unconditionally agrees for itself that, subject to the exclusive rights of the Attorney General of the State and the Corporation Counsel of the City (on behalf of the City) as set forth in Section 7.5 of this Agreement, any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the Bankruptcy Court for so long as the Bankruptcy Court has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then (i) if such legal action,

suit or proceeding relates to or seeks to enforce the obligations of The DIA to hold the DIA Assets in perpetual charitable trust or the obligations of The DIA under Article VII of this Agreement, then such legal action, suit or proceeding shall be brought only in Wayne County Probate Court, or (ii) if such legal action, suit or proceeding involves any other matter relating to this Agreement not referenced in subsection (i), then it may be brought only in such other court of competent jurisdiction located in Wayne County, Michigan. By execution and delivery of this Agreement, each of the City and The DIA irrevocably accepts and submits to the exclusive jurisdiction of such courts, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

**8.4. Amendment and Waiver.** This Agreement may be amended and any provision of this Agreement may be waived; provided that any such amendment or waiver will be binding upon the Parties only if such amendment or waiver is set forth in a writing executed by both Parties. No course of dealing between The DIA and the City will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of either Party under or by reason of this Agreement.

**8.5. Entire Agreement.** This Agreement, including the Exhibits, together with the Omnibus Transaction Agreement, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Settlement, Conveyance and Charitable Trust Agreement effective as of the Effective Time.

**THE CITY OF DETROIT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## **EXHIBIT A**

### **Museum Assets**

1. The Museum building and grounds, and the employee parking lot located at 5200 Woodward Avenue, Detroit, Michigan, comprised of land and improvements bounded by Woodward Avenue as widened, existing John R Street, existing East Kirby Avenue and the South line of Farnsworth Avenue, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in Commitment for Title Insurance No. 58743275 revision 5, with an effective date of December 16, 2013, and Commitment for Title Insurance No. 58781215, with an effective date of December 26, 2013, (collectively, the "Title Commitment") issued by Title Source Inc., as follows:

PARCEL 1: Block A; together with the Northerly half of vacated Frederick Douglass Avenue adjacent thereto, of Ferry's Subdivision of Park Lot 40 and of Lots 1 to 18 inclusive of Farnsworth's Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 18 of Plats, Page 71, Wayne County Records.

PARCEL 2: Lots 43 through 78, both inclusive, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 43 through 58, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 63 through 78, and together with vacated alleys appurtenant to said lots.

PARCEL 3: Lots 103 through 120, both inclusive, together with the Southerly half of vacated Farnsworth Avenue adjacent to Lots 103 through 118, and vacated portions of Farnsworth Avenue adjacent to the South of Lots 103 through 117 and Lot 120, and vacated alleys appurtenant to said lots, of Farnsworth Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

PARCEL 4: Lots 31 to 37 of Farnsworth Subdivision of Park Lots 38 and 39, together with the southerly half of vacated Frederick Douglass Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

PARCEL 5: Lots 79 and 80 of Farnsworth Subdivision of Park Lots 38 and 39, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 6: The East 5 feet of Lot 85 and Lots 86 and 87 and the West 16 feet of Lot 88, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots of Farnsworth Subdivision of Park Lots 38 and 39, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 7: Lots 1 through 5, both inclusive, and Lots 10 through 14, both inclusive, Block 25, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 1 through 5, Block 25, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 10 through 14, Block 25 and together with the vacated alley

appurtenant to said lots of Brush's Subdivision of that part of the Brush Farm lying between the North line of Farnsworth Street and South line of Harper Avenue, as recorded in Liber 17, Page 28 of Plats, Wayne County Records.

2. The cultural center underground garages *i.e.*, the parking garage with all appurtenant utilities, equipment, drives, pedestrian and vehicular entrances and easements therefor, on the south side of the Museum building located at 40 Farnsworth, Detroit, Michigan, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in the Title Commitment as follows:

PARCEL 8: A parking structure in the City of Detroit occupying space under and on the following described parcel of land. Land in the City of Detroit, being a part of Lots 62 through 68 inclusive; parts of Lot 112 and 118 through 120 inclusive; all that part of Lots 113 through 117 inclusive not set aside as a part of Farnsworth Avenue, parts of public alleys and Farnsworth Avenue (60 feet wide) vacated by the Common Council on October 7, 1924 and January 11, 1927; all as platted in "Farnsworth's Subdivision of Park Lots 38 and 39, City of Detroit" recorded in Liber 1, Page 16 of Plats, Wayne County Records and also a portion of the Northerly 49 feet of Farnsworth Avenue (70 feet wide), which was opened as a public street by action of the Common Council on October 7, 1924. Being more particularly described as follows: Commencing at the intersection of the South line of Farnsworth Avenue 70 feet wide and the East line of Woodward Avenue as widened August 2, 1932, J.C.C. Page 1279, thence North 29 degrees 42 minutes 10 seconds West 22.17 feet, thence North 60 degrees 17 minutes 50 seconds East 6.00 feet to the point of beginning of this parcel, thence North 29 degrees 42 minutes 10 seconds West 248.16 feet; thence North 60 degrees 17 minutes 50 seconds East 268.00 feet; thence South 29 degrees 42 minutes 10 seconds East 15.79 feet; thence North 60 degrees 17 minutes 50 seconds East 1.00 feet to a point of curve; thence 11.77 feet along the arc of a curve concave to the Northeast with a Radius of 14.00 feet, a Delta of 48 degrees 11 minutes 23 seconds with a Long Chord of 11.43 feet which bears South 53 degrees 47 minutes 52 seconds East to a point of reverse curve; thence 26.07 feet along the arc of curve concave to the Southwest, with a Radius of 31 feet, a Delta 48 degrees 11 minutes 23 seconds with a Long Chord of



25.31 feet which bears South 53 degrees 47 minutes 52 seconds East; thence South 29 degrees 42 minutes 10 seconds East 140.50 feet; thence 78.54 feet along the arc of a curve concave to the Northwest, with a Radius of 50.00 feet, a Delta of 90 degrees with a Long Chord of 70.71 feet which bears South 15 degrees 17 minutes 50 seconds West; thence South 60 degrees 17 minutes 50 seconds West 0.50 feet; thence South 29 degrees 42 minutes 10 seconds East 4.00 feet; thence South 60 degrees 17 minutes 50 seconds West 4.00 feet; thence South 29 degrees 42 minutes 10 seconds East 6.00 feet; thence South 60 degrees 17 minutes 50 seconds West 39.50 feet; thence North 29 degrees 42 minutes 10 seconds West 1.67 feet; thence South 60 degrees 17 minutes 50 seconds West 190 feet to the point of beginning.

The bottom floor of this structure is at elevation 129.10 feet as related to the City of Detroit Datum Plane; the structure has two (2) floors of vehicle parking with the top of the roof at elevation 149.34 feet. The structure has three (3) pedestrian exit buildings, four (4) air exhaust shafts and a vehicular ramp all of which extend upwards from the garage roof to the ground surface at elevations varying from 150.6 to 153.7 feet.

Together with the Easements created in Liber 20846, Page 762, Wayne County Records.

3. The collection of works of art owned by the City and located primarily at the Museum, the Museum's off-site warehouse or the Josephine Ford Sculpture Garden located at or about 201 East Kirby Street, Detroit, Michigan (which included at the effective date of the Operating Agreement the items listed in Exhibit 2 to the Operating Agreement) or included in the Museum collection (whether or not accessioned), whether or not reflected on any inventory and irrespective of the manner in which acquired by the City.
4. All assets of any kind located on or within the real estate described in items 1-4 above and used in the operations of the Museum, as well as any easements or other property rights benefiting such real estate.
5. All intangible property solely to the extent used in connection with the Museum and its art collection, including trademarks, copyrights and intellectual property, whether or not related to collection pieces.
6. All City records, books, files, records, ledgers and other documents (whether on paper, computer, computer disk, tape or other storage media) presently existing to the extent relating to the Museum, its art collection or its operations or to The DIA (other than those documents which are confidential to the City and not The DIA).

All monies held by the City that are designated for The DIA or the Museum or that were raised for the benefit of, or express purpose of supporting, The DIA or the Museum, including the approximately \$900,000 balance of proceeds of bonds issued for the benefit of The DIA by the City in 2010.

**EXHIBIT B**

**Bill of Sale**

**EXHIBIT C**

**Intellectual Property Assignment**

**EXHIBIT D**

**Museum Quit Claim Deed**

**EXHIBIT E**

**Cultural Center Garage Quit Claim Deed**

**Form of Bill of Sale By the City of  
Detroit in Favor of the Detroit Institute of Arts**

**BILL OF SALE**  
**BY**  
**THE CITY OF DETROIT**  
**IN FAVOR OF**  
**THE DETROIT INSTITUTE OF ARTS**

## **BILL OF SALE**

This Bill of Sale (this “**Bill of Sale**”), is effective as of the Effective Time, in favor of The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts (“**The DIA**”), by the City of Detroit, Michigan (the “**City**”). Capitalized terms not otherwise defined in this Bill of Sale will have the meanings given to them in the Charitable Trust Agreement (defined below).

## **RECITALS**

WHEREAS, the City and The DIA are parties to that certain Settlement, Conveyance and Charitable Trust Agreement (the “**Charitable Trust Agreement**”) pursuant to which, as of the Effective Time, the City has irrevocably sold, transferred, conveyed, assigned and delivered to The DIA, to be held in perpetual charitable trust for the benefit of the citizens of the City and the State of Michigan (the “**State**”), all of the City’s right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors; and

WHEREAS, this Bill of Sale is being executed and delivered pursuant to the Charitable Trust Agreement to confirm and further effectuate the Transfer as of the Effective Time.

NOW, THEREFORE, for the consideration described in the Charitable Trust Agreement, the receipt and sufficiency of which are hereby acknowledged:

1. **Conveyance.** The City hereby irrevocably sells, transfers, conveys, assigns and delivers to The DIA, and The DIA hereby acquires, all of the City’s right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum Assets and not otherwise conveyed by a distinct instrument delivered pursuant to Section 3.2 of the Charitable Trust Agreement, including, without limitation, all rights to donations, gifts, bequests, grants and contributions, for the benefit of the Museum or The DIA, free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors. All Museum Assets being transferred pursuant to this Bill of Sale shall be transferred on an “AS-IS, WHERE-IS” basis, and the City makes no representations or warranties with respect to the Museum Assets. The DIA shall hold the Museum Assets in perpetual charitable trust for the benefit of the citizens of the City and the State in accordance with the terms of the Charitable Trust Agreement.

2. **Construction.** Nothing in this Bill of Sale, express or implied, is intended or will be construed to expand or defeat, impair or limit in any way the rights, obligations, claims or remedies of the Parties as set forth in the Charitable Trust Agreement. To the extent that any term or provision of this Bill of Sale is deemed to be inconsistent with the terms of the Charitable Trust Agreement, the terms of the Charitable Trust Agreement shall control.

3. **Dispute Resolution.** Any dispute arising under or arising out of this Bill of Sale shall be adjudicated in accordance with and otherwise subject to the provisions of Sections 8.1 and 8.3 of the Charitable Trust Agreement.



4. Binding Agreement. This Bill of Sale and all of the provisions hereof will be binding upon, and inure to the benefit of, The DIA and the City and their respective successors and permitted assigns.

5. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same, instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other party; it being understood that both Parties need not sign the same counterpart. The exchange of copies of this Assignment or of any other document contemplated by this Assignment (including any amendment or any other change thereto) and of signature pages thereof by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Assignment as to the Parties and may be used in lieu of an original Assignment or other document for all purposes. Signatures of the parties transmitted by facsimile, by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

*[signature page follows]*

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale in favor of The DIA as of the Effective Time.

**THE CITY OF DETROIT**

By: \_\_\_\_\_  
Name:  
Its:

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name:  
Its:

[SIGNATURE PAGE TO BILL OF SALE]

**Form of Intellectual Property Assignment By and  
Between the City of Detroit and the Detroit Institute of Arts**

**INTELLECTUAL PROPERTY ASSIGNMENT**

**BY AND BETWEEN**

**THE CITY OF DETROIT**

**AND**

**THE DETROIT INSTITUTE OF ARTS**

## INTELLECTUAL PROPERTY ASSIGNMENT

THIS INTELLECTUAL PROPERTY ASSIGNMENT ("Assignment"), is effective as of the Effective Time, by and between the City of Detroit, Michigan (the "City"), and The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts ("The DIA"). The DIA and the City are referred to individually as a "Party" and collectively, as the "Parties." Capitalized terms not otherwise defined in this Assignment will have the meaning given to them in the Charitable Trust Agreement (as defined below).

### RECITALS

WHEREAS, the City and The DIA are parties to that certain Settlement, Conveyance and Charitable Trust Agreement (the "Charitable Trust Agreement") pursuant to which, as of the Effective Time, the City has irrevocably sold, transferred, conveyed, assigned and delivered to The DIA, to be held in perpetual charitable trust for the benefit of the citizens of the City and the State of Michigan (the "State"), all of the City's right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors;

WHEREAS, included among the Museum Assets are certain Assigned Intellectual Property (as defined below) relating to the City Art Collection (as defined below);

WHEREAS, the City desires to convey, transfer, assign and deliver to The DIA, to be held in perpetual charitable trust for the benefit of the citizens of the City and the State, and The DIA desires to accept from the City, all of the City's right, title and interest in and to the Assigned Intellectual Property (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors; and

WHEREAS, this Assignment is being executed and delivered pursuant to the Charitable Trust Agreement to confirm and further effectuate the Transfer as of the Effective Time.

NOW, THEREFORE, for valuable consideration, including, without limitation, the consideration received by the City under the Charitable Trust Agreement, the receipt of which is hereby acknowledged, the City and The DIA hereby agree as follows:

1. Definitions. As used in this Agreement:

"Assigned Intellectual Property" shall mean the City's entire right, title and interest throughout the world in and to the Copyrights, Trademark Rights, Patent Rights and Other Rights embodied in, related to, evidenced by or are or that were inherent in, associated with, or primarily used to develop, manage or exploit the City Art Collection or operation of the Museum, and specifically including, but not limited to, the rights: (a) to seek and obtain protection therefor (including, without limitation, the right to seek and obtain copyright registrations, trademark registrations, industrial design registrations, and design and utility

patents and the like) in the United States and all other countries in The DIA's name (or otherwise as The DIA may desire); (b) to sue for and collect damages and all other remedies for any current or past infringements, violations, or misappropriations of the same; and (c) to collect royalties, products and proceeds in connection with any of the foregoing.

**"City Art Collection"** shall mean the works of art owned by the City, and part of the collection of the Museum or otherwise under the auspices of the Museum (including, without limitation, any item that is still in the "City art collection" (as defined in the Operating Agreement but taking into account any additions to or subtractions from such collection over time) as of the Effective Time), the Museum's library, all related license rights and permissions in favor of the City and/or The DIA (to the full extent that they are subject to transfer), whether by (a) gift directly to The DIA or the City or to any third person or entity for the benefit of the Museum; (b) purchase; or (c) otherwise.

**"Copyrights"** shall mean the City's rights to all works of authorship under the copyright laws of the United States and all other countries and governmental divisions throughout the world for the full term or terms thereof (and including all copyright rights accruing by virtue of copyright treaties and conventions) including, but not limited to, all moral rights, all rights of attribution and integrity, any and all renewals, extensions, reversion or restoration of copyright now or hereafter provided by law and all rights to make applications for and receive copyright registrations therefor in the United States and all other countries.

**"Other Rights"** shall mean all intellectual property and proprietary rights in the United States and all other countries and governmental divisions throughout the world not otherwise included in the Copyrights, Trademark Rights and Patent Rights, and specifically including, but not limited to, worldwide rights in and to all trade secrets, trade dress, know-how, techniques, designs, concepts, confidential information and associated goodwill.

**"Patent Rights"** shall mean all patent applications and issued patents throughout the world in the United States and all foreign countries which have been or may be granted therefor and thereon, and any and all divisions, continuations, continuations-in-part, reexaminations, substitutions, reissues, extensions and renewals of such patents.

**"Trademark Rights"** shall mean all trademarks, service marks, trade names, trade dress, domain name registrations and other indicia of source, together with the goodwill associated with and symbolized by the same, including any applications, registrations, renewals and extensions thereof, and all other corresponding rights at common law or otherwise that are or may be secured under the laws of the United States or any foreign country, now or hereafter in effect.

2. **Assignment.** The City hereby irrevocably assigns, conveys, sells, grants and transfers to The DIA, and The DIA hereby acquires, the City's entire right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Assigned Intellectual Property free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors. All Assigned Intellectual Property being transferred pursuant to this Assignment shall be transferred on an "AS-IS, WHERE-IS" basis, and the City makes no representations or warranties with respect to the Assigned Intellectual Property. The DIA shall hold the Assigned Intellectual

Property in a perpetual charitable trust for the benefit of the citizens of the City and the State in accordance with the terms of the Charitable Trust Agreement.

3. Construction. Nothing in this Assignment, express or implied, is intended or will be construed to expand or defeat, impair or limit in any way the rights, obligations, claims or remedies of the Parties as set forth in the Charitable Trust Agreement. To the extent that any term or provision of this Assignment is deemed to be inconsistent with the terms of the Charitable Trust Agreement, the terms of the Charitable Trust Agreement shall control.

4. Dispute Resolution. Any dispute arising out of this Assignment shall be determined in accordance with the provisions of Sections 8.1 and 8.3 of the Charitable Trust Agreement

5. Binding Agreement. This Assignment and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

6. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other party; it being understood that both Parties need not sign the same counterpart. The exchange of copies of this Assignment or of any other document contemplated by this Assignment (including any amendment or any other change thereto) and of signature pages thereof by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Assignment as to the Parties and may be used in lieu of an original Assignment or other document for all purposes. Signatures of the parties transmitted by facsimile, by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

*[signature pages follow]*

IN WITNESS WHEREOF, each of the undersigned has executed this Assignment of Intellectual Property as of the Effective Time.

# THE CITY OF DETROIT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF DETROIT )  
 ) SS  
STATE OF MICHIGAN )

I, a Notary Public, certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 before me personally appeared \_\_\_\_\_, to me known and known to me to be of legal capacity and acknowledged his/her signature appearing on the foregoing instrument and ratified the same.

---

Notary Public

My commission expires: \_\_\_\_\_

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY ASSIGNMENT]



By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF DETROIT )  
 ) SS  
STATE OF MICHIGAN )

I, a Notary Public, certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 before me personally appeared \_\_\_\_\_, to me known and known to me to be of legal capacity and acknowledged his/her signature appearing on the foregoing instrument and ratified the same.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY ASSIGNMENT]

## **Form of Foundation FDF Agreement**

**08/06/2014**  
**[Form of Foundation FDF Agreement]**

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**TERMS OF GRANT AGREEMENT**

**I. Acceptance of Grant**

The grant to your organization from the **[INSERT NAME OF FOUNDATION]** ("Foundation") is for the explicit purposes described below and is subject to your acceptance of the terms described herein.

To accept the grant, return a signed copy of this "Terms of Grant Agreement" to the Foundation. Keep the other copy for your files. Please refer to the grant number and title in all communications concerning the grant.

**Grantee:**

**Foundation for Detroit's Future**

**Date Authorized:**

**[Insert Date], 2014**

**Grant Number:**

**#[Insert grant number]**

**Amount Granted:**

**#[Insert Grant Amount]  
(Conditional, multi-year)**

**II. Grant**

The purpose of this grant of \$**[INSERT GRANT AMOUNT]** to the Foundation for Detroit's Future ("Grantee"), a supporting organization of the Community Foundation for Southeast Michigan, is to provide the funding, in part, for the proposed DIA Settlement found in the Corrected Fifth Amended Plan for the Adjustment of the Debts of the City of Detroit, as it may be further amended and as modified, and in a term sheet found in Exhibit I.A.102 of same, provided DIA Settlement provisions and said term sheet remain substantially unchanged ("Plan of Adjustment"). The grant and the payment of the grant installments will be conditioned upon the City of Detroit and the City of Detroit General Retirement System and Police and Fire Retirement System ("Pension Funds") being in compliance with (i) the conditions precedent for closing found in the Plan of Adjustment, and (ii) certain material grant conditions, of both an initial and ongoing nature, that are memorialized in the Omnibus Transaction Agreement ("OTA") to be entered into between the City of Detroit, the Detroit Institute of Arts, and the Grantee substantially in the form attached to this Terms of Grant Agreement as Exhibit A and incorporated herein by this reference, a copy of which will be provided to Foundation promptly following its execution. Any capitalized defined terms not defined herein will have the definitions found in the OTA.

This Terms of Grant Agreement is also known as a "Foundation FDF Agreement" under the OTA.

Grant payments will be made in equal annual installments over a twenty-year period, subject to those conditions and any terms and conditions of this Terms of Grant Agreement. The schedule of grant payments will be made as follows and subject to the following conditions:

a. Initial Grant Payment

1. Payment amount and date. Foundation will make an initial grant payment to Grantee of \$[INSERT 1/20 OF TOTAL GRANT AWARD] upon the later of (i) the return of this signed Terms of Grant Agreement by Grantee, and (ii) August 30, 2014.
2. Payment Conditions.  
Grantee acknowledges that this initial grant payment is being made by Foundation in order to facilitate the ability of Grantee to provide, in part, the initial payment to the City of Detroit by Grantee due at Closing in the event that the DIA Settlement found in the Plan of Adjustment is approved, and both (i) the City of Detroit and the City of Detroit Pension Funds are in compliance with their material grant conditions, of both an initial and ongoing nature, that are memorialized in Article IV(E) of the Plan of Adjustment and (ii) the conditions to the Foundation's and Grantee's grant obligations set forth in the OTA and the Plan of Adjustment have been satisfied in all material respects.

In the event that the Plan of Adjustment is not approved by the U.S. Bankruptcy Court, or the Closing is otherwise not consummated, by December 31, 2014, Grantee will return to Foundation all provided grant funds by January 31, 2015. The remaining grant installments under this Terms of Grant Agreement will likewise be cancelled and this Terms of Grant Agreement will terminate.

3. Report on City of Detroit Compliance with Initial Grant Conditions  
Grantee will provide to Foundation a report within 45 days of the Closing Date documenting that the conditions precedent for Closing were met and that the initial grant payment contemplated by the OTA has been made by the Grantee to the City of Detroit. In the event the Closing does not occur by December 31, 2014, a first and final report will be provided by January 31, 2015.

b. Annual Grant Payments

1. Payment Amounts and Dates. Commencing in 2015 and continuing until 2033 (except as otherwise provided herein), Foundation will annually make a grant payment to Grantee of \$[INSERT 1/20 OF TOTAL GRANT AWARD] by September 15 of that year. Foundation intends Grantee to use these annual payments to fund, in part, the annual payments from Grantee to the City of Detroit, pursuant to and subject to the terms and conditions of the OTA, on a funding schedule commencing June 30, 2016, and each June 30 thereafter ending on June 30, 2034 (the payment dates to the City of Detroit being subject to possible extensions pursuant to the OTA).

Foundation acknowledges that it has the right to, but is not required to, rely on any finding by the board of trustees of the Grantee that the City is in compliance with the Conditions for Funding found in Section 2.4 of the OTA and that as a result of such a finding the Foundation is obligated to make timely payment to Grantee as provided in Section 2.7 of the OTA. Foundation will not unreasonably dispute any such finding by the board of the Grantee that the City is in compliance. If (i) Foundation has failed to make an annual grant installment

payment to Grantee when due hereunder and Grantee has provided the Foundation the 30-day notice contemplated by Section 2.8(b) of the OTA, and (ii) the Foundation has not made the required grant payment by the expiration of such 30-day period, then Grantee will assign its right to enforce collection of the payment from the Foundation to the City and the City will have the right to pursue collection of that payment as provided in the OTA. Foundation will be responsible for its own costs and attorney fees in defending any action by Grantee or City to enforce payment from Foundation, unless those costs and attorney fees are otherwise indemnified or set-off on behalf of Foundation by the provisions of the OTA or the Plan of Adjustment.

2. Annual Grant Payment Conditions

Grantee agrees that any annual grant payment it receives from the Foundation will be used for the sole purpose of making the annual payments to be made by Grantee to the City of Detroit pursuant to Section 2.3 of the OTA.

In the event the Foundation has provided (i) an annual grant payment to the Grantee prior to the date Grantee has determined that the City has complied with Section 2.4 of the OTA for the year in which the annual grant payment is to be used, or (ii) Foundation, in its sole discretion, advances any future annual grant payment to Grantee, Grantee will maintain such grant balances in conservatively invested reserves to ensure that the monies provided are available to make payment to the City when conditions have been met. Any earnings on such early grant payments will be used to offset operational costs of Grantee relating to the purposes of this grant. If on December 31, 2034, there remains any earnings after payment of those operational expenses, Grantee, in its discretion, may use those excess earnings (i) to make grants and/or establish endowments that will support the ongoing revitalization, or maintain and expand the quality of life of the residents, of the City of Detroit and/or (ii) return those excess earnings ratably to the Foundation Funders.

In the event the City fails to meet the conditions for release of an annual payment to it under Section 2.4 of the OTA and all applicable cure periods available to the City pursuant to Section 2.5 of the OTA (including any periods of time necessary for dispute resolution as provided in the OTA) have expired, the Foundation may either request that the Grantee return that annual grant payment to the Foundation, at which time the Foundation's obligation to make such annual grant payment is automatically terminated and cancelled, or request that the Grantee retain the annual grant payment for application to a future annual grant payment due to the Grantee from the Foundation. Foundation and Grantee also acknowledge and agree that consistent with Section 2.5(b) of the OTA, the Foundation may cancel its remaining grant installments to Grantee if the City fails to meet the conditions for release of an annual payment to it under the OTA, and all applicable cure periods available to the City pursuant to Section 2.5 of the OTA (including any periods of time necessary for dispute resolution as provided in the OTA) have expired. If Foundation elects to cancel its remaining grant payments, the Foundation may either request that the Grantee return any pre-paid annual grant amount provided to Grantee that has not yet been paid or is not obligated to be paid to the City by Grantee and/or allow Grantee to retain some or all of such pre-paid grant installments to offset operational costs of Grantee relating to the purposes of this grant.

3. Present Value Election

Consistent with the OTA, Foundation has the right to elect to make early payment of any or all of its grant payment obligations to the Grantee and have its obligation under this Terms of Grant Agreement reduced by a present value discount rate of 6.75% as provided in the OTA. Grantee will transfer such early payment to the City of Detroit and elect that present value discount provided the requirements of the next paragraph are met.

Foundation agrees that it will only make the above mentioned present value election if (i) the Grantee receives confirmation from the City, in a form reasonably acceptable to Grantee, that the Grantee's future grant payment obligations to the City under the OTA will be properly reduced as a result of such present value election by Foundation, and (ii) Foundation and Grantee agree to reasonable arrangements to prevent such early payment election from Foundation jeopardizing the fiscal stability and operations of Grantee and its abilities to perform its obligations under the OTA.

III. Indemnification and Other Provisions

Foundation and Grantee acknowledge that Foundation is a third-party beneficiary of certain provisions contained in the OTA and the contemplated order confirming the Plan of Adjustment. Foundation's rights as a third-party beneficiary include, but are not limited to, (i) indemnification by the City of Detroit as found in Section 6.2 of the OTA, (ii) set-offs on grant installments as a result of the City of Detroit failing to pay for defense and other costs (except that Foundation is not entitled to such set-off if the Grantee has, as a result of the City failing to pay all of the defense and other costs of the Foundation, incurred those costs on behalf of Foundation and Grantee), (iii) jurisdiction and choice of law provisions, and (iv) certain injunctive and other relief as found in the Plan of Adjustment as confirmed by court order. Foundation's obligation to make any installment payment under this Terms of Grant Agreement is expressly conditioned upon the existence of all such third-party benefits including, but not limited to, said indemnification provision, set-off provisions and injunctive relief.

This Terms of Grant Agreement, or any rights, obligations or funds awarded under this Terms of Grant Agreement, may not be assigned, unless otherwise expressly provided herein, without the prior written consent of the non-assigning party, and any purported assignment in violation of the foregoing will be void and of no effect. This Terms of Grant Agreement will be governed by and construed in accordance with the laws of the state of Michigan, with jurisdiction in the State and Federal Courts of Michigan (as more specifically provided in the OTA and the Plan of Adjustment).

IV. Review of Grant Activity

Grantee will provide written annual reports to the Foundation each July 30 showing the use of the grant funds provided under this grant. Grantee may extend the date for any annual report to no later than January 30 of the following calendar year if Grantee is unable to obtain information from the City of Detroit necessary for completing the report. Foundation and Grantee agree that the reports to be provided will be of a standard format and content to be provided to all Foundation Funders. The content of the annual reports will include, without limitation:

- Information on the Grantee's progress toward meeting the terms of this grant
- A statement of determination by the board of Grantee regarding the City's compliance with the Conditions for Funding found in Section 2.4 of the OTA
- A statement of facts regarding the accounting treatment of the remaining payments due to Grantee by the Foundation for consideration by the Foundation in preparing its statements of financial position
- Copies of any and all evaluation or similar reports, if any, provided to any other Foundation Funder or any party to the OTA
- An explanation of any significant changes in the organizational leadership of the Grantee, such information to be provided promptly to Foundation if it occurs between the filing of an annual report

A final report is due by June 30, 2035.

In addition, Grantee will furnish the Foundation with any additional information reasonably requested by the Foundation from time to time. Without limiting the generality of the foregoing, Grantee will provide the Foundation (or its designated representatives) with reasonable access to Grantee's files, records and personnel for the purpose of making financial audits, evaluations or verification, program evaluations, or other verifications concerning this grant as the Foundation reasonably deems necessary during the term of this grant and for five years thereafter. The fees and expenses of any such representative that is designated by the Foundation to undertake these tasks, and any reasonable out-of-pocket costs actually incurred by the Grantee in complying with this request, will be paid by the Foundation.

#### V. Standard Provisions

In accepting this grant, the Grantee agrees to the following and certifies the following statements:

- a. Grantee will use the funds granted solely for the purpose stated and Grantee will repay any portion of the amounts granted which is not used for the purpose of the grant or not expended by the due date for the final report.
- b. Grantee is and will at all times maintain its status as (i) a nonprofit corporation in good standing under the laws of the State of Michigan, and (ii) an organization described in Section 501(c)(3) and Section 509(a)(3) of the U.S. Internal Revenue Code ("Code") that is not a "private foundation" within the meaning of Section 509(a) of the Code because it is a Type-I supporting organization of the Community Foundation for Southeast Michigan.
- c. Grantee will notify the Foundation immediately of any change in its tax status.
- d. Grantee will return any unexpended funds if the Grantee loses its exemption from Federal income taxation as a 501(c)(3) nonprofit organization pursuant to Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code.
- e. Grantee will maintain books and records adequate to verify actions related to this grant during the term of this grant and for five years thereafter.
- f. Grant funds will only be expended for charitable, educational, literary or scientific purposes within the meaning of Section 501(c)(3) of the Code, and Grantee will comply with all applicable federal and state laws and regulations that govern the use



of funds received from private foundations. Grantee will in no event use grant funds or any income earned thereon to:

- i. Carry on propaganda or otherwise to attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code).
- ii. Influence the outcome of any specific public election or carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code).
- iii. Make grants to individuals or to other organizations for travel, study or similar purpose that do not comply with the requirements of Section 4945(d)(3) or (4) of the Code.
- iv. Undertake any activity other than for a charitable, educational, literary or scientific purpose specified in Section 170(c)(2)(B) of the Code.
- v. Inure a benefit to any private person or entity in violation of Section 501(c)(3) and 4941 of the Code, including but not limited to any Foundation trustee, officer, employee, or his/her spouse, children, grandchildren, and great grandchildren or their respective spouses for any purpose.
- vi. Support a use that is not in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224. Furthermore, Grantee agrees to ensure that no Foundation funds will be disbursed to any organization or individual listed on the United States Government's Terrorist Exclusion List or the Office of Foreign Assets Control (OFAC) Specially Designated Nationals & Blocked Persons List. In addition, Grantee takes reasonable steps to ensure that its board, staff and volunteers have no dealings whatsoever with known terrorist or terrorist organizations.
- g. Grantee acknowledges and agrees that this Terms of Grant Agreement does not imply a commitment by the Foundation to continued funding beyond the express terms of this Terms of Grant Agreement.
- h. Grantee represents that this grant will not result in the private benefit of any individual or entity, including, but not limited to, the discharge of any pledge or financial obligation of any individual or entity.

VI. Publicity

Communications regarding this grant, the OTA and the City's compliance with the ongoing conditions of the OTA will be coordinated and made by Grantee, in consultation with Foundation and other Foundation Funders. Foundation and Grantee will obtain the other's approval prior to making any public announcement about this grant. Foundation may include information on this grant in its period publications without the need for Grantee approval.

VII. Notices and Foundation Contact Information:

All notices, demands and other communications given or delivered under this Agreement will be given in writing to the address indicated below (or such other address as the recipient specifies in writing) and will be deemed to have been given when delivered personally, three (3) Business Days after mailing by certified or registered mail, return receipt requested and postage prepaid, or when delivery is guaranteed if sent via a nationally recognized overnight carrier, or when receipt is confirmed if sent via facsimile or other electronic transmission to the recipient.

If to Grantee: Robin D. Ferriby



Vice President, Philanthropic Services  
Foundation for Detroit's Future  
333 West Fort Street, Suite 2010  
Detroit, MI 48226-3134  
313-961-6675  
[rferriby@cfsem.org](mailto:rferriby@cfsem.org)

If to Foundation: [\[INSERT FOUNDATION CONTACT INFORMATION\]](#)

VIII. Power to Amend

Grantee will (i) promptly advise Foundation in writing if Grantee enters into any agreement or amendment with any other Foundation Funder that could reasonably be expected to provide such other Foundation Funder with benefits or terms that are more favorable than those provided to the Foundation hereunder, and (ii) upon the Foundation's request, promptly amend this Terms of Grant Agreement to provide Foundation with any or all of such more favorable benefits or terms. This Terms of Grant Agreement may be amended only by a written agreement signed by the parties.

For the [\[INSERT NAME OF FOUNDATION\]](#):

By: \_\_\_\_\_  
[\[INSERT OFFICER NAME AND TITLE\]](#):

\_\_\_\_\_  
Date

For the Foundation for Detroit's Future:

By: \_\_\_\_\_  
Mariam C. Noland, President

\_\_\_\_\_  
Date

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**EXHIBIT I.A.131**

DISMISSED SYNCORA LITIGATION

**APPEALS TO BE VOLUNTARILY DISMISSED, AND  
MOTIONS AND OBJECTIONS TO BE WITHDRAWN,  
WITH PREJUDICE BY SYNCORA AS A PRECONDITION  
TO CONSUMMATION OF THE PLAN COP SETTLEMENT**

**Appeals**

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:13-CV-14305-BAF-PJK (E.D. Mich.), filed Oct. 10, 2013

Syncora Guarantee Inc., et al. v. City of Detroit, No. 14-1864 (6th Cir.),  
docketed July 14, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-10501-BAF-PJK (E.D. Mich.), filed Feb. 3, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:13-CV-10509-BAF-PJK (E.D. Mich.), filed Feb. 4, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-11995-BAF-PJK (E.D. Mich.), filed May 19, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-12062-BAF-PJK (E.D. Mich.), filed May 22, 2014

In re Syncora Guarantee, et al., No. 14-109 (6th Cir.), docketed July 24, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-13044-BAF-PJK (E.D. Mich.), filed Aug. 6, 2014

Appeal of Order Denying Motion for Clarification of Post-Confirmation  
Procedures (Docket No. 7034) (see Notice of Appeal to the District Court,  
Docket No. 7080)

**Motions and Objections**

*Ex Parte* Emergency Motion to (I) Issue a Temporary Administrative Stay of the  
DIP Order and (II) Set a Briefing and Hearing Schedule (Docket No. 2500)

Emergency Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc.  
for Stay Pending Appeal (Docket No. 2516)

Motion to Compel Responses to Interrogatories (Docket No. 4557)

Syncora Capital Assurance Inc. and Syncora Guarantee Inc.'s Objection to the Debtor's Plan of Adjustment (Docket No. 4679)

Syncora's First Supplemental Objection Regarding Certain Legal Issues Relating to Confirmation (Docket No. 5706)

Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Motion to Exclude the Testimony of John W. Hill (Docket No. 6997)

Motion to Exclude Certain of the Expert Opinions of Martha Kopacz Under Federal Rule of Evidence 702 (Docket No. 6999)

Motion to Exclude the Testimony of the City's Forecasting Experts Under Federal Rule of Evidence 702 (Docket No. 7004)

Syncora Guarantee Inc. and Syncora Capital Assurance Inc. Limited Supplemental Objection and Reservation of Rights to Debtor's Sixth Amended Plan of Adjustment (Docket No. 7041)

Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Amended Second Supplemental Objection to the Debtor's Plan of Adjustment (Docket No. 7213)

**EXHIBIT LA.147**

SCHEDULE OF DWSD BOND DOCUMENTS & RELATED DWSD BONDS

**SCHEDULE OF (I) DWSD BOND DOCUMENTS, (II) RELATED DWSD BONDS,  
(III) CLASSES OF DWSD BOND CLAIMS AND (IV) ALLOWED AMOUNTS OF DWSD BOND CLAIMS**

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Ordinance No. 01-05 adopted January 26, 2005 (" <u>Water Bond Ordinance</u> ") <sup>1</sup> Trust Indenture dated as of February 1, 2013 among the City of Detroit, Detroit Water and Sewerage Department and U.S. Bank National Association, as trustee (" <u>Water Indenture</u> ") Bond Resolution adopted on October 14, 1993 Resolution adopted October 22, 1993 Final Report of the Finance Director delivered to City Council December 22, 1993	Series 1993	251255TP0	Class 1A-1	\$24,725,000.00
Water Bond Ordinance Water Indenture Bond Resolution adopted July 9, 1997 Sale Order of the Finance Director of the City of Detroit dated August 6, 1997	Series 1997-A	251255XM2	Class 1A-2	\$6,520,000.00
		251255XN0	Class 1A-3	\$6,910,000.00

<sup>1</sup> Ordinance No. 0-05 amends and restates Ordinance No. 30-02 adopted November 27, 2002, which amended and restated Ordinance No. 06-01 adopted October 18, 2001, which amended and restated Ordinance No. 32-85, as amended.

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
<p>Ordinance No. 01-05 adopted January 26, 2005 ("<u>Water Bond Ordinance</u>")<sup>2</sup></p> <p>Trust Indenture dated February 1, 2013 among City of Detroit, Detroit Water and Sewage Department and U.S. Bank National Association, as trustee ("<u>Water Indenture</u>")</p> <p>Bond Authorizing Resolution of City Council adopted January 31, 2001 and Resolution Amending Bond Authorizing Resolution, adopted April 25, 2001</p> <p>Sale Order of Finance Director of City of Detroit dated May 17, 2001</p>	Series 2001-A	251255A21	Class 1A-4	\$73,790,000.00
<p>Water Bond Ordinance</p> <p>Water Indenture</p> <p>Resolution of the City Council adopted April 25, 2001</p> <p>Sale Order of the Finance Director of the City of Detroit dated May 31, 2001 and Supplement to Prior Sale Orders of Finance Director dated May 6, 2008</p>	Series 2001-C	2512556U4	Class 1A-5	\$350,000.00
		2512556V2	Class 1A-6	\$365,000.00
		2512556W0	Class 1A-7	\$380,000.00
		2512556X8	Class 1A-8	\$390,000.00
		2512556Y6	Class 1A-9	\$415,000.00
		2512556Z3	Class 1A-10	\$12,510,000.00
		2512557A7	Class 1A-11	\$13,235,000.00
		2512557B5	Class 1A-12	\$14,025,000.00
		2512557C3	Class 1A-13	\$14,865,000.00
		2512557D1	Class 1A-14	\$15,750,000.00
		2512557E9	Class 1A-15	\$16,690,000.00
		2512557F6	Class 1A-16	\$17,690,000.00
		2512557G4	Class 1A-17	\$18,735,000.00
		2512557H2	Class 1A-18	\$19,945,000.00
		2512557J8	Class 1A-19	\$4,000,000.00
		2512557L3	Class 1A-20	\$20,090,000.00
		2512557K5	Class 1A-21	\$18,815,000.00

<sup>2</sup> Ordinance No. 0-05 amends and restates Ordinance No. 30-02 adopted November 27, 2002, which amended and restated Ordinance No. 06-01 adopted October 18, 2001, which amended and restated Ordinance No. 32-85, as amended.

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Water Bond Ordinance Water Indenture Bond Authorizing Resolution of the City Council adopted Nov. 27, 2002 (" <u>2003 Water Resolution</u> ") Sale Order of the Finance Director of the City of Detroit dated January 24, 2003 and Supplement to Sale Order of the Finance Director – 2003 Bonds, dated February 6, 2003 (collectively, " <u>2003 Sale Order</u> ")	Series 2003-A	251255D77	Class 1A-22	\$500,000.00
		251255D93	Class 1A-23	\$250,000.00
		251255E27	Class 1A-24	\$3,550,000.00
		251255F8	Class 1A-25	\$9,970,000.00
		251255K20	Class 1A-26	\$20,955,000.00
		251255K38	Class 1A-27	\$21,900,000.00
		251255E68	Class 1A-28	\$121,660,000.00
Water Bond Ordinance Water Indenture 2003 Water Resolution 2003 Sale Order	Series 2003-B	251255H4	Class 1A-29	\$41,770,000.00
Water Bond Ordinance Water Indenture 2003 Water Resolution 2003 Sale Order	Series 2003-C	251255J22	Class 1A-30	\$2,120,000.00
		251255J30	Class 1A-31	\$2,620,000.00
		251255J48	Class 1A-32	\$2,655,000.00
		251255J55	Class 1A-33	\$2,930,000.00
		251255J63	Class 1A-34	\$2,790,000.00
		251255J71	Class 1A-35	\$2,965,000.00
		251255J89	Class 1A-36	\$4,580,000.00
		251255J97	Class 1A-37	\$4,665,000.00
		251255H99	Class 1A-38	\$2,330,000.00
Water Bond Ordinance Water Indenture Bond Authorizing Resolution of the City Council adopted November 27, 2002 Sale Order of Finance Director of the City of Detroit dated February 5, 2003	Series 2003-D	2512552T1	Class 1A-39	\$325,000.00
		2512552U8	Class 1A-40	\$335,000.00
		2512552V6	Class 1A-41	\$350,000.00
		2512552W4	Class 1A-42	\$360,000.00
		2512552X2	Class 1A-43	\$370,000.00
		2512552Y0	Class 1A-44	\$2,585,000.00
		2512552Z7	Class 1A-45	\$29,410,000.00
		2512553A1	Class 1A-46	\$23,920,000.00
		2512553B9	Class 1A-47	\$82,930,000.00



DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Water Bond Ordinance Water Indenture Bond Authorizing Resolution of the City Council adopted January 21, 2004 (" <u>2004 Bond Resolution</u> ") Sale Order of Finance Director of the City of Detroit dated May 12, 2004 (" <u>2004 Sale Order</u> ")	Series 2004-A	2512553G8	Class 1A-48	\$4,250,000.00
		2512553H6	Class 1A-49	\$4,475,000.00
		2512553J2	Class 1A-50	\$4,710,000.00
		2512553K9	Class 1A-51	\$4,955,000.00
		2512553L7	Class 1A-52	\$5,215,000.00
		2512553M5	Class 1A-53	\$5,490,000.00
		2512553N3	Class 1A-54	\$5,780,000.00
		2512553P8	Class 1A-55	\$6,085,000.00
		2512553Q6	Class 1A-56	\$6,400,000.00
		2512553R4	Class 1A-57	\$6,735,000.00
		2512553S2	Class 1A-58	\$14,505,000.00
Water Bond Ordinance Water Indenture 2004 Bond Resolution 2004 Sale Order	Series 2004-B	2512554A0	Class 1A-59	\$85,000.00
		2512554B8	Class 1A-60	\$90,000.00
		2512554C6	Class 1A-61	\$10,000,000.00
		2512554D4	Class 1A-62	\$3,545,000.00
		2512554E2	Class 1A-63	\$13,925,000.00
		2512554F9	Class 1A-64	\$350,000.00
		2512554G7	Class 1A-65	\$14,940,000.00
		2512554H5	Class 1A-66	\$15,810,000.00
		2512554J1	Class 1A-67	\$16,665,000.00
		2512554K8	Class 1A-68	\$16,085,000.00
		2512554L6	Class 1A-69	\$16,935,000.00
Water Bond Ordinance Water Indenture Amended and Restated Resolution of the City Council adopted January 26, 2005 (" <u>2005-A/C Bond Resolution</u> ") Sale Order of Finance Director of the City of Detroit dated March 3, 2005 (Series 2005-A)	Series 2005-A	251255M85	Class 1A-71	\$50,000.00
		251255Q81	Class 1A-72	\$2,070,000.00
		251255M93	Class 1A-73	\$85,000.00
		251255Q99	Class 1A-74	\$2,145,000.00
		251255N27	Class 1A-75	\$95,000.00
		251255R23	Class 1A-76	\$2,265,000.00
		251255N35	Class 1A-77	\$125,000.00
		251255R31	Class 1A-78	\$2,370,000.00
		251255N43	Class 1A-79	\$20,000.00
		251255R49	Class 1A-80	\$2,615,000.00
		251255N50	Class 1A-81	\$2,790,000.00
		251255N68	Class 1A-82	\$2,955,000.00
		251255N76	Class 1A-83	\$3,030,000.00
		251255N84	Class 1A-84	\$3,225,000.00
		251255N92	Class 1A-85	\$3,430,000.00
		251255P25	Class 1A-86	\$3,650,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
		251255P33	Class 1A-87	\$3,790,000.00
		251255P41	Class 1A-88	\$4,080,000.00
		251255P58	Class 1A-89	\$4,290,000.00
		251255P66	Class 1A-90	\$4,615,000.00
		251255P74	Class 1A-91	\$4,890,000.00
		251255P82	Class 1A-92	\$5,145,000.00
		251255P90	Class 1A-93	\$5,415,000.00
		251255Q24	Class 1A-94	\$5,715,000.00
		251255Q32	Class 1A-95	\$19,525,000.00
Water Bond Ordinance Water Indenture Amended and Restated Resolution of the City Council dated March 22, 2005 (Series 2005-B) Sale Order of Finance Director of the City of Detroit dated March 22, 2005 (Series 2005-B), Amendment No. 1 to Sale Order of the Finance Director dated April 23, 2008 and Supplement to Prior Sale Orders of Finance Director dated May 6, 2008	Series 2005-B	2512557R0	Class 1A-96	\$2,125,000.00
		2512557S8	Class 1A-97	\$2,225,000.00
		2512557T6	Class 1A-98	\$2,305,000.00
		2512557U3	Class 1A-99	\$2,385,000.00
		2512557V1	Class 1A-100	\$2,465,000.00
		2512557W9	Class 1A-101	\$2,575,000.00
		2512557X7	Class 1A-102	\$2,690,000.00
		2512557Y5	Class 1A-103	\$2,905,000.00
		2512557Z2	Class 1A-104	\$3,025,000.00
		2512558A6	Class 1A-105	\$3,145,000.00
		2512558B4	Class 1A-106	\$3,270,000.00
		2512558C2	Class 1A-107	\$3,490,000.00
		2512558D0	Class 1A-108	\$3,620,000.00
		2512558E8	Class 1A-109	\$3,850,000.00
		2512558F5	Class 1A-110	\$3,980,000.00
		2512558G3	Class 1A-111	\$28,415,000.00
		2512558H1	Class 1A-112	\$57,365,000.00
Water Bond Ordinance Water Indenture 2005-A/C Bond Resolution Sale Order of Finance Director of the City of Detroit dated March 3, 2005 (Series 2005-C)	Series 2005-C	2512558J7	Class 1A-113	\$57,500,000.00
		251255S63	Class 1A-114	\$9,270,000.00
		251255S71	Class 1A-115	\$9,735,000.00
		251255S89	Class 1A-116	\$17,545,000.00
		251255S97	Class 1A-117	\$18,425,000.00
		251255T21	Class 1A-118	\$18,700,000.00
		251255T39	Class 1A-119	\$8,245,000.00
		251255T47	Class 1A-120	\$8,655,000.00
		251255T54	Class 1A-121	\$9,090,000.00
Water Bond Ordinance Water Indenture Resolution of the City Council adopted November 18, 2005	Series 2006-A	251255T62	Class 1A-122	\$9,540,000.00
		251255V36	Class 1A-123	\$7,285,000.00
		251255V44	Class 1A-124	\$7,650,000.00
		251255V51	Class 1A-125	\$8,030,000.00
		251255V69	Class 1A-126	\$8,430,000.00
		251255V77	Class 1A-127	\$8,855,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
("2006 Bond Resolution")  Sale Order of Finance Director of the City of Detroit dated July 19, 2006 (Series 2006-A)		251255V85	Class 1A-128	\$9,295,000.00
		251255V93	Class 1A-129	\$9,760,000.00
		251255W27	Class 1A-130	\$10,250,000.00
		251255W35	Class 1A-131	\$10,760,000.00
		251255W43	Class 1A-132	\$11,300,000.00
		251255W50	Class 1A-133	\$11,865,000.00
		251255W68	Class 1A-134	\$12,460,000.00
		251255W76	Class 1A-135	\$13,080,000.00
		251255W84	Class 1A-136	\$131,150,000.00
Water Bond Ordinance  Water Indenture  2006 Bond Resolution  Sale Order of Finance Director of the City of Detroit dated August 15, 2006 (Series 2006-B)	Series 2006-B	251256AG8	Class 1A-137	\$100,000.00
		251256AH6	Class 1A-138	\$100,000.00
		251256AJ2	Class 1A-139	\$100,000.00
		251256AK9	Class 1A-140	\$100,000.00
		251256AL7	Class 1A-141	\$100,000.00
		251256AM5	Class 1A-142	\$100,000.00
		251256AN3	Class 1A-143	\$400,000.00
		251256AP8	Class 1A-144	\$56,600,000.00
		251256AQ6	Class 1A-145	\$62,100,000.00
Water Bond Ordinance  Water Indenture  2006 Bond Resolution  Sale Order of Finance Director of the City of Detroit dated July 19, 2006 (Series 2006-C)	Series 2006-C	251255X83	Class 1A-146	\$1,100,000.00
		251255X91	Class 1A-147	\$3,725,000.00
		251255Y25	Class 1A-148	\$3,795,000.00
		251255Y33	Class 1A-149	\$4,010,000.00
		251255Y41	Class 1A-150	\$4,765,000.00
		251255Y58	Class 1A-151	\$5,860,000.00
		251255Y66	Class 1A-152	\$14,880,000.00
		251255Y74	Class 1A-153	\$32,045,000.00
		251255Y82	Class 1A-154	146,500,000
Water Bond Ordinance  Water Indenture  2006 Bond Resolution  Sale Order of Finance Director of the City of Detroit dated July 19, 2006 (Series 2006-D)	Series 2006-D	251255Z81	Class 1A-155	\$15,000.00
		251255Z99	Class 1A-156	\$15,000.00
		2512552A2	Class 1A-157	\$15,000.00
		2512552B0	Class 1A-158	\$20,000.00
		2512552C8	Class 1A-159	\$20,000.00
		2512552D6	Class 1A-160	\$2,650,000.00
		2512552E4	Class 1A-161	\$3,200,000.00
		2512552F1	Class 1A-162	\$20,135,000.00
		2512552G9	Class 1A-163	\$27,425,000.00
		2512552H7	Class 1A-164	\$9,955,000.00
		2512552J3	Class 1A-165	\$21,105,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
		2512552K0	Class 1A-166	\$57,650,000.00
Water Bond Ordinance Water Indenture Resolution of the City Council adopted April 5, 2011 (" <u>2011 Bond Resolution</u> ") Sale Order of the Finance Director dated as of December 15, 2011 (" <u>2011 Sale Order</u> ")	Series 2011-A	251256BA0	Class 1A-167	\$3,410,000.00
		251256BB8	Class 1A-168	\$3,550,000.00
		251256BC6	Class 1A-169	\$3,695,000.00
		251256BD4	Class 1A-170	\$3,845,000.00
		251256BE2	Class 1A-171	\$4,000,000.00
		251256BF9	Class 1A-172	\$3,160,000.00
		251256BG7	Class 1A-173	\$3,225,000.00
		251256BH5	Class 1A-174	\$4,215,000.00
		251256BJ1	Class 1A-175	\$4,195,000.00
		251256BK8	Class 1A-176	\$4,170,000.00
		251256BL6	Class 1A-177	\$4,140,000.00
		251256BM4	Class 1A-178	\$4,085,000.00
		251256BN2	Class 1A-179	\$4,020,000.00
		251256BP7	Class 1A-180	\$3,930,000.00
		251256BQ5	Class 1A-181	\$14,665,000.00
		251256BR3	Class 1A-182	\$28,890,000.00
		251256BT9	Class 1A-183	\$49,315,000.00
		251256BS1	Class 1A-184	\$224,300,000.00
Water Bond Ordinance Water Indenture 2011 Bond Resolution 2011 Sale Order	Series 2011-B	251256AV5	Class 1A-185	\$1,970,000.00
		251256AW3	Class 1A-186	\$3,760,000.00
		251256AX1	Class 1A-187	\$9,740,000.00
Water Bond Ordinance Water Indenture 2011 Bond Resolution 2011 Sale Order	Series 2011-C	251256BV4	Class 1A-188	\$2,700,000.00
		251256BW2	Class 1A-189	\$9,965,000.00
		251256BX0	Class 1A-190	\$10,490,000.00
		251256BY8	Class 1A-191	\$11,035,000.00
		251256BZ5	Class 1A-192	\$11,615,000.00
		251256CA9	Class 1A-193	\$5,000,000.00
		251256CC5	Class 1A-194	\$7,230,000.00
		251256CB7	Class 1A-195	\$44,630,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Ordinance No. 18-01 adopted October 18, 2001 (" <u>Sewage Bond Ordinance</u> ") <sup>3</sup> Trust Indenture dated as of June 1, 2012 among the City of Detroit, Detroit Water and Sewage Department and U.S. Bank National Association, as trustee (" <u>Sewage Indenture</u> ") Resolution of the City Council adopted May 6, 1998 (" <u>1998 Bond Resolution</u> ") Sale Order of the Finance Director of the City of Detroit dated December 9, 1998 (" <u>1998 Sale Order</u> ")	Series 1998-A	251237S87	Class 1A-196	\$3,110,000.00
		251237S95	Class 1A-197	\$3,225,000.00
		251237T29	Class 1A-198	\$3,540,000.00
		251237T37	Class 1A-199	\$3,660,000.00
		251237T45	Class 1A-200	\$3,885,000.00
		251237T52	Class 1A-201	\$4,095,000.00
		251237T60	Class 1A-202	\$7,415,000.00
		251237T78	Class 1A-203	\$7,745,000.00
		251237T86	Class 1A-204	\$12,585,000.00
		251237T94	Class 1A-205	\$13,350,000.00
Sewage Bond Ordinance Sewage Indenture 1998 Bond Resolution 1998 Sale Order	Series 1998-B	251237U92	Class 1A-206	\$3,125,000.00
		251237V26	Class 1A-207	\$3,240,000.00
		251237V34	Class 1A-208	\$3,455,000.00
		251237V42	Class 1A-209	\$3,575,000.00
		251237V59	Class 1A-210	\$3,895,000.00
		251237V67	Class 1A-211	\$4,015,000.00
		251237V75	Class 1A-212	\$7,330,000.00
		251237V83	Class 1A-213	\$7,665,000.00
		251237V91	Class 1A-214	\$12,600,000.00
		251237W25	Class 1A-215	\$13,265,000.00
Sewage Bond Ordinance Sewage Indenture Bond Resolution adopted on November 24, 1999 Sale Order of the Finance Director of the City of Detroit dated December 10, 1999	Series 1999-A	251237VM2	Class 1A-216	\$7,924,628.15
		251237VN0	Class 1A-217	\$7,759,578.75
		251237VP5	Class 1A-218	7,704,816.00
		251237VQ3	Class 1A-219	\$7,157,798.95
		251237VR1	Class 1A-220	\$6,738,459.00
		251237VS9	Class 1A-221	\$6,365,288.40
		251237VT7	Class 1A-222	\$5,690,933.60
		251237VU4	Class 1A-223	\$6,235,125.30

<sup>3</sup> Ordinance No. 18-01 amended and restated Ordinance No. 27-86 adopted on December 9, 1986, as amended.

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted on August 1, 2001 and Amendment dated October 10, 2001 (collectively, " <u>2001 Bond Resolution</u> ") Composite Sale Order of the Finance Director of the City of Detroit dated August 1, 2001 (" <u>2001 Sale Order</u> ")	Series 2001-B	251237WV1	Class 1A-224	\$110,550,000.00
Sewage Bond Ordinance Sewage Indenture 2001 Bond Resolution 2001 Sale Order	Series 2001-C(1)	2512376G3	Class 1A-225	\$575,000.00
		2512376H1	Class 1A-226	\$600,000.00
		2512376J7	Class 1A-227	\$625,000.00
		2512376K4	Class 1A-228	\$655,000.00
		2512376L2	Class 1A-229	\$690,000.00
		2512376M0	Class 1A-230	\$720,000.00
		2512376P3	Class 1A-231	\$110,510,000.00
		2512376N8	Class 1A-232	\$38,000,000.00
Sewage Bond Ordinance Sewage Indenture 2001 Bond Resolution 2001 Sale Order and Amendment No. 1 to Sale Order of the Finance Director (2001(C-2) and (E)) dated April 23, 2008 (" <u>2001 Sale Order Amendment</u> ") and Supplement to Prior Sale Orders (2001(C-2), 2001(E) and 2006(A)) dated May 1, 2008 (" <u>2001/2006 Supplement to Sale Orders</u> ")	Series 2001-C(2)	2512374G5	Class 1A-233	\$310,000.00
		2512374H3	Class 1A-234	\$325,000.00
		2512374J9	Class 1A-235	\$345,000.00
		2512374K6	Class 1A-236	\$365,000.00
		2512374L4	Class 1A-237	\$380,000.00
		2512374M2	Class 1A-238	\$400,000.00
		2512374N0	Class 1A-239	\$4,090,000.00
		2512374P5	Class 1A-240	\$21,600,000.00
		2512374Q3	Class 1A-241	\$93,540,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Ordinance No. 18-01 adopted October 18, 2001 (" <u>Sewage Bond Ordinance</u> ") <sup>4</sup>  Trust Indenture dated as of June 1, 2012 among the City of Detroit, Detroit Water and Sewage Department and U.S. Bank National Association, as trustee (" <u>Sewage Indenture</u> ")  Bond Authorizing Resolution adopted August 1, 2001; Amendment October 10, 2001  Composite Sale Order of the Finance Director of the City of Detroit dated August 1, 2001	Series 2001-D	251237WY5	Class 1A-242	\$21,300,000.00
Sewage Bond Ordinance  Sewage Indenture  2001 Bond Resolution  2001 Sale Order, 2001 Amendment and 2001/2006 Supplement to Sale Orders	Series 2001-E	2512374R1	Class 1A-243	\$136,150,000.00
Sewage Bond Ordinance  Sewage Indenture  Bond Authorizing Resolution of the City Council adopted May 7, 2003 (" <u>2003 Bond Resolution</u> ")  Composite Sale Order of the Finance Director of the City of Detroit dated May 14, 2003	Series 2003-A	251237YK3	Class 1A-244	\$3,815,000.00
		251237Q89	Class 1A-245	\$10,000.00
		251237ZE6	Class 1A-246	\$25,000.00
		251237ZB2	Class 1A-247	\$50,000.00
		251237R21	Class 1A-248	\$180,000.00
		251237YQ0	Class 1A-249	\$190,000.00
		251237YT4	Class 1A-250	\$250,000.00
		251237YM9	Class 1A-251	\$275,000.00
		251237YZ0	Class 1A-252	\$300,000.00
		251237YW7	Class 1A-253	\$535,000.00
		251237ZG1	Class 1A-254	\$1,000,000.00
		251237Q97	Class 1A-255	\$3,200,000.00
		251237K77	Class 1A-256	\$3,225,000.00
		251237K85	Class 1A-257	\$3,325,000.00
		251237ZD8	Class 1A-258	\$4,795,000.00
		251237ZF3	Class 1A-259	\$5,440,000.00

<sup>4</sup> Ordinance No. 18-01 amended and restated Ordinance No. 27-86 adopted on December 9, 1986, as amended.



DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
		251237ZH9	Class 1A-260	\$7,935,000.00
		251237Y80	Class 1A-261	\$9,005,000.00
		251237YN7	Class 1A-262	\$11,880,000.00
		251237YR8	Class 1A-263	\$12,535,000.00
		251237Y72	Class 1A-264	\$13,210,000.00
		251237YU1	Class 1A-265	\$13,215,000.00
		251237YX5	Class 1A-266	\$13,950,000.00
		251237ZJ5	Class 1A-267	\$18,215,000.00
		251237Y98	Class 1A-268	\$19,485,000.00
		251237Z22	Class 1A-269	\$38,290,000.00
Sewage Bond Ordinance Sewage Indenture 2003 Bond Resolution Composite Sale Order of the Finance Director of the City of Detroit dated May 22, 2003	Series 2003-B	2512376Q1	Class 1A-270	\$150,000,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution of the City Council adopted May 7, 2003 Composite Sale Order of the Finance Director dated January 9, 2004	Series 2004-A	251237B69	Class 1A-271	\$7,310,000.00
		251237B77	Class 1A-272	\$14,830,000.00
		251237B85	Class 1A-273	\$15,605,000.00
		251237B93	Class 1A-274	\$5,525,000.00
		251237C27	Class 1A-275	\$5,545,000.00
		251237C35	Class 1A-276	\$5,835,000.00
		251237C43	Class 1A-277	\$6,145,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council authorizing sale of the 2005 adopted November 17, 2004 ("2005 Bond Resolution") Sale Order of the Finance Director of the City of Detroit, Series 2005- A, dated March 9, 2005	Series 2005-A	251237E41	Class 1A-278	\$625,000.00
		251237E58	Class 1A-279	\$490,000.00
		251237E66	Class 1A-280	\$510,000.00
		251237E74	Class 1A-281	\$545,000.00
		251237E82	Class 1A-282	\$555,000.00
		251237E90	Class 1A-283	\$830,000.00
		251237F24	Class 1A-284	\$860,000.00
		251237F32	Class 1A-285	\$905,000.00
		251237F40	Class 1A-286	\$925,000.00
		251237F57	Class 1A-287	\$970,000.00
		251237F65	Class 1A-288	\$490,000.00
		251237Z55	Class 1A-289	\$19,415,000.00
		251237Z63	Class 1A-290	\$24,820,000.00
		251237F99	Class 1A-291	\$138,945,000.00
		251237G23	Class 1A-292	\$47,000,000.00
Sewage Bond Ordinance Sewage Indenture	Series 2005-B	251237G64	Class 1A-293	\$7,775,000.00
		251237G72	Class 1A-294	\$8,010,000.00



DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
2005 Bond Resolution Sale Order of the Finance Director of the City of Detroit, Series 2005-B, dated March 9, 2005		251237G80	Class 1A-295	\$10,420,000.00
		251237G98	Class 1A-296	\$10,990,000.00
Sewage Bond Ordinance Sewage Indenture 2005 Bond Resolution Sale Order of the Finance Director of the City of Detroit, Series 2005-C, dated March 9, 2005	Series 2005-C	251237J20	Class 1A-297	\$4,140,000.00
		251237J38	Class 1A-298	\$4,345,000.00
		251237J46	Class 1A-299	\$4,570,000.00
		251237J53	Class 1A-300	\$4,795,000.00
		251237J61	Class 1A-301	\$5,030,000.00
		251237J79	Class 1A-302	\$5,280,000.00
		251237J87	Class 1A-303	\$7,355,000.00
		251237J95	Class 1A-304	\$7,720,000.00
		251237K28	Class 1A-305	\$6,345,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council adopted February 15, 2006 (" <u>2006 Bond Resolution</u> ") Sale Order of Finance Director of the City of Detroit, Series 2006(A), dated August 4, 2006, Amendment No. 1 to Sale Order dated April 23, 2008 and 2001/2006 Supplement to Sale Orders	Series 2006-A	2512373Z4	Class 1A-306	\$123,655,000.00
Sewage Bond Ordinance Sewage Indenture 2006 Bond Resolution Sale Order of Finance Director of the City of Detroit, Series 2006(B), dated July 27, 2006	Series 2006-B	251237M83	Class 1A-307	\$1,835,000.00
		251237M91	Class 1A-308	\$1,825,000.00
		251237N25	Class 1A-309	\$1,430,000.00
		251237N33	Class 1A-310	\$1,505,000.00
		251237N41	Class 1A-311	\$1,590,000.00
		251237N58	Class 1A-312	\$7,515,000.00
		251237N66	Class 1A-313	\$6,540,000.00
		251237N74	Class 1A-314	\$24,400,000.00
		251237N82	Class 1A-315	\$40,000,000.00
Sewage Bond Ordinance Sewage Indenture 2006 Bond Resolution Sale Order of Finance Director of	Series 2006-C	251237P31	Class 1A-317	\$8,495,000.00
		251237P49	Class 1A-318	\$8,915,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
the City of Detroit, Series 2006(C), dated August 4, 2006		251237P56	Class 1A-319	\$9,150,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council adopted February 15, 2006 Sale Order of Finance Director of the City of Detroit dated November 29, 2006	Series 2006-D	251237W66	Class 1A-320	\$288,780,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council adopted July 19, 2011 Sale Order of the Finance Director of the City of Detroit dated June 20, 2012	Series 2012-A	251250AC0	Class 1A-321	\$8,880,000.00
		251250AE6	Class 1A-322	\$9,750,000.00
		251250AS5	Class 1A-323	\$50,000,000.00
		251250AA4	Class 1A-324	\$5,820,000.00
		251250AB2	Class 1A-325	\$6,005,000.00
		251250AD8	Class 1A-326	\$6,430,000.00
		251250AF3	Class 1A-327	\$19,930,000.00
		251250AG1	Class 1A-328	\$13,925,000.00
		251250AH9	Class 1A-329	\$9,845,000.00
		251250AJ5	Class 1A-330	\$14,860,000.00
		251250AK2	Class 1A-331	\$22,275,000.00
		251250AN6	Class 1A-332	\$13,170,000.00
		251250AP1	Class 1A-333	\$9,890,000.00
		251250AQ9	Class 1A-334	\$120,265,000.00
		251250AR7	Class 1A-335	\$292,865,000.00
		251250AL0	Class 1A-336	\$23,630,000.00
		251250AM8	Class 1A-337	\$32,240,000.00

**EXHIBIT I.A.155**

SCHEDULE OF DWSD REVOLVING SEWER BOND  
DOCUMENTS & RELATED DWSD REVOLVING SEWER BONDS

**SCHEDULE OF (I) DWSD REVOLVING SEWER BOND DOCUMENTS, (II) RELATED DWSD REVOLVING SEWER BONDS, (III) CLASSES OF DWSD REVOLVING SEWER BOND CLAIMS AND (IV) ALLOWED AMOUNTS OF DWSD REVOLVING SEWER BOND CLAIMS**

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
<p>Ordinance No. 18-01 adopted October 18, 2001 ("<u>Sewage Bond Ordinance</u>")<sup>1</sup></p> <p>Trust Indenture dated as of June 1, 2012 among the City of Detroit ("<u>City</u>"), Detroit Water and Sewage Department and U.S. Bank National Association, as trustee ("<u>Sewage Indenture</u>")</p> <p>Bond Authorizing Resolution adopted September 9, 1992</p> <p>Supplemental Agreement dated September 24, 1992, among City, Michigan Bond Authority ("<u>Authority</u>") and the State of Michigan acting through the Department of Natural Resources</p>	Series 1992-B-SRF	Class 1B-1	\$115,000.00
<p>Sewage Bond Ordinance</p> <p>Sewage Indenture</p> <p>Bond Authorizing Resolution adopted September 30, 1993</p> <p>Supplemental Agreement regarding \$6,603,996 Sewage Disposal System Revenue Bond Series 1993-B -SRF, among the City, Authority and DEQ</p>	Series 1993-B-SRF	Class 1B-2	\$775,000.00
<p>Sewage Bond Ordinance</p> <p>Sewage Indenture</p> <p>Bond Authorizing Resolution adopted July 30, 1997</p> <p>Supplemental Agreement dated September 30, 1997, among City, the Authority and the State of Michigan acting through the Department of Environmental Quality ("<u>DEQ</u>")</p>	Series 1997-B-SRF	Class 1B-3	\$1,870,000.00

<sup>1</sup> Ordinance No. 18-01 amended and restated Ordinance No. 27-86 adopted on December 9, 1986, as amended.

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted May 12, 1999 Supplemental Agreement regarding \$21,475,000 City Sewage Disposal System Revenue Bond, Series 1999-SRF1, dated June 24, 1999, among City, Authority and DEQ	Series 1999-SRF-1	Class 1B-4	\$8,750,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted August 4, 1999 (" <u>1999 SRF Resolution</u> ") Supplemental Agreement regarding \$46,000,000 SRF-2, \$31,030,000 SRF-3, \$40,655,000 SRF-4 dated September 30, 1999 (" <u>1999 SRF Supplemental Agreement</u> "), among City, Authority and DEQ	Series 1999-SRF-2	Class 1B-5	\$25,860,000.00
Sewage Bond Ordinance Sewage Indenture 1999 SRF Resolution 1999 SRF Supplemental Agreement	Series 1999-SRF-3	Class 1B-6	\$14,295,000.00
Sewage Bond Ordinance Sewage Indenture 1999 SRF Resolution 1999 SRF Supplemental Agreement	Series 1999-SRF-4	Class 1B-7	\$18,725,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted February 9, 2000 Supplemental Agreement regarding Sewage Disposal System Revenue Bond (SRF Junior Lien), Series 2000-SRF1, dated March 30, 2000, among City, Authority and DEQ	Series 2000-SRF-1	Class 1B-8	\$21,947,995.00

<b>DWSD Revolving Sewer Bonds Documents</b>	<b>Series of DWSD Revolving Sewer Bonds</b>	<b>Class</b>	<b>Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class</b>
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted July 19, 2000 Supplemental Agreement regarding Sewage Disposal System Revenue Bond (SRF Junior Lien) Series 2000-SRF2 dated September 28, 2000, among City, Authority and DEQ	Series 2000-SRF-2	Class 1B-9	\$36,051,066.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted March 7, 2001 Supplemental Agreement regarding City of Detroit Sewage Disposal System Revenue Bonds (SRF Junior Lien), Series 2001-SRF-1, dated June 28, 2001 among City, Authority and DEQ	Series 2001-SRF-1	Class 1B-10	\$54,145,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted November 21, 2001 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2001-SRF2, dated December 20, 2001 among City, Authority and DEQ	Series 2001-SRF-2	Class 1B-11	\$39,430,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted June 5, 2002 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2002-SRF1, dated June 27, 2002 among City, Authority and DEQ	Series 2002-SRF-1	Class 1B-12	\$10,660,000.00

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted June 5, 2002 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2002-SRF2, dated June 27, 2002 among City, Authority and DEQ	Series 2002-SRF-2	Class 1B-13	\$865,369.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted November 13, 2002 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2002-SRF3, dated December 19, 2002 among City, Authority and DEQ	Series 2002-SRF-3	Class 1B-14	\$19,189,466.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted May 14, 2003 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2003-SRF1, dated June 26, 2003 among City, Authority and DEQ	Series 2003-SRF-1	Class 1B-15	\$34,215,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted July 9, 2003 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2003-SRF2, dated September 25, 2003 among City, Authority and DEQ	Series 2003-SRF-2	Class 1B-16	\$16,390,370.00

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted April 21, 2004 (" <u>2004 SRF Resolution</u> ") Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2004-SRF1, dated June 24, 2004 among City, Authority and DEQ	Series 2004-SRF-1	Class 1B-17	\$1,890,000.00
Sewage Bond Ordinance Sewage Indenture 2004 SRF Resolution Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2004-SRF2, dated June 24, 2004 among City, Authority and DEQ	Series 2004-SRF-2	Class 1B-18	\$11,888,459.00
Sewage Bond Ordinance Sewage Indenture 2004 SRF Resolution Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2004-SRF3, dated June 24, 2004 among City, Authority and DEQ	Series 2004-SRF-3	Class 1B-19	\$8,232,575.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted May 16, 2007 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2007-SRF1, dated September 20, 2007 among City, Authority and DEQ	Series 2007-SRF-1	Class 1B-20	\$140,109,096.00



DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted November 5, 2008 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2009-SRF1, dated April 17, 2009 among City, Authority and DEQ	Series 2009-SRF-1	Class 1B-21	\$9,806,301.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted September 29, 2009 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2010-SRF1, dated January 22, 2010 among City, Authority and DEQ	Series 2010-SRF-1	Class 1B-22	\$3,358,917.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted December 13, 2011 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2012-SRF1, dated August 30, 2012 among City, Authority and DEQ	Series 2012-SRF	Class 1B-23	\$4,302,413.00

**EXHIBIT I.A.158**

SCHEDULE OF DWSD REVOLVING WATER BOND  
DOCUMENTS & RELATED DWSD REVOLVING WATER BONDS

**SCHEDULE OF (I) DWSD REVOLVING WATER BOND DOCUMENTS, (II) RELATED DWSD REVOLVING WATER BONDS, (III) CLASSES OF DWSD REVOLVING WATER BOND CLAIMS AND (IV) ALLOWED AMOUNTS OF DWSD REVOLVING WATER BOND CLAIMS**

DWSD Revolving Water Bonds Documents	Series of DWSD Revolving Water Bonds	Class	Allowed Amount of DWSD Revolving Water Bonds Claims in Class
Ordinance No. 01-05 adopted January 26, 2005 (" <u>Water Bond Ordinance</u> ") <sup>1</sup>  Trust Indenture dated as of February 1, 2013 among the City of Detroit (" <u>City</u> "), Detroit Water and Sewerage Department and U.S. Bank National Association, as trustee (" <u>Water Indenture</u> ")  Bond Authorizing Resolution adopted April 29, 2005 (" <u>2005 SRF Resolution</u> ")  Supplemental Agreement dated as of September 22, 2005 among City, Michigan Municipal Bond Authority (" <u>Authority</u> ") and Michigan Department of Environmental Quality (" <u>DEQ</u> ")	Series 2005-SRF-1	Class 1C-1	\$9,960,164.00
Water Bond Ordinance  Water Indenture  2005 SRF Resolution  Supplemental Agreement regarding the Water Supply System SRF Junior Lien Revenue Bond, Series 2005-SRF2, dated September 22, 2005 among City, Authority and DEQ	Series 2005-SRF-2	Class 1C-2	\$6,241,730.00
Water Bond Ordinance  Water Indenture  Bond Authorizing Resolution adopted February 15, 2006  Supplemental Agreement regarding the Water Supply System SRF Junior Lien Revenue Bond, Series 2006-SRF1, dated September 21, 2006 among City, Authority and DEQ	Series 2006-SRF-1	Class 1C-3	\$3,715,926.00

<sup>1</sup> Ordinance No. 0-05 amends and restates Ordinance No. 30-02 adopted November 27, 2002, which amended and restated Ordinance No. 06-01 adopted October 18, 2001, which amended and restated Ordinance No. 32-85, as amended.

<b>DWSD Revolving Water Bonds Documents</b>	<b>Series of DWSD Revolving Water Bonds</b>	<b>Class</b>	<b>Allowed Amount of DWSD Revolving Water Bonds Claims in Class</b>
Water Bond Ordinance Water Indenture Bond Authorizing Resolution and Bond Ordinance, adopted July 15, 2008 Supplemental Agreement regarding Water Supply System SRF Junior Lien Revenue Bonds, Series 2008-SRF1, dated September 29, 2008 among City, Authority and DEQ	Series 2008-SRF-1	Class 1C-4	\$1,535,941.00

**EXHIBIT I.A.181**

PRINCIPAL TERMS OF EXIT FACILITY

**EXIT FACILITY  
SUMMARY OF PRINCIPAL TERMS<sup>1</sup>**

The definitive documentation governing the Exit Facility shall provide generally for the following terms:

Issuer	City of Detroit.
Initial Bond Purchaser	The bonds will initially be sold to the Michigan Finance Authority (the " <u>MFA</u> "). The MFA will issue bonds secured by the City's bonds.
Amount and Type	Approximately \$250-\$300 million, consisting of Financial Recovery Bonds issued pursuant to section 36a(7) of the Michigan Home Rule City Act, excluding any amounts raised to fund (if required) debt service reserve funds consistent with municipal markets practice.
Taxation	Approximately \$200 million is contemplated to be tax-exempt financing.
Use of Proceeds	As approved by the Local Emergency Financial Assistance Loan Board, proceeds of the exit facility will be used to fund: (i) the retirement of the City's \$120,000,000 post-petition financing, (ii) certain of the City's reinvestment and revitalization initiatives and (iii) the retirement of the City's obligations with respect to holders of Class 5 Claims (COP Swap Claims) and potentially holders of Class 7 Claims (Limited Tax General Obligation Bond Claims) under the City's Corrected Fifth Amended Plan of Adjustment.
Pricing	To be determined.
Maturity	11-15 years.
Security	The obligations owing by the City with respect to the Exit Facility will be secured by a first priority lien on certain income tax revenues of the City.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan.

**EXHIBIT I.A.207**

SCHEDULE OF HUD INSTALLMENT NOTE  
DOCUMENTS & RELATED HUD INSTALLMENT NOTES

<b>HUD Installment Note Documents</b> (Identified by note number. Ancillary instruments and agreements related thereto are not separately identified)	<b>HUD Installment Notes</b>	<b>Estimated Allowed Amount</b> (The estimated allowed amount is the sum of all advances and conversion date advances under the HUD Installment Notes identified in this schedule, less principal amounts paid, plus interest due on principal amounts outstanding. The estimated aggregate allowed amount is the sum of the estimated allowed amount for all the HUD Installment Notes identified in this schedule)
City Note No. B-94-MC-26-0006-A	Garfield Project Note *	\$549,142.50
City Note No. B-94-MC-26-0006-D	Stuberstone Project Note*	\$95,929.50
City Note No. B-97-MC-26-0006	Ferry Street Project Note*	\$1,837,217.00
City Note No. B-98-MC-26-0006-A	New Amsterdam Project Note*	\$10,371,138.25
City Note No. B-98-MC-26-0006-B	Vernor Lawndale Project Note*	\$1,923,209.50
City Note No. B-02-MC-26-0006	Mexicantown Welcome Center Project Note*	\$4,255,498.00
City Note No. B-03-MC-26-0006	Garfield II Note 1 *	\$8,935,901.00
City Note No. B-03-MC-26-0006	Garfield II Note 2*	\$3,071,773.50
City Note No. B-03-MC-26-0006	Garfield II Note 3 °	\$7,262,461.03
City Note No. B-03-MC-26-0006	Garfield II Note 4°	\$1,554,180.43
City Note No. B-05-MC-26-0006	Woodward Garden Project 1 Note*	\$8,532,290.00
City Note No. B-05-MC-26-0006	Woodward Garden Project 2 Note*	\$9,324,475.35
City Note No. B-05-MC-26-0006	Woodward Garden Project 3 Note°	\$6,177,291.95
City Note No. B-05-MC-26-0006-A	Book Cadillac Project Note*	\$10,457,437.75
City Note No. B-05-MC-26-0006-A	Book Cadillac Project Note II*	\$13,547,692.80
City Note No. B-05-MC-26-0006-B	Fort Shelby Project Note*	\$24,447,587.50

\* HUD Installment Note has a fixed interest rate. Estimated allowed amount represents the aggregate of outstanding principal and fixed interest payments set forth in the amortization schedule for the HUD Installment Note.

° HUD Installment Note has a variable interest rate. Estimated allowed amount represents the aggregate of outstanding principal and an estimate of the variable interest payments at the rate set forth in the HUD Installment Note.



**EXHIBIT I.A.221**

SCHEDULE OF LIMITED TAX GENERAL OBLIGATION BOND  
DOCUMENTS & RELATED LIMITED TAX GENERAL OBLIGATION BONDS

**SCHEDULE OF LIMITED TAX GENERAL OBLIGATION BOND  
DOCUMENTS & RELATED LIMITED TAX GENERAL OBLIGATION BONDS**

Limited Tax General Obligation Bond Documents	Series of Limited Tax General Obligation Bonds	Balance as of Petition Date
Bond Authorizing Resolution adopted May 26, 2004  Finance Director's Order approving sale of General Obligation Self-Insurance Bonds (Limited Tax) Series 2004, dated August 27, 2004	Self Insurance - Series 2004	\$13,186,559
Bond Authorizing Resolution adopted May 6, 2005 (" <u>2005 LTGO Resolution</u> ")  Finance Director's Order dated June 24, 2005 (" <u>2005 Sale Order</u> ")	Series 2005-A(1)	\$60,776,168
2005 LTGO Resolution  2005 Sale Order	Series 2005-A(2)	\$11,080,060
2005 LTGO Resolution  2005 Sale Order	Series 2005-B	\$9,003,535
Resolution of the City Council adopted November 17, 2006 (" <u>2006 LTGO Resolution</u> ")  Finance Director's Order dated May 30, 2008 (" <u>2008 LTGO Sale Order</u> ")	Series 2008-A(1)	\$43,905,085
2006 LTGO Resolution  2008 LTGO Sale Order	Series 2008-A(2)	\$25,591,781

**EXHIBIT I.A.232**

FORM OF LTGO SETTLEMENT AGREEMENT

**SETTLEMENT AGREEMENT**  
**(LTGO)**

This Settlement Agreement (“**Agreement**”) is entered into as of July 24, 2014, among the City of Detroit (the “**City**”), Ambac Assurance Corporation (“**Ambac**”), and BlackRock Financial Management, on behalf of certain managed funds and accounts listed on Exhibit B (“**Uninsured Bondholder**,” and together with Ambac, the “**LTGO Parties**”). In this Agreement, the City and the LTGO Parties are referred to collectively as the “**Parties**.”

**RECITALS**

**WHEREAS**, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$160,970,000 in outstanding principal amount of limited tax general obligation bonds, excluding any limited tax general obligation bonds secured by distributable state aid and sold to the Michigan Finance Authority (the “**Prior LTGO Bonds**”);

**WHEREAS**, more than two thirds in amount of the Prior LTGO Bonds are either insured by Ambac under financial guaranty insurance policies (the “**Bond Insurance Policies**”) that were issued contemporaneously with certain Prior LTGO Bonds (the “**Insured Prior LTGO Bonds**”) or held by the Uninsured Bondholder;

**WHEREAS**, the Governor of the State of Michigan determined on March 1, 2013 that a financial emergency existed in the City, and the Emergency Manager (together with any successors, the “**Emergency Manager**”) was appointed for the City on March 14, 2013;

**WHEREAS**, on July 18, 2013 (the “**Petition Date**”), the City filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the “**Bankruptcy Code**”), thereby commencing Bankruptcy Case No. 13-53846 (the “**Bankruptcy Case**”) before the United States Bankruptcy Court for the Eastern District of Michigan (the “**Bankruptcy Court**”);

**WHEREAS**, as of the Petition Date, the balance due on the Prior LTGO Bonds, including prepetition interest accrued as of that date, was \$163,554,770;

**WHEREAS**, on October 1, 2013, the City defaulted on its obligation to make interest payments on the Prior LTGO Bonds in the amount of \$4,348,211 and Ambac paid claims in the amount of \$2,266,586 on account of the Insured Prior LTGO Bonds and was subrogated to the rights of the owners for such payments, and the insurance documents contemplate the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim;

**WHEREAS**, on April 1, 2014, the City defaulted on its obligation to make interest payments in the amount of \$4,348,211 and principal payments in the amount of \$43,420,000 on the Prior LTGO Bonds, and Ambac paid claims in the amount of \$20,686,586 on account of the Insured Prior LTGO Bonds insured by it and was subrogated to the rights of the owners for such payments, and the insurance documents

contemplate the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim;

**WHEREAS**, on November 8, 2013, Ambac filed an adversary proceeding against the City seeking declaratory relief with regard to its rights in respect of, *inter alia*, the Prior LTGO Bonds that is pending before the Bankruptcy Court (Adv. Proc. No. 13-05310) (the “**Ambac Action**”);

**WHEREAS**, on or before February 21, 2014, each of the LTGO Parties and other owners of Prior LTGO Bonds filed proofs of claim in the Bankruptcy Case (the “**LTGO Claims**”) asserting claims against the City for the full amount of principal and interest due under the documents pursuant to which the Prior LTGO Bonds were issued (including post-petition interest), and Ambac filed a proof of claim for amounts due Ambac for payments pursuant to the Bond Insurance Policies, and contractual reimbursements due for charges, fees, costs, losses, liabilities and expenses incurred by Ambac in connection with the Bond Insurance Policies; and

**WHEREAS**, the Parties have engaged in good faith and arms’ length negotiations regarding a consensual resolution of their disputes under or in respect of the Prior LTGO Bonds, the Ambac Action as it pertains to the Prior LTGO Bonds, and the LTGO Claims.

**NOW, THEREFORE**, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **ARTICLE I DEFINITIONS**

Section 1.1 Recitals. The recitals set forth above are incorporated by reference and are explicitly made a part of this Agreement.

Section 1.2 Definitions. In addition to the capitalized terms defined in the preamble and recitals, the following definitions shall apply to and constitute part of this Agreement and all schedules, exhibits and annexes hereto:

“**Allowed Claim**” has the meaning ascribed to it in the Plan.

“**Ambac Action**” has the meaning ascribed to it in the recitals hereof.

“**Approval Motion**” shall mean a motion filed by the City with the Bankruptcy Court seeking entry of the Approval Order pursuant to Federal Rule of Bankruptcy Procedure 9019, which motion shall be in form and substance reasonably satisfactory to the Parties.

“**Approval Order**” shall mean an order of the Bankruptcy Court (other than the Plan Confirmation Order) approving the compromise and settlement set forth in

this Agreement authorizing and directing the consummation of the transactions contemplated herein, which order shall be in a form and substance reasonably satisfactory to the Parties.

**“Bankruptcy Case”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Code”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Court”** has the meaning ascribed to it in the recitals hereof.

**“Beneficiaries”** has the meaning ascribed to it in Section 2.2.

**“Bond Insurance Policies”** has the meaning ascribed to it in the recitals hereof.

**“City Representative”** shall mean a representative chosen by the City to be on the fee committee described in Section 2.2(b).

**“Claim”** shall mean a “claim” as defined in Section 101(5) of the Bankruptcy Code.

**“Class”** means each class of Claims established under the Plan.

**“COP Claims”** shall have the meaning ascribed to it in the Plan.

**“COP Litigation”** shall have the meaning ascribed to it in the Plan.

**“Disputed COP Claims Reserve”** shall have the meaning ascribed to it in the Plan.

**“Distribution Agent”** shall mean U.S. Bank National Association, Detroit, Michigan.

**“Distribution Agreement”** shall mean the Insured Prior LTGO Bonds Distribution Agreement among the Distribution Agent the City, Ambac and the paying agent for the Insured Prior LTGO Bonds, in form and substance satisfactory to the City and Ambac, relating to the distribution of payments of principal and interest on the Insured Prior LTGO Bonds.

**“DTC”** shall mean the Depository Trust Company or any successor provider of a book entry and securities depository system for the Prior LTGO Bonds.

**“DTC System”** shall mean the system maintained by the Depository Trust Company used for trading municipal securities.

**“Effective Date”** shall mean the effective date of any Plan.

**“Emergency Manager”** has the meaning ascribed to it in the recitals hereof.

**“Emergency Manager Order”** shall mean an order of the Emergency Manager in substantially the form attached hereto as Exhibit A.

**“Event of Default”** has the meaning ascribed to it in Section 4.1.

**“Final Order”** shall mean an order or judgment (including any associated findings of fact and conclusions of law) of the Bankruptcy Court or other court of competent jurisdiction with respect to the applicable subject matter which has not been reversed, stayed, modified or amended and as to which (a) any right to appeal or seek certiorari, review, reargument, stay or rehearing has expired and no appeal or petition for certiorari, review, reargument, stay or rehearing is pending, or (b) an appeal has been taken or petition for certiorari, review, reargument, stay or rehearing has been filed and (i) such appeal or petition for certiorari, review, reargument, stay or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which certiorari, review, reargument, stay or rehearing was sought or (ii) the time to appeal further or seek certiorari, review, reargument, stay or rehearing has expired and no such further appeal or petition for certiorari, review, reargument, stay or rehearing is pending; provided, however, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Federal Rule of Bankruptcy Procedure 9024 may be filed relating to such order shall not cause such order to not be a Final Order.

**“Financial Terms”** has the meaning ascribed to it in Section 2.2.

**“Holder”** shall mean the holder of a Claim.

**“Independent Party”** shall mean a party agreed to by the Retiree Committee, LTGO Representative and the City.

**“Insured Prior LTGO Bonds”** has the meaning ascribed to it in the recitals hereof.

**“LTGO Exculpated Parties”** means Ambac solely in its capacity as insurer of the Insured Prior LTGO Bonds, and the Uninsured Bondholder, solely in its capacity as an owner of a portion of the Prior LTGO Bonds, and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, consultants, financial advisors and investment bankers, solely in their capacity as such.

**“LTGO Claims”** has the meaning ascribed to it in the recitals hereof.

**“LTGO Claim Holders”** shall mean holders of Allowed Claims on account of Prior LTGO Bonds who are (i) the record owner of any Prior LTGO Bonds that are not Insured Prior LTGO Bonds and (ii) Ambac as to any Insured Prior LTGO Bond.

**“LTGO Parties”** has the meaning ascribed to it in the recitals hereof.

**“LTGO Representative”** shall mean Ambac.

**“New B Notes”** shall have the meaning ascribed to it in the Plan.

**“New LTGO Bonds”** has the meaning ascribed to it in Section 2.2.

**“OPEB Claim”** has the meaning ascribed to it in the Plan.

**“Petition Date”** has the meaning ascribed to it in the recitals hereof.

**“Plan”** shall mean the chapter 9 plan of adjustment filed by the City and incorporating the terms and conditions set forth in this Agreement, in substantially the form of the draft thereof dated May 5, 2014, as such plan may be amended, modified or supplemented from time to time, which plan, solely as it relates to this Settlement Agreement, shall be in form and substance reasonably satisfactory to the LTGO Parties.

**“Plan Confirmation Order”** shall mean findings of fact and an order of the Bankruptcy Court confirming the Plan and meeting the requirements of Section 2.3 of this Agreement.

**“Plan Documents”** shall mean the Plan, the Plan Confirmation Order and any Plan-related documents effectuating this Agreement.

**“Prior LTGO Bonds”** has the meaning ascribed to it in the recitals hereof.

**“Pro Rata”** shall mean the proportion that a claim of one LTGO Claims Holder bears to the aggregate amount of all claims of all of the LTGO Claims Holders.

**“Reserve B Notes”** shall have the meaning ascribed to it in Section 2.2.

**“Resolved COP Claims”** has the meaning ascribed to it in Section 2.2.

**“Retiree Committee”** shall have the meaning ascribed to it in the Plan.

**“Settlement-Related Documents”** shall mean this Agreement, the Plan Documents, the Approval Order (if applicable), the New LTGO Bonds, and all documents related to the New LTGO Bonds.

**“State”** shall mean the State of Michigan.

**“State Treasurer”** shall mean the State Treasurer of the State.

**“VEBA Trust Representatives”** shall mean the chair of the Board as defined by and created by the City of Detroit Retiree Health Care Trust and the chair of the Board as defined by and created by the City of Detroit Police and Fire Retiree Health Care Trust.

Section 1.3 **Interpretation**. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties



hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

Section 1.4 General Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of application.
- (c) All references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.
- (d) The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- (e) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.
- (f) The term “person” shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or agency or political subdivision thereof.

## **ARTICLE II SETTLEMENT TERMS**

Section 2.1 (a) Claim Allowance and Treatment; Other Plan Terms. The City hereby agrees that the total Allowed Claim relating to the Prior LTGO Bonds will be \$163,544,770.

(b) Holders of Allowed Claims for Prior LTGO Bonds will be treated in the Plan as follows:

- (i) all uninsured Prior LTGO Bonds will be cancelled and discharged, and LTGO Claim Holders will receive their Pro Rata share of New LTGO Bonds and Reserve B Notes in accordance with Section 2.2(e) of this Agreement;

(ii) all Insured Prior LTGO Bonds will be cancelled and discharged as to the City but deemed outstanding solely for recourse to the Bond Insurance Policies, i.e., the City will have no liability relating to the Prior LTGO Bonds, and any liability of the City in respect of Prior LTGO Bonds and Class 7 Claims in the Plan shall be cancelled and discharged; and

(iii) a Pro Rata share of New LTGO Bonds and Reserve B Notes attributable to the Insured Prior LTGO Bonds will be delivered to a Distribution Agent in accordance with Section 2.1(d) and, for the Reserve B Notes, Section 2.2(e) of this Agreement.

(c) The Distribution Agent shall be the beneficial owner of the Pro Rata share of the New LTGO Bonds and the Reserve B Notes attributable to the Insured Prior LTGO Bonds pursuant to the Distribution Agreement. The Distribution Agreement shall provide that, unless the Distribution Agent receives, no later than noon on a principal or interest payment date for the Prior LTGO Bonds, written notice from Cede & Co., as the registered owner of the outstanding Insured Prior LTGO Bonds, or any subsequent registered owner (the "Registered Owner") that Ambac has failed to timely pay a properly submitted claim for principal and/or interest which was due and payable on the Insured Prior LTGO Bonds on that date, the Distribution Agent shall remit each payment of principal and/or interest received by it from the paying agent for the New LTGO Bonds or the paying agent for the New B Notes to Ambac. In the event that the Distribution Agent receives, no later than noon on a principal or interest payment date for the Prior LTGO Bonds, written notice from the Registered Owner that Ambac has failed to timely pay a properly submitted claim for principal and/or interest which was due and payable on that date, the Distribution Agent shall remit the payment of principal and/or interest received by it from the paying agent for the New LTGO Bonds or the paying agent for the New B Notes to the paying agent for the Insured Prior LTGO Bonds for payment to the Holders of the Insured Prior LTGO Bonds, and shall provide notice thereof to Ambac, the paying agent for the Insured Prior LTGO Bonds and the Holders of the Insured Prior LTGO Bonds. The Distribution Agreement will provide that, once Ambac has paid the Holders of Insured Prior LTGO Bonds in full, the Distribution Agent will assign its beneficial ownership interest in the New LTGO Bonds and Reserve B Bonds to Ambac.

Section 2.2 Issuance of New LTGO Bonds, Delivery of New LTGO Bonds, and Delivery of Reserve B Notes.

(a) (i) On or before the Effective Date, by execution of the Emergency Manager Order the City will authorize the issuance and delivery of its Financial Recovery Bonds (Limited Tax General Obligation) under Section 36a of the Home Rule Act ("**New LTGO Bonds**") in accordance with applicable law, which New LTGO Bonds shall be distributed Pro Rata to the LTGO Claim Holders pursuant to the Plan. The New LTGO Bonds will have the principal amount, interest rate, amortization schedule and other financial terms as set forth in Schedule 1 (the "**Financial Terms**") and the Emergency Manager Order. The New LTGO Bonds will be limited tax general obligations of the City issued in accordance with applicable law. The New LTGO Bonds

shall be taxable. The New LTGO Bonds will be callable prior to maturity at the option of the City on any date at a price of par plus accrued interest to the date of redemption and without premium or penalty. If the City intends to redeem the New LTGO Bonds during any time that the Insured Prior LTGO Bonds are outstanding as set forth in Section 2.1(b)(ii) then:

(v) at least 35 days prior to such intended redemption, the City will direct the paying agent for the New LTGO Bonds to send a redemption notice to the New LTGO Bondholders;

(w) at least 34 days prior to the redemption date the Distribution Agent will direct the paying agent for the Insured Prior LTGO Bonds to send a redemption notice to Insured Prior LTGO Bondholders providing for a pro rata redemption of Insured Prior LTGO Bonds in an aggregate principal amount equal to the proportion that the principal amount of the New LTGO Bonds then outstanding of which the Distribution Agent is the beneficial owner bears to the total principal amount of New LTGO Bonds then outstanding, in accordance with the procedures for redemption in the Prior LTGO Bonds documents;

(x) no later than noon, Eastern Time, on the business day prior to the redemption date the City will pay the redemption price of the New LTGO Bonds to the paying agent for the New LTGO Bonds, and upon receipt of the redemption price of the portion of the New LTGO Bonds of which it is the beneficial owner, but no later than 10:00 a.m. Eastern Time, on the redemption date, the Distribution Agent shall promptly transfer the redemption price for the portion of the Insured Prior LTGO Bonds to be redeemed to the paying agent for the Insured Prior LTGO Bonds to effectuate the redemption of the Insured Prior LTGO Bonds on the same day;

(y) if Ambac issues endorsements to its Bond Insurance Policies decreasing such Policies by the redemption principal amount, the holders of Insured Prior LTGO Bonds will be deemed to consent to such endorsements and such Bond Insurance Policies will be so reduced; and

(z) the City understands that the paying agent for the Insured Prior LTGO Bonds will apply the amount received to reduce the principal amount, pro rata, of the Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) above and such reduction in principal shall be deemed a redemption, in part, of such the Insured Prior LTGO Bonds.

(ii) Any redemption of the New LTGO Bonds will be in whole and not in part.

(iii) In the event the City decides not to issue the New LTGO Bonds by the Effective Date but instead to pay cash to the LTGO Claim Holders, the Holders of Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) above will receive pro rata, cash equal to the Insured Prior LTGO Bonds' Pro Rata shares of such cash. The City understands that the paying agent for the Insured Prior LTGO

Bonds will apply such cash, pro rata, to reduce the principal of Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) and such reduction in principal shall be deemed a redemption, in part, of such Insured Prior LTGO Bonds.

(iv) All Settlement-Related Documents will be in form and substance reasonably satisfactory to the LTGO Parties (and in the case of the Plan Documents, solely as they relate to this Agreement).

(v) Each of the New LTGO Bonds will be freely transferable through the DTC System under a unique CUSIP identification number or, if the DTC System is discontinued with respect to the New LTGO Bonds, in such other manner as is permitted in accordance with their terms.

(vi) The City will not optionally redeem Insured Prior LTGO Bonds except as set forth in this Agreement.

(b) In addition to issuing and delivering the New LTGO Notes to the LTGO Claims Holders, the City shall also deliver and distribute to the LTGO Claim Holders the Pro Rata share of the Reserve B Notes in accordance with Section 2.2(e) of this Agreement. The Plan will provide in the event the City intends to redeem all or a portion of principal amount of New B Notes during any time that the Insured Prior LTGO Bonds are outstanding pursuant to Section 2.1(b)(ii) then:

(i) at least 35 days prior to the redemption date, the Distribution Agent will direct the paying agent for the Reserve B Notes to send a redemption notice to the New B Note Holders

(ii) at least 34 days prior to the redemption date, the Distribution Agent will direct the paying agent for the Insured Prior LTGO Bonds to send a redemption notice to Insured Prior LTGO Bondholders providing for a pro rata redemption of Insured Prior LTGO Bonds in an aggregate principal amount equal to the proportion that the principal amount of the New B Notes held by the Distribution Agent which are to be redeemed bears to the total principal amount of Insured Prior LTGO Bonds then outstanding pursuant to Section 2.1(b)(ii), in accordance with the procedures for redemption in the Prior LTGO Bonds documents;

(iii) no later than noon, Eastern Time, on the business day prior to the redemption date the City will pay the redemption price of the New B Notes to the paying agent for the New B Notes, and upon receipt of the redemption price of the portion of the New B Notes of which it is the beneficial owner, but no later than 10:00 a.m. Eastern Time, on the redemption date the Distribution Agent shall promptly transfer the redemption price for the portion of the Insured Prior LTGO Bonds to be redeemed to the paying agent for the Insured Prior LTGO Bonds to effectuate the redemption of the Insured Prior LTGO Bonds on the same day;

(iv) if Ambac issues endorsements to its bond Insurance Policies decreasing such Policies by the redemption principal amount, the holders of Insured Prior LTGO Bonds will be deemed to consent to such endorsements and such

Bond Insurance Policies will be so reduced; and

(v) the City understands that the paying agent for the Insured Prior LTGO Bonds will apply the amount received to reduce the principal amount, pro rata, of the Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) and such reduction in principal shall be deemed a redemption in part, of such Insured Prior LTGO Bonds.

(c) The Plan will provide that, from and after the Effective Date:

(i) The City will remain a named plaintiff and defendant in the COP Litigation but will transfer all of its rights and interests in the COP Litigation to a Litigation Trust whose beneficiaries, for the purpose of the COP Litigation, shall be the Litigation Parties and the Holders of Allowed Class 14 Claims. The Litigation Trustee will be selected by the LTGO Representative and the Retiree Committee and must be acceptable to the City. The document creating the Litigation Trust shall include indemnification of the Litigation Trustee by the City and will contain such other terms satisfactory to the Retiree Committee, the LTGO Representative and the City.

(ii) The Litigation Trustee will follow the day to day direction of the VEBA Trust Representatives in prosecuting and defending the COP Litigation, including defending any counterclaims and third-party claims therein. The Litigation Trustee and VEBA Trust Representatives will meet, in person or by phone at reasonable times and with reasonable advance notice, with all or any of the LTGO Representative, the VEBA Trust Representatives and the City (the "**Litigation Parties**") as requested to discuss the status, progress and prosecution of the COP Litigation. The Litigation Trustee will provide copies of all court filings by any party in the COP Litigation and such other documents relating to the COP Litigation as may be reasonably requested by the Litigation Parties. Upon request from a Litigation Party, the Litigation Trustee will provide to such Litigation Party drafts of court papers that will be filed by the Litigation Trustee as early as practicable under the circumstances to allow for comments, which may be accepted or rejected.

(iii) The cost of all fees and expenses incurred in connection with the COP Litigation will be borne by the Disputed COP Claims Reserve, subject to the funding of the Disputed COP Claims Reserve pursuant to Section II.B.3.p.iii of the Plan. The City will advance payment of all such fees and expenses within 30 days of receipt of the statements for the same pending reimbursement from the Disputed COP Claims Reserve. Reimbursement of the City will be effected by an offset in the amount of fees and expenses paid to the date of such reimbursement against the amount to be paid by the City to the Disputed COP Claims Reserve on that date. In the event that the COP Litigation is unsuccessful and a final, nonappealable judgment is entered against the City or the Litigation Trust as successor in interest to the City, such that the notes in the Disputed COP Claims Reserve are subject to release and distribution in full to the holders of Allowed Class 9 Claims in accordance with the Plan, the City will reimburse the

Disputed COP Claims Reserve for any amounts withdrawn prior to the date of such adverse judgment.

(iv) The Litigation Trustee will submit invoices for the fees and expenses incurred in connection with the COP Litigation, including for the Litigation Trustee's professional fees to the City on a monthly basis, and the City will pay such invoice within 30 days after receipt, subject to reimbursement as provided in paragraph (c)(iii) above. The Litigation Trustee fees will be fixed and consented to by the LTGO Representative and the VEBA Trustee Representatives.

(v) The Litigation Trustee will consult with the Litigation Parties in connection with any potential settlement of the COP Litigation. The Litigation Trustee will provide the Litigation Parties advance notice as early as practicable under the circumstances of any settlement negotiations, and the Litigation Parties and their counsel will have the right to participate in such negotiations. Any potential settlement must resolve the settled claims in their entirety, including the release by the settling party of all counterclaims and third party claims relating to the settled claims that it made or could have made against anyone. The Litigation Trustee will not take action on the matters set forth below unless all of the Litigation Parties agree with the decision relating to (B), (C) and (D) below, and the LTGO Representative agrees with the settlement described in (A) below:

(A) Any settlement that releases from the Disputed COP Claims Reserve to any of the COP Holders a pro rata share of the B Notes (or equivalent currency) based on 40% or more of the face amount of their claim.

(B) Any change of COP Litigation counsel.

(C) Any decision not to appeal an adverse decision on any claim or defense related to the COP Litigation.

(D) Any decision to voluntarily dismiss a substantive claim or counterclaim or to end the COP Litigation

To the extent the Litigation Parties are unable to reach agreement on the above matters, the Litigation Trustee or any Litigation Party may refer the matter to the Independent Party for mediation. Subject to such mediation, the Litigation Trustee shall have the authority to take whatever action may be required to avoid potentially adverse or prejudicial consequences of inaction. If a consensual resolution cannot be reached, the Independent Party will decide a substantive resolution of the issue or issues based upon the Independent Party's assessment of the merits of the legal claims, counterclaims and legal liabilities in the COP Litigation, which decision will be binding on the Litigation Parties and Litigation Trustee.



The City, the COP Litigation counsel, the VEBA Trust Representatives and the LTGO Representative will take any steps that may be required to preserve applicable privileges of the City and the COP Litigation counsel.

(d) In the event any Holder of a Disputed COP Claim enters into a settlement of such claim with the City prior to the Effective Date, including pursuant to the Plan, the portion of the New B Notes allocable to such Disputed COP Claim if such Disputed COP Claim had been allowed in full that is not used to satisfy the Disputed COP Claim pursuant to the terms of such settlement shall be deposited into the Disputed COP Claims Reserve and then distributed from the Disputed COP Claims Reserve pursuant to Section 2.2(e).

(e) Following the occurrence of the Effective Date, upon a settlement, or the entry of an order by the trial court having jurisdiction over the objections to the Disputed COP Claims, resolving any objection to any disputed COP Claim (“**Resolved COP Claims**”) and after all distributions on account of Allowed Claims respecting such Resolved COP Claim have been made or provided for, any and all New B Notes and distributions thereon remaining in the Disputed COP Claims Reserve with respect to such Resolved COP Claim shall be distributed as follows, and valued at face value for the purposes of the distribution: (I) an amount of New B Notes and/or distributions thereon in an amount equal to the costs, fees and expenses related to the COP Litigation incurred from and after the Effective Date shall be distributed to the City to reimburse it for attorneys’ fees relating to the COP Litigation, subject to and in accordance with the provisions of Section 2.2(c)(iii) above; (II) following such distribution, the balance of the New B Notes and any distributions thereon remaining in the Disputed COP Claims Reserve allocated to or with respect to such Resolved COP Claim shall be distributed as follows: (i) 65% to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the New B Notes allocated to each pursuant to Sections II.B.3.s.ii.A and II.B.3.s.ii.B of the Plan; and (ii) 20% to the LTGO Claim Holders (the “**Reserve B Notes**”) to be allocated Pro Rata; and (iii) 15% is to be allocated as determined by the City.

Section 2.3 Confirmation Order and Findings. The Plan Confirmation Order shall (i) approve the terms and conditions of this Agreement, (ii) direct that each month monies for the payment of one-sixth of the next semi-annual debt service payable on the New LTGO Bonds must be segregated and deposited into a debt service fund and not be used for any purpose other than paying debt service on the New LTGO Bonds so long as any New LTGO Bonds remain outstanding, (iii) provide that Plan treatment of the Prior LTGO Bonds is part of a settlement of the Ambac Action as it relates to the Prior LTGO Bonds, (iv) provide that the Bankruptcy Court will have exclusive post-confirmation authority and power to enforce this Agreement and all Settlement-Related Documents and (v) be in form and substance reasonably satisfactory to the LTGO Parties.

Section 2.4 Conditions to Plan Effectiveness. The Plan shall provide that the effectiveness of the Plan is subject to the City having obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of this Agreement.

## Section 2.5 Stay of Litigation, Proofs of Claim.

(a) The Ambac Action, as it pertains to the Prior LTGO Bonds, shall be stayed pending the issuance of an Approval Order or Plan Confirmation Order and the occurrence of the Effective Date, whereupon Ambac and the City shall ask the Bankruptcy Court to dismiss the Ambac Action as it pertains to the Prior LTGO Bonds without prejudice until the Approval Order or the Plan Confirmation Order, as applicable, is a Final Order, when such dismissal shall be deemed to be with prejudice. If the Ambac Action is dismissed without prejudice and subsequently refiled pursuant to this Agreement, then the statute of limitations for the causes of action asserted in the Ambac Action, and all other defenses based on the passage of time, shall be tolled for 60 days after the date of the event that would permit a refiling.

(b) As soon as practicable subsequent to the execution and delivery of this Agreement by each of the Parties, but in no event later than five (5) business days subsequent thereto, Ambac and the City shall take any and all action as is appropriate to (i) stay the Ambac Action as provided in subsection (a) above, (ii) maintain the status quo in the Ambac Action as it pertains to the Prior LTGO Bonds as of the execution of this Agreement, and (iii) ensure that no action (including separate litigation and any objection to proofs of claim filed by the LTGO Parties relating to the Prior LTGO Bonds) is undertaken or commenced inconsistent with seeking a stay of and maintaining the status quo of the Ambac Action as it pertains to the Prior LTGO Bonds; provided, however, that any such stay shall terminate on the first (1st) business day following termination of this Agreement.

(c) In the event (i) an Approval Motion is made by the City and denied by the Bankruptcy Court, (ii) an Approval Order is issued but is not consistent with this Agreement in any material respect or is overturned on appeal, (iii) a Plan consistent with this Agreement in all material respects is not confirmed by the Bankruptcy Court, or (iv) a Plan Confirmation Order is entered by the Bankruptcy Court but is not consistent in all material respects with this Agreement, or is overturned on appeal, then Ambac may resume the Ambac Action and terminate this Agreement by written notice to the other Parties.

(d) The LTGO Parties agree that all proofs of claims filed by any of them with respect to Prior LTGO Bonds shall be deemed resolved and fully satisfied by approval of this Agreement in the Confirmation Order or an Approval Order, as applicable, which is a Final Order.

## Section 2.6 Additional Covenants

(a) Paying Agent and Distribution Agent. The City shall pay the reasonable and customary fees and expenses (including reasonable attorneys' fees) of (i) the paying agent with respect to the Prior LTGO Bonds, (ii) the paying agent in respect of all transactions contemplated by this Agreement, and (iii) the Distribution Agent pursuant to the Distribution Agreement.



(b) Further Action. To the extent that the City has not taken all necessary action to authorize the execution, delivery and performance of this Agreement, it will do so.

### **ARTICLE III PLAN OF ADJUSTMENT AND PLAN SUPPORT**

Section 3.1 Plan Commitment Regarding Voting and Abstention From Objection. From and after the date hereof, and so long as the City has complied, and is complying, with its covenants and obligations under this Agreement, each LTGO Party shall withdraw its objections to the Plan regarding the treatment of the Prior LTGO Bonds no later than August 1, 2014. The Plan shall provide that such treatment, consistent with this Agreement, is the treatment for all LTGO Claim Holders. The Uninsured Bondholder will vote its Prior LTGO Bonds and Ambac will vote its Prior LTGO Bonds and reimbursement claims in support of such Plan treatment promptly following the execution of this Agreement or as otherwise agreed by the City. Upon the finalization of the terms of this Agreement, the Parties will file a stipulation and proposed order with the Bankruptcy Court that will permit each LTGO Party to modify its previous vote(s) and submit a vote in support of the Plan, pursuant to Federal Rule of Bankruptcy Procedure 3018. For the absence of doubt, nothing contained in this Agreement shall require any LTGO Party to vote for the treatment of any class of claims under the Plan other than the LTGO Bonds, or refrain from objecting to the Plan with respect to issues other than the treatment of the LTGO Bonds.

Section 3.2 Solicitation Required in Connection with Plan. Notwithstanding anything contained in this Article III or elsewhere in this Agreement to the contrary, this Agreement is not, and shall not be deemed to be, a solicitation of acceptances of the Plan.

Section 3.3 Plan Document Provisions. All Plan Documents, as they relate to the settlement embodied in this Agreement must (i) be in form and substance reasonably satisfactory to the LTGO Parties and to the City and be consistent with this Agreement, (ii) provide that the Plan treatment for Prior LTGO Bonds is part of a settlement of the pending Ambac Action as it pertains to the Prior LTGO Bonds.

### **ARTICLE IV DEFAULTS AND REMEDIES**

Section 4.1 Events of Default. The breach by any Party of any material agreement or covenant set forth in this Agreement will be an event of default ("**Event of Default**") under this Agreement.

Section 4.2 Remedies. The Parties acknowledge and agree that a breach of the provisions of this Agreement by any Party would cause irreparable damage to the other Parties and that such other Parties would not have an adequate remedy at law for such damage. Therefore, the obligations of the Parties set forth in this Agreement shall be enforceable by an order compelling specific performance issued by the

Bankruptcy Court, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall be cumulative and not exclusive and shall be in addition to any other remedies that the Parties may have under this Agreement or otherwise. Any LTGO Party may exercise its rights hereunder on its own. Consistent with Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement.

#### Section 4.3 Termination.

(a) This Agreement may be terminated by the mutual agreement of all of the LTGO Parties upon an Event of Default caused by the City. This Agreement may be terminated by less than all of the LTGO Parties as to such LTGO Party or LTGO Parties upon an Event of Default caused by the City if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by one or more LTGO Parties before the Bankruptcy Court, (ii) the Bankruptcy Court, after notice and a hearing, finds that an Event of Default caused by the City has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the City of the applicable agreement or covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the City fails to comply with the order.

(b) This Agreement may be terminated by the City if (i) any of the LTGO Parties fails to withdraw its objections to the Plan regarding the treatment of the Prior LTGO Bonds on or before August 1, 2014, or (ii) any of the LTGO Parties fails to submit a ballot to vote its Class 7 Claims to accept the Plan promptly following the execution of this Agreement or as otherwise agreed by the City. This Agreement may be terminated by the City upon an Event of Default caused by the LTGO Parties, or any of them, if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by the City before the Bankruptcy Court, (ii) the Bankruptcy Court finds, after notice and a hearing, that an Event of Default caused by the applicable LTGO Party has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the applicable LTGO Party of this Agreement or the applicable covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the applicable LTGO Party fails to comply with the order.

(c) Upon any such termination, Ambac may resume the Ambac Action unless it has been previously dismissed with prejudice or has been previously deemed dismissed with prejudice.

### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

Section 5.1 Representations and Warranties of the City. The City represents and warrants to the LTGO Parties that:

(a) It is a municipal corporation of the State of Michigan.

(b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken or will take all necessary action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any order or judgment of any court or other agency of government applicable to it, or any material agreements specifically applicable to it or any of its assets.

(d) Other than (i) approvals of the State Treasurer, the Emergency Loan Board and the City Council to be obtained prior to delivery of the New LTGO Bonds, which the City reasonably expects to be obtained prior to the Effective Date, and (ii) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

Section 5.2 Representations and Warranties of the LTGO Parties. Each of the LTGO Parties represents to the City that:

(a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation.

(b) It has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary corporate action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it, or any agreements specifically applicable to it or any of its assets.

(d) All corporate or governmental consents and approvals that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

Section 5.3 Representations and Warranties of Ambac. Ambac had and has standing to bring and resolve the Ambac Action as it pertains to the Prior LTGO Bonds that it insures.

Section 5.4 Mutual Representations and Warranties. Unless otherwise noted, each Party makes the following representations, warranties and covenants (on a several basis, with respect to such Party only) to each of the other Parties:

(a) Each person signing this Agreement warrants that he or she is legally competent and authorized to execute this Agreement on behalf of the Party whose name is subscribed at or above such person's signature.

(b) The Parties have not made any statement or representation to each other regarding any facts relied upon by them in entering into this Agreement, and each of them specifically does not rely upon any statement, representation or promise of the other Parties hereto or any other person in entering into this Agreement, except as expressly stated herein or in the exhibits hereto. Each party has relied upon its own investigation and analysis of the facts and not on any statement or representation made by any other party in choosing to enter into this Agreement and the transactions contemplated herein.

(c) The Parties and their respective attorneys have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto as they deem necessary.

## **ARTICLE VI EXCULPATION**

Section 6.1 Exculpation. The Plan will include the LTGO Excipated Parties as excuplated parties for acts and omissions (other than those constituting gross negligence or willful misconduct) in connection with the Plan as it relates to this Agreement and this Agreement.

Section 6.2 Releases. Upon the dismissal with prejudice or deemed dismissal with prejudice of the Ambac Action as it pertains to the Prior LTGO Bonds, Ambac and the City shall be deemed to have released each other, and each of their respective officials, officers, directors, employees and representatives, of and from any and all claims and causes of action related to the Prior LTGO Bonds and the Ambac Action.

## **ARTICLE VII DISMISSAL OF CASE AND TERMINATION**

Section 7.1 Effect of Dismissal of the Bankruptcy Case. In the event the Bankruptcy Case is dismissed, any Party may at any time within 60 days after such dismissal immediately terminate this Agreement by written notice to the other Parties.

Section 7.2 Effect of Termination. In the event of the termination of this Agreement by any Party pursuant to any provisions of this Agreement, this Agreement shall become null and void and be deemed of no force and effect, with no liability on the part of any Party hereto (or of any of its elected or appointed officials, directors, officers, employees, consultants, contractors, agents, legal and financial advisors or other representatives) arising from such termination, and no Party shall have any obligations to any other Party arising out of this Agreement. Upon termination, neither this Agreement nor any terms or provisions set forth herein shall be admissible in any dispute, litigation, proceeding or controversy among the Parties and nothing

contained herein shall constitute or be deemed to be an admission by any Party as to any matter, it being understood that the statements and resolutions reached herein were as a result of negotiations and compromises of the respective positions of the Parties. If the Ambac Action is reinstated, and this Agreement is terminated, then no Party hereto may (i) use this Agreement, any of its terms or any discussions or negotiations conducted in respect of this Agreement, or any part of the foregoing, in the Ambac Action; (ii) seek discovery with respect to any of the matters described in subsection (i) in the Ambac Action; or (iii) seek to admit any of the matters described in subsection (i) into evidence in the Ambac Action.

## **ARTICLE VIII MISCELLANEOUS**

Section 8.1 Amendments. This Agreement may not be modified, amended or supplemented except by a written agreement executed by each Party to be affected by such modification, amendment or supplement.

Section 8.2 No Admission of Liability.

(a) The execution of this Agreement is not intended to be, nor shall it be construed as, an admission or evidence in any pending or subsequent suit, action, proceeding or dispute of any liability, wrongdoing, or obligation whatsoever (including as to the merits of any claim or defense) by any Party to any other Party or any other person with respect to any of the matters addressed in this Agreement.

(b) None of this Agreement (including, without limitation, the recitals and exhibits hereto), the settlement or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission or evidence of the validity of any claim or of any wrongdoing or liability of any Party; or (ii) is or may be deemed to be or may be used as an admission or evidence of any liability, fault or omission of any Party in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. None of this Agreement, the settlement, or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement shall be admissible in any proceeding for any purposes, except to enforce the terms of the Agreement, and except that any Party may file this Agreement in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on the principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense of counterclaim.

Section 8.3 Good Faith Negotiations. The Parties recognize and acknowledge that each of the Parties hereto is represented by counsel, and such Party received independent legal advice with respect to the advisability of entering into this Agreement. Each of the Parties acknowledges that the negotiations leading up to this Agreement were conducted regularly and at arm's length; this Agreement is made and executed by and of each Party's own free will; that each knows all of the relevant facts

and his or its rights in connection therewith, and that it has not been improperly influenced or induced to make this settlement as a result of any act or action on the part of any party or employee, agent, attorney or representative of any party to this Agreement. The Parties further acknowledge that they entered into this Agreement because of their desire to avoid the further expense and inconvenience of litigation and other disputes, and to compromise permanently and settle the claims between the Parties settled by the execution of this Agreement.

Section 8.4 Rights and Remedies. Nothing in this Agreement is intended to augment, impair any rights, remedies and interests, including without limitation, liens, of any of the Parties hereto other than with respect to the Prior LTGO Bonds.

Section 8.5 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any Person other than the Parties hereto and their respective successors and assigns, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof; and the covenants, stipulations and agreements contained in this Agreement are and shall be for the sole and exclusive benefit of the Parties hereto and their respective successors and assigns.

Section 8.6 Governing Law; Retention of Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan, without giving effect to any principles of conflicts of law and applicable federal law. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding between any or all of the foregoing with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the Bankruptcy Court for that purpose only, and, by execution and delivery of this Agreement, each hereby irrevocably accepts and submits itself to the jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 8.11 hereof, unless another address has been designated by such Party in a notice given to the other Parties in accordance with Section 8.11 hereof. The City agrees that the Bankruptcy Court will have exclusive post-confirmation authority and power to enforce this Agreement and all Settlement-Related Documents and to hear and adjudicate any challenge, action, suit or proceeding brought by any third party challenging the validity or enforceability of any provision of this Agreement, until all New LTGO Bonds have been paid in full and all Plan Instruments are no longer outstanding. Pursuant to Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement.



Section 8.7 Headings. The headings of the Articles and Sections of this Agreement are inserted for convenience only and are not part of this Agreement and do not in any way limit or modify the terms or provisions of this Agreement and shall not affect the interpretation hereof.

Section 8.8 Binding Agreement Successors and Assigns; Joint and Several Obligations. This Agreement shall be binding upon the execution and delivery of this Agreement by the Parties listed on the signature pages hereto. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, administrators, constituents and representatives. The agreements, representations, covenants and obligations of the Parties under this Agreement are several only and not joint in any respect and none shall be responsible for the performance or breach of this Agreement by another.

Section 8.9 Entire Agreement. This Agreement shall constitute the full and entire agreement among the Parties with regard to the subject matter hereof, and supersedes all prior negotiations, representations, promises or warranties (oral or otherwise) made by any Party with respect to the subject matter hereof. No Party has entered into this Agreement in reliance on any other Party's prior representation, promise or warranty (oral or otherwise) except for those that may be expressly set forth in this Agreement.

Section 8.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, shall constitute one and the same Agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts, provided receipt of copies of such counterparts is confirmed.

Section 8.11 Notices. All demands, notices, requests, consents, and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when personally delivered by courier service or messenger, (b) upon actual receipt (as established by confirmation of receipt or otherwise) during normal business hours, otherwise on the first business day thereafter if transmitted electronically (by e-mail transmission), by facsimile or telecopier, with confirmation of receipt, or (c) three (3) business days after being duly deposited in the mail, by certified or registered mail, postage prepaid-return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following Parties:

If to the City, to:

Chief Financial Officer  
City of Detroit  
1126 Coleman A. Young Municipal Center  
Two Woodward Avenue  
Detroit MI 48226

Phone: (313) 224-3382  
Fax: (313) 224-2827

with a copy given in like manner to:

Corporation Counsel  
City of Detroit Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit MI 48226  
Phone: (313) 237-3018  
Fax: (313) 224-5505

Miller, Canfield, Paddock and Stone, PLC  
150 West Jefferson, Suite 2500  
Detroit, MI 48226  
Attention: Jonathan Green  
Email: green@millercanfield.com  
Attention: Amanda Van Dusen  
Email: vandusen@millercanfield.com

If to the LTGO Parties, to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and General Counsel's Office  
Fax: (212) 208-3384

with a copy given in like manner to:

Arent Fox LLP  
1675 Broadway  
New York, New York 10019  
Attention: David L. Dubrow, Esq.  
Telecopy: (212) 484-3990  
Email: david.dubrow@arentfox.com

-and

BlackRock Financial Management  
1 University Square Drive  
Princeton, New Jersey 08540  
Attn: Jim Schwartz  
Phone: (609) 282-1784  
Email: jim.schwartz@blackrock.com

with a copy given in like manner to:



Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, NY 10036  
Attn: Amy Caton  
Phone: (212) 713-7772  
Email: acaton@kramerlevin.com

Section 8.12 Further Assurances. Each of the Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

Section 8.13 Non-Severability of Agreement. This Agreement is to be construed as a whole, and all provisions of it are to be read and construed together. Notwithstanding anything in this Agreement, the Approval Order (if applicable) or the Plan Confirmation Order to the contrary, and in light of the integrated nature of the settlements and compromises embodied in this Agreement, in the event that (i) a court of competent jurisdiction enters a Final Order ruling that any of the transactions contemplated in this Agreement, are void, invalid, illegal or unenforceable in any material respect, (ii) any of the transactions contemplated by this Agreement are reversed, vacated, overturned, voided or unwound in any material respect, or (iii) the Approval Order or Plan Confirmation Order as it relates to the transactions contemplated in this Agreement is reversed, vacated, overturned or amended in any material respect, then in each case, the entirety of this Agreement (other than this Section 8.13) shall be void ab initio and of no force and effect and, during any subsequent proceeding, the Parties shall not assert claim preclusion, issue preclusion, estoppel or any similar defense in respect of rights and claims of the Parties that were the subject of this Agreement prior to this Agreement being of no force or effect.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

THE CITY OF DETROIT, as Debtor

By: \_\_\_\_\_  
Name:  
Title:

AMBAC ASSURANCE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

BLACKROCK FINANCIAL MANAGEMENT, on  
behalf of its managed funds and accounts as  
reflected in Exhibit B

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_

**Schedule 1****Financial Terms of New LTGO Bonds**

Principal: \$55 million

Interest Rate: 5.65% per annum (first 10 years, 5.00% payable in cash and 0.65% capital appreciation added to principal)

Final Maturity: 23 years

Amortization: Interest payable semi-annually

On each anniversary from the sixth through tenth anniversary—\$2 million principal due per year

On each anniversary from the eleventh through twenty-third anniversary—principal payment equal to one-thirteenth (1/13) of the principal outstanding immediately prior to the eleventh anniversary (approximately \$3,735,115 per year)

Debt Service on Notes for LTGOs

\$ in MMs

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23	

Debt Service and Amortization

Opening Balance	55.0	55.4	55.7	56.1	56.4	56.8	55.2	53.5	51.9	50.2	48.6	44.8	41.1	37.3	33.6	29.9	26.1	22.4	18.7	14.9	11.2	7.5	3.7
Principal	-	-	-	-	-	2.0	2.0	2.0	2.0	2.0	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Cash Interest	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.6	2.5	2.7	2.5	2.3	2.1	1.9	1.7	1.5	1.3	1.1	0.8	0.6	0.4	0.2
Total Cash Int	2.8	2.8	2.8	2.8	2.8	4.8	4.8	4.7	4.6	4.5	6.5	6.3	6.1	5.8	5.6	5.4	5.2	5.0	4.8	4.6	4.4	4.2	3.9
PIK Interest	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate

Cash	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%
PIK	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Exhibit A

EMERGENCY MANAGER ORDER

A-1

AFDOCS/11065646.6

CLI-2233676v8

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$55,000,000 FINANCIAL RECOVERY BONDS (LIMITED TAX GENERAL OBLIGATION) IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN CLAIMS OF THE HOLDERS AND INSURER OF CERTAIN LIMITED TAX GENERAL OBLIGATION BONDS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS IN FULL SATISFACTION OF SAID CLAIMS.

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ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$55,000,000 FINANCIAL RECOVERY BONDS (LIMITED TAX GENERAL OBLIGATION) IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN CLAIMS OF THE HOLDERS AND INSURER OF CERTAIN LIMITED TAX GENERAL OBLIGATION BONDS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS IN FULL SATISFACTION OF SAID CLAIMS.

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City of Detroit, County of Wayne, State of Michigan (the "City") pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; and

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

WHEREAS, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$160.97 million in outstanding principal amount of limited tax general obligation bonds, excluding any limited general obligation bonds secured by distributable state aid and sold to the Michigan Finance Authority (the "Prior LTGO Bonds"); and

**WHEREAS**, more than two thirds in amount of the Prior LTGO Bonds are either held by BlackRock Financial Management (the "Uninsured Bondholder") or insured by Ambac Assurance Corporation ("Ambac") under financial guaranty insurance policies (the "Bond Insurance Policies") that were issued contemporaneously with certain Prior LTGO Bonds (the "Insured Prior LTGO Bonds"); and

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

WHEREAS, as of the Petition Date, the balance due on the Prior LTGO Bonds, including prepetition interest accrued as of that date, was \$163,554,770; and

WHEREAS, on October 1, 2013, the City defaulted on its obligation to make interest payments on the Prior LTGO Bonds in the amount of \$4,348,211, and Ambac paid claims in the amount of \$2,266,586 on account of the Insured Prior LTGO Bonds and was subrogated to the rights of the owners for such payments, and the insurance documents contemplate for the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim; and

WHEREAS, on April 1, 2014, the City defaulted on its obligation to make interest payments in the amount of \$4,348,211 and principal payments in the amount of \$43,420,000 on the Prior LTGO Bonds, and Ambac paid claims in the amount of \$20,686,586 on account of the Insured Prior LTGO Bonds insured by it and was subrogated to the rights of the owners for such payments, and the insurance documents contemplate for the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim; and

WHEREAS, on May 5, 2014, the Emergency Manager filed on behalf of the City a Fourth Amended Plan for the Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, on \_\_\_\_\_, 2014, the City, Ambac and the Uninsured Bondholder (together the "LTGO Parties") entered into a Settlement Agreement (LTGO) (the "Settlement Agreement") regarding a consensual resolution of their disputes under or in respect of the Prior LTGO Bonds, the Ambac Action (as defined in the Settlement Agreement) and the claims of the LTGO Parties (the "LTGO Claims"); and

WHEREAS, the Plan of Adjustment and the Settlement Agreement provide, among other things, for the satisfaction of the claims of the holders of Allowed Claims on account of Prior LTGO Bonds who are (i) record owners of any Prior LTGO Bonds and (ii) Ambac as to any Insured Prior LTGO Bond (each, a "LTGO Claims Holder") in exchange for the receipt of unsecured pro rata shares ( each a "Pro Rata Share") of New LTGO Notes, in the form of the Bonds authorized herein, in the form of Financial Recovery Bonds authorized for settlement of unsecured claims under the Plan of Adjustment and a portion of the New B Notes, referred to as "Reserve B Notes" in the Settlement Agreement, to be authorized by separate order of the Emergency Manager; and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the "Effective Date"); and

WHEREAS, on or before the Effective Date, the City shall issue Financial Recovery Bonds (Limited Tax General Obligation) (the “Bonds”) under Section 36a of the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”) and this Order, and distribute Pro Rata Shares of the Bonds, to the LTGO Claim Holders as provided in the Plan of Adjustment; and

WHEREAS, the Emergency Manager of the City deems it necessary to authorize the issuance of the Bonds in one or more series, in the aggregate principal amount of not to exceed Fifty Five Million Dollars (\$55,000,000) pursuant to Section 36a of Act 279; and

WHEREAS, the Bonds will be secured by a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Board; and

WHEREAS, the City must receive prior approval of the terms and conditions for the issuance of the Bonds from the Board in accordance with Section 36a of Act 279; and

WHEREAS, the Emergency Manager desires to submit this Order to the Board proposing the issuance by the City of the Bonds, in one or more series, under Section 36a of Act 279, to provide for a portion of the financing of the City under the Plan of Adjustment, solely to satisfy the claims of the LTGO Claim Holders; and

WHEREAS, prior to submission of this Order to the Board, pursuant to Sections 12(1)(u) and 19(i) of Act 436, the Emergency Manager must obtain approval of the issuance of the Bonds by the City Council of the City (the “City Council”), and if the City Council disapproves the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED AS FOLLOWS:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment to them unless a different meaning clearly appears from the context:

“Accretion Date” means April 1 and October 1 of each year after the Date of Original Issue and the Conversion Date.

“Accretion Rate” means a rate of accretion in principal borne by the Bonds of 0.65% per annum compounded semiannually on each Accretion Date from the Date of Original Issue until the Conversion Date.

“Accretion Value” means as of any particular date of calculation, the original principal amount of the Bond, plus all accretion in principal accrued and compounded to the particular date of calculation. A table setting forth the Accreted Values per \$5,000 original principal amount of the Bonds at each Accretion Date shall be set forth in the Bonds and as an exhibit to the Supplemental Order.

“Act 243” means Act No. 243, Public Acts of Michigan, 1980, as amended.

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

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

“Allowed Claims” has the meaning set forth in the Plan of Adjustment.

“Authorized Denominations” shall mean denominations of Bonds equal to multiples of \$1,000 or integral multiples of \$1.00 in excess thereof.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

“Bankruptcy Code” has the meaning ascribed to it in the recitals hereof.

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

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

“Bond” or “Bonds” means the Financial Recovery Bonds (Limited Tax General Obligation), Series 2014 of the City authorized to be issued by the Order in the aggregate principal amount not to exceed \$55,000,000, in one or more series, and bearing such other designations as determined by the Authorized Officer in the Supplemental Order.

“Bond Insurance Policies” has the meaning ascribed to it in the recitals hereof.

“Bond Registry” means the books for the registration of Bonds maintained by the Paying Agent.

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

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

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

“Charter” means the Charter of the City, as amended from time to time.

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

“Claim” shall mean a “claim” as defined in Section 101(5) of the Bankruptcy Code.

“Class” means each class of Claims established under the Plan.

“Closing Date” means the Date of Original Issue.

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

“Confirmation Order” has the meaning set forth in recitals hereto.

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Conversion Date” means the last Accretion Date on the tenth anniversary of the Date of Original Issue of the Bonds, after which the Bonds shall no longer accrete in value.

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

“Debt Retirement Fund” means the Debt Retirement Fund established under Section 501 hereof, and any subaccounts thereof established hereunder for the payment of principal of and premium and interest on the Bonds.

“Distribution Agent” shall mean U.S. Bank National Association, Detroit, Michigan.

“Distribution Agreement” shall mean the Insured Prior LTGO Bonds Distribution Agreement among the Distribution Agent the City, Ambac and the paying agent for the Insured Prior LTGO Bonds, in form and substance satisfactory to the City and Ambac, relating to the distribution of payments of principal and interest on the Insured Prior LTGO Bonds.

“DTC System” shall mean the system maintained by The Depository Trust Company used for trading municipal securities.

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

“Final Order” has the meaning set forth in the Plan of Adjustment.

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

“Holder” shall mean the holder of a Claim under or evidenced by the Prior LTGO Bonds.

“Insured Prior LTGO Bonds” has the meaning ascribed to it in the recitals hereof.

“Interest Payment Date” means April 1 and October 1 of each year commencing with the April 1 or October 1 specified in the Supplemental Order.

“Interest Rate” means a rate of interest borne by the Bonds, payable currently on each Interest Payment Date, of 5% per annum from the Date of Original Issue until the Conversion Date, and thereafter at a rate of interest of 5.65% per annum payable currently until the Maturity Date.

“LTGO Claims” has the meaning ascribed to it in the recitals hereof.

“LTGO Claims Holder” shall mean holders of Allowed Claims on account of Prior LTGO Bonds who are (i) the record owners of any Prior LTGO Bonds and (ii) Ambac as to any Insured Prior LTGO Bond.

“LTGO Parties” has the meaning set forth in the recitals hereof.

“Maturity Date” means the twenty-third (23<sup>rd</sup>) anniversary of the Date of Original Issue or such other final date of maturity of each series of the Bonds as specified in the Supplemental Order.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“New LTGO Bonds” means the Bonds.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VI.

“Outstanding” when used with respect to:

(1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:

(A) Bonds theretofore canceled by the Paying Agent or delivered to such Paying Agent for cancellation;



- (B) Bonds for whose payment money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the registered owners of such Bonds;
- (C) Bonds delivered to the Paying Agent for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
- (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
- (E) Bonds deemed paid as provided in Section 701.

“Paying Agent” means the bond registrar, transfer agent and paying agent for the Bonds.

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

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Prior LTGO Bonds” has the meaning ascribed to it in the recitals hereof.

“Pro Rata” shall mean the proportion that a claim of one LTGO Claims Holder bears to the aggregate amount of all claims of all of the LTGO Claims Holders.

“Registered Owner” means the registered owner of a Bond as the registered owner’s name appears on the Bond Registry under Section 305.

“Regular Record Date” has the meaning given such term in Section 302.

“Reserve New B Notes” shall have the meaning set forth in the recitals hereto.

“Security Depository” has the meaning given such term in Section 310.

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

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

“Supplemental Order” means the order or orders of the Authorized Officer making certain determinations and confirming the final details on the Bonds upon issuance, in accordance with the parameters of this Order.

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## ARTICLE II

### DETERMINATIONS

Section 201. Finding, and Declaration of Need to Issue Bonds. The Emergency Manager hereby finds and declares that it is necessary for the City to issue the Bonds hereunder in such sum as shall be determined and approved by the Emergency Manager, not in excess of \$55,000,000 as of the Date of Original Issue (the “Maximum Aggregate Principal Amount”), and to evidence such debt by the issuance of the Bonds in one or more series not in excess of the Maximum Aggregate Principal Amount, in Authorized Denominations, pursuant to and in accordance with the provisions of Section 36a of Act 279, for the purpose of satisfying a portion of the LTGO Claims. The Maximum Aggregate Principal Amount shall not include the accretion of principal at the Accretion Rate as provided in this Order.

## ARTICLE III

### AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS

Section 301. Authorization of Bonds to Satisfy the Claims and Pledge. The City hereby authorizes the issuance of the Bonds as hereinafter defined in such principal amount as shall be confirmed in the Supplemental Order to satisfy the LTGO Claims. The principal of and interest on the Bonds shall hereby be secured by the limited tax full faith and credit pledge of the City. The City pledges to pay the principal of and interest on the Bonds as a first budget obligation from its general funds and in case of insufficiency thereof, from the proceeds of an annual levy of ad valorem taxes on all taxable property of the City, subject to applicable constitutional, statutory and charter tax rate limitations.

Section 302. Designations, Date, Interest, Maturity and Other Terms of the Bonds to Satisfy the Claims. (a) The Bonds shall be designated “FINANCIAL RECOVERY BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2014” and may bear such later or earlier dates and additional or alternative designations, series or subseries as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from “R-1” upwards, unless otherwise provided by the Authorized Officer in the Supplemental Order. The Bonds shall be dated and issued in such denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds of each series shall mature on the April 1, 2037 or such other April 1 which is not in excess of 23 years from the Date of Original Issue and shall accrete in principal amount, bear interest at the Interest Rate on a taxable or tax exempt basis, payable on the Interest



Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order. The Bonds shall be subject to mandatory sinking fund redemption on April 1 in the years and in the Accretion Values set forth in the form of Bond provided in Section 307 hereof. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of the actual number of days elapsed in a 360 day year. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(c) The Bonds shall also accrete in principal amount at the Accretion Rate starting from the Date of Original Issue and compounded semiannually on each Accretion Date until the Conversion Date. Thereafter, the Bonds at their Accretion Value shall bear interest at the Interest Rate on a taxable or tax exempt basis, payable on a current basis on the Interest Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order.

(d) Except as may be otherwise determined by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be payable to the Registered Owner as of the 15th day of the month, whether or not a Business Day (a "Regular Record Date"), prior to each Interest Payment Date. Interest on the Bonds shall be payable to such Registered Owners by check or draft drawn on the Paying Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of \$1,000,000 or more in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent.

(e) Interest on Bonds not punctually paid or duly provided for on an Interest Payment Date shall forthwith cease to be payable to the Registered Owners on the Regular Record Date established for such Interest Payment Date, and may be paid to the Registered Owners as of the close of business on a date fixed by the Paying Agent (a "Special Record Date") with respect to the payment of such defaulted interest to be fixed by the Paying Agent, or may be paid at any time in any other lawful manner. The Paying Agent shall give notice to the Registered Owners at least seven days before any such Special Record Date.

(f) The principal of the Bonds shall be payable to the Registered Owners of the Bonds upon the presentation of the Bonds to the Paying Agent at the principal corporate trust office of the Paying Agent.

(g) The Bonds shall be subject to redemption prior to maturity or shall not be subject thereto, upon such terms and conditions as shall be determined by the Authorized Officer and confirmed in the Supplemental Order, provided, however, that redemption at the option of the City prior to maturity may occur on any Interest Payment Date for which notice is given as provided herein and such redemption shall be in whole.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Paying Agent on behalf of the City. Such notice shall be dated

and shall contain at a minimum the following information: original issue date; maturity dates; interest rates, CUSIP numbers, if any; certificate numbers, and in the case of partial redemption, the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Paying Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Emergency Manager and the Finance Director of the City and authenticated by the manual signature of the Finance Director or an authorized representative of the Paying Agent, as the case may be, and a facsimile of the seal of the City shall be imprinted on the Bonds. Additional Bonds bearing the manual or facsimile signatures of the Emergency Manager or Mayor of the City and the Finance Director, and upon which the facsimile of the seal of the City is imprinted may be delivered to the Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Paying Agent shall indicate on each Bond the date of its authentication.

Section 304. Authentication of the Bonds. (a) No Bond shall be entitled to any benefit under this Order or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 307 of this Order, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Paying Agent by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

(b) The Paying Agent shall manually execute the Certificate of Authentication on each Bond upon receipt of a written direction of the Authorized Officer of the City to authenticate such Bond.

Section 305. Transfer of Registration and Exchanges on the Bonds. (a) The registration of each Bond is transferable only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

(b) Each Bond may be exchanged for one or more Bonds in equal aggregate principal amount of like maturity and tenor in one or more authorized denominations, upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent

together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing.

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

(b) For every exchange or transfer of Bonds, the City or the Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except as otherwise provided in this Order, may charge a sum sufficient to pay the costs of preparing each new Bond issued upon such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Paying Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 307 of this Order and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The City shall give the Paying Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or as approved by an Authorized Officer in the Supplemental Order:

[Forms of Bonds]

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

CITY OF DETROIT  
FINANCIAL RECOVERY BOND  
(LIMITED TAX GENERAL OBLIGATION), SERIES 2014

Maturity Date

Date of Original Issue

CUSIP

April 1, 20\_\_

\_\_\_\_\_, 2014

Registered Owner:

Original Principal Amount:

Dollars

The City of Detroit, County of Wayne, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Accretion Value specified below, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon at the Interest Rate of 5.0% per annum from the Date of Original Issue specified above until the tenth (10<sup>th</sup>) anniversary of the Date of Original Issue (the "Conversion Date"), and thereafter at an Interest Rate of 5.65% per annum on Accretion Value prior to the next Accretion Date, until the Maturity Date specified above or until the Accretion Value is paid in full. Interest is payable semiannually on April 1 and October 1 in each year commencing on \_\_\_\_\_ (each an "Interest Payment Date"). The interest so payable, and punctually paid or duly provided for, will be paid, as provided in the hereinafter defined Order, to the person in whose name this Bond is registered on the books maintained for such purpose by the hereinafter defined Paying Agent (the "Bond Registry"), on the close of business on the Regular Record Date for such interest payment, which shall be the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall herewith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to

the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to Registered Owners at least seven days before such Special Record Date, or may be paid at any time in any other lawful manner. The bonds of this series shall also accrete in value at an Accretion Rate of 0.65% per annum, compounded semiannually on each April 1 and October 1 to the Accreted Value as of any date of calculation (as hereinafter set forth), until the Conversion Date. Thereafter, the Bonds at their Accreted Value in principal amount shall pay current interest at the Interest Rate of 5.65% per annum, payable semiannually on each Interest Payment Date. Capitalized terms used herein but not defined herein, shall have the meanings ascribed to them in the Order.

THE BELOW CHART OF ACCRETION VALUES OF THIS BOND PER \$5,000 ORIGINAL PRINCIPAL AMOUNT WILL REQUIRE MODIFICATION IF THE BONDS ARE ISSUED ON A DATE OTHER THAN 10/01/14 BASED ON INTEREST CALCULATIONS AT 0.65% ANNUALLY.

### Chart of Accretion Values

Accretion Date	Accretion Amount
04/01/2015	\$5,016.25
10/01/2015	5,032.55
04/01/2016	5,048.91
10/01/2016	5,065.32
04/01/2017	5,081.78
10/01/2017	5,098.30
04/01/2018	5,114.87
10/01/2018	5,131.49
04/01/2019	5,148.17
10/01/2019	5,164.90
04/01/2020	5,181.68
10/01/2020	5,198.52
04/01/2021	5,215.42
10/01/2021	5,232.37
04/01/2022	5,249.37
10/01/2022	5,266.43
04/01/2023	5,283.55
10/01/2023	5,300.72
04/01/2024	5,317.95
10/01/2024	5,335.23
Thereafter	5,335.23

The Accretion Value of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registrar, transfer agent and paying agent under the Order (such bank and any successor as paying agent, the "Paying Agent"). Interest on this Bond is payable in like money by check or draft drawn on the Paying

Agent and mailed to the Registered Owner entitled thereto, as provided above, by first class mail or, upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Registered Owner, and such request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent. Interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. For prompt payment of this Bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Section 36a of Act No. 279, Public Acts of Michigan, 1909, as amended (“Act 279”), for the purpose of satisfying certain LTGO Claims, as defined in the Order. Pursuant to the Order, the bonds of this series (the “Bonds”) are limited tax general obligations of the City, and the City is obligated to levy annually ad valorem taxes on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations.

The “Order” is an Order of the Emergency Manager issued on \_\_\_\_\_, 2014, supplemented by a Supplemental Order of an Authorized Officer of the City issued on \_\_\_\_\_, 2014, authorizing the issuance of the Bonds.

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

*(a) Optional Redemption.* The Bonds are subject to redemption prior to maturity, in whole, at the option of the Issuer, on any Interest Payment Date after the Date of Original Issue, at a redemption price equal to the Accretion Value as of the date of redemption plus accrued interest to the date fixed for redemption.

*(b) Mandatory Redemption.*

The Bonds shall be subject to mandatory redemption, in part, by lot, on the redemption dates and in the Accretion Values set forth below, and at a redemption price equal to the Accretion Value thereof as of the date of redemption, without premium, plus accrued interest to the date fixed for redemption.

Redemption Date October 1	Principal Amount
2020	\$2,000,000
2021	2,000,000
2022	2,000,000
2023	2,000,000
2024	2,000,000
2025	3,735,115
2026	3,735,115
2027	3,735,115
2028	3,735,115
2029	3,735,115
2030	3,735,115
2031	3,735,115
2032	3,735,115
2033	3,735,115
2034	3,735,115
2035	3,735,115
2036	3,735,115
2037*	3,735,115

\*Final Maturity

The Accretion Value of the Bonds to be redeemed on the dates set forth above shall be reduced by the Accretion Value of Term Bonds that has been redeemed (other than by mandatory sinking fund redemption) or otherwise acquired by the City and delivered to the Paying Agent prior to giving the notice of redemption described below. The City may satisfy any mandatory redemption requirement by the purchase and surrender of Term Bonds of the same maturity and interest rate in lieu of calling such Term Bonds for mandatory redemption.

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

Notice of redemption shall be given to the registered owners of Bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds or portions thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem such Bonds.

Reference is hereby made to the Order for the provisions with respect to the nature and extent of the security for the Bonds, the manner and enforcement of such security, the rights,



duties and obligations of the City, and the rights of the Paying Agent and the Registered Owners of the Bonds. As therein provided, the Order may be amended in certain respects without the consent of the Registered Owners of the Bonds. A copy of the Order is on file and available for inspection at the office of the Finance Director and at the principal corporate trust office of the Paying Agent.

The City and the Paying Agent may treat and consider the person in whose name this Bond is registered on the Bond Registry as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes whatsoever, and all such payments so made to such person or upon his order shall be valid and effectual to satisfy and discharge the liability hereon to the extent of the sum or sums so paid.

The registration of this Bond is transferable only upon the Bond Registry by the Registered Owner hereof or by his attorney duly authorized in writing upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Order upon the payment of the charges, if any, therein prescribed.

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

This Bond is not valid or obligatory for any purpose until the Paying Agent's Certificate of Authentication on this Bond has been executed by the Paying Agent.



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

CITY OF DETROIT

By: \_\_\_\_\_  
Emergency Manager

By: \_\_\_\_\_  
Finance Director

(SEAL)

(Form of Paying Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Order.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Michigan  
Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or typewrite name and address of transferee)

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

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

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

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

Name and Address: \_\_\_\_\_

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

Section 308. Registration. The City and the Paying Agent may treat and consider the Registered Owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal (and premium, if any) thereof and interest thereon and for all other purposes whatsoever, and all such payments so made to such Bondowner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 309. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the Paying Agent or the City and the Paying Agent and the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds issued under this Order.

Section 310. Book-Entry-Only System Permitted. (a) If determined by the Authorized Officer in the Supplemental Order, the Bonds or portions of the Bonds shall be issued to a securities depository selected by the Authorized Officer (the "Security Depository") to be held pursuant to the book-entry-only system maintained by the Security Depository and registered in the name of the Security Depository or its nominee. Ownership interests in Bonds held under such book-entry-only system shall be determined pursuant to the procedures of the Security Depository and Article 8 of the applicable Uniform Commercial Code (such persons having such interests, "Beneficial Owners").

(b) If (i) the City and the Paying Agent receive written notice from the Security Depository to the effect that the Security Depository is unable or unwilling to discharge its responsibilities with respect to the Bonds under the book-entry-only system maintained by it or (ii) the Authorized Officer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in certificated form, then the City may so notify the Security Depository and the Paying Agent, and, in either event, the City and the Paying Agent shall take appropriate steps to provide the Beneficial Owners with Bonds in certificated form to evidence their respective ownership interests in the Bonds. Whenever the Security Depository requests the City and the Paying Agent to do so, the Authorized Officer on behalf of the City and the Paying Agent will cooperate with the Security Depository in taking appropriate action after

reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(c) Notwithstanding any other provision of the Order to the contrary, so long as the Bonds are held pursuant to the book-entry-only system maintained by the Security Depository:

(i) all payments with respect to the principal and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Security Depository as provided in the representation letter from the City and the Paying Agent to the Security Depository with respect to such Bonds; and

(ii) all payments with respect to principal of the Bonds and interest on the Bonds shall be made in such manner as shall be prescribed by the Security Depository.

## **ARTICLE IV**

### **FUNDS AND ACCOUNTS**

Section 401. Establishment of Accounts and Funds. (a) The City hereby establishes and creates the Debt Retirement Fund as a special, separate and segregated account and fund which shall be held for and on behalf of the City by the Paying Agent.

(b) The Finance Director is hereby authorized to establish such additional accounts, subaccounts or funds as shall be required for the Bonds, to accommodate the requirements of such series of Bonds.

Section 402. Debt Retirement Fund. General funds of the City, proceeds of all taxes levied pursuant to Section 301 hereof shall be used to pay the principal of and interest on the Bonds when due. The City shall set aside in the Debt Retirement Fund each month, (i) beginning the first day of the first month following the date of delivery of the Bonds, an amount equal to 1/6 of the interest coming due on the Bonds on the next Interest Payment Date and, (ii) beginning on the first day of the first month which is 11 months prior to the date on which the first mandatory sinking fund redemption occurs, an amount equal to 1/12 of the principal or Accretion Value coming due on the next mandatory sinking fund redemption date for the Bonds. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Paying Agent, and so long as the principal or Accretion Value of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal or Accretion Value and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds and the fees and expenses of the Paying Agent shall be retained by the City to be used for any lawful purpose.

Section 403. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Paying Agent, upon written direction or upon oral direction promptly confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

## ARTICLE V

### THE PAYING AGENT

Section 501. Paying Agent. The Paying Agent for the Bonds shall act as bond registrar, transfer agent and paying agent for the Bonds and shall be initially \_\_\_\_\_, Detroit, Michigan, or such other bank or trust company located in the State which is qualified to act in such capacity under the laws of the United States of America or the State. The Paying Agent means and includes any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Paying Agent as determined by an Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. An Authorized Officer is authorized to enter into an agreement with such a bank or trust company, and from time to time as required, may designate a similarly qualified successor Paying Agent and enter into an agreement therewith for such services.

## ARTICLE VI

### SUPPLEMENTAL ORDERS AND RESOLUTIONS

Section 601. Supplemental Orders and Resolutions Not Requiring Consent of Holders of the Bonds. The City may without the consent of any Bondowner adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;
- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order; and
- (iv) such other action not materially, adversely and directly affecting the security of the Bonds.

provided that (A) no supplemental order or resolution amending or modifying the rights or obligations of the Paying Agent shall become effective without the consent of the Paying Agent and (B) the effectiveness of any supplemental resolution is subject to Section 702 to the extent applicable.

Section 602. Bond Counsel Opinion. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Paying Agent, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that, Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of an Authorized Officer or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VII

### DEFEASANCE

Section 701. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Paying Agent. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Owners of such Bonds. After such deposit, such Bonds shall no longer be entitled to the benefits of this Order (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Order for the benefit of such Bonds shall be discharged.

## ARTICLE VIII

### OTHER PROVISIONS OF GENERAL APPLICATION

[Section 801. Reserved]

Section 802. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer, the City Clerk and any written designee of the Emergency Manager are each hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

Section 803. Delegation of City to, and Authorization of Actions of Authorized Officers.  
(a) Each Authorized Officer is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the

Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from available funds, for and on behalf of the City.

(b) Except as otherwise provided herein, all determinations and decisions of the Authorized Officer with respect to the issuance and sale of the Bonds or the negotiation, execution or delivery of agreements as permitted or required by this Order shall be confirmed by this Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 804. Approving Legal Opinions with Respect to the Bonds. Delivery of the Bonds shall be conditioned upon receiving, at the time of delivery of the Bonds; the approving opinion of Bond Counsel, approving legality of the Bonds.

Section 805. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable from available funds in accordance with the agreement of such firm on file with the Finance Director.

Section 806. Preservation of Records. So long as any Bond remains Outstanding, all documents received by the Paying Agent under the provisions of this Order shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, and the Bondowners, and their agents and representatives, any of whom may make copies thereof.

Section 807. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City or Paying Agent shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 808. No Recourse Under Order. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member, officer or employee of the City or any person executing the Bonds in his or her official individual capacity.



Section 809. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 810. Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience of reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 811. Conflict. All orders or resolutions or parts of orders or resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 812. Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 813. Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract between the City, the Paying Agent, and the Bondowners.

Section 814. Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 815. Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director

If to the Paying Agent, to:

U.S. Bank National Association

\_\_\_\_\_

Attention: \_\_\_\_\_

SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2014.

---

Kevyn D. Orr  
Emergency Manager  
City of Detroit, Michigan

22545852.5\022765-00202

**EXHIBIT I.A.240**

NEW B NOTES  
SUMMARY OF PRINCIPAL TERMS

**NEW B NOTES**  
**SUMMARY OF PRINCIPAL TERMS<sup>1</sup>**

On the Effective Date, the City shall issue the New B Notes and distribute them as set forth in the Plan. The definitive documentation governing the New B Notes shall provide generally for the following terms:

Obligation	The City's obligations with respect to the New B Notes shall be a general and unsecured obligation of the City.
Initial Principal Amount	\$632.0 million.
Interest Rate	4.0% for the first 20 years; 6.0% for years 21 through 30.
Maturity	30 years.
Amortization	Interest only for 10 years; amortization in 20 equal annual installments beginning on the interest payment date nearest to the 11th anniversary from issuance.
Disclosure	The City will provide a continuing disclosure undertaking under 17 C.F.R. § 240.15c2-12 in connection with the delivery of the New B Notes.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Plan.

**EXHIBIT I.A.241**

FORM OF NEW B NOTES DOCUMENTS

ORDER NO. \_\_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$632,000,000 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN UNSECURED CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

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ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$632,000,000 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN UNSECURED CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City of Detroit, County of Wayne, State of Michigan (the "City") pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; And

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, on \_\_\_\_\_, 2014, the Emergency Manager filed on behalf of the City a \_\_\_\_\_ Amended Plan for the Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, the Plan of Adjustment provides, among other things, for the satisfaction of certain claims of unsecured creditors as set out in the Plan of Adjustment in exchange for the

receipt of unsecured pro rata shares ( each a “Pro Rata Share”) of New B Notes (the “New B Notes”); and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the “Effective Date”); and

WHEREAS, on or as reasonably practicable after the Effective Date, the City shall execute New B Notes Documents and issue New B Notes in the form of Financial Recovery Bonds authorized under Section 36a of the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”) and this Order, and distribute the New B Notes, in the form of the Financial Recovery Bonds, to the holders of the particular unsecured claims, as provided in the Plan of Adjustment and described on Exhibit A hereto (collectively, the “Claims”); and

WHEREAS, the Emergency Manager of the City deems it necessary to authorize the issuance of Financial Recovery Bonds in one or more series (the “Bonds”), in the aggregate principal amount of not to exceed Six Hundred Thirty Two Million Dollars (\$632,000,000) pursuant to Section 36a of Act 279; and

WHEREAS, the Bonds will be secured by a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Board; and

WHEREAS, the City must receive prior approval of the terms and conditions for the issuance of the Bonds from the Board in accordance with Section 36a of Act 279; and

WHEREAS, the Emergency Manager desires to submit this Order to the Board proposing the issuance by the City of Financial Recovery Bonds, in one or more series, under Section 36a of Act 279, to provide for a portion of the financing of the City under the Plan of Adjustment, solely to satisfy the Claims [and to pay certain administrative and other costs related to the issuance of the bonds, upon the terms and conditions and parameters approved by the Board; and]

WHEREAS, prior to submission of this Order to the Board, pursuant to Sections 12(1)(u) and 19(i) of Act 436, the Emergency Manager must obtain approval of the issuance of the Bonds by the City Council of the City (the “City Council”), and if the City Council disapproves the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED AS FOLLOWS:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment to them unless a different meaning clearly appears from the context:

“Act 243” means Act No. 243, Public Acts of Michigan, 1980, as amended.

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

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

“Allowed Claims” has the meaning set forth in the Plan of Adjustment.

“Allowed Limited Tax General Obligation Bond Claims” shall mean such claims under Class 7 of the Plan of Adjustment.

“Allowed Other Unsecured Claims” has the meaning set forth in the Plan of Adjustment.

“Authorized Denominations” shall mean denominations of Bonds equal to multiples of \$1,000 or integral multiples of \$1.00 in excess thereof.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

“Bankruptcy Court” has the meaning set forth in the Plan of Adjustment.

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

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

“Bond” or “Bonds” means the Financial Recovery Bonds, Series 2014B of the City authorized to be issued by the Order in the aggregate principal amount not to exceed \$632,000,000, in one or more series, and bearing such other designations as determined by the Authorized Officer in the Supplemental Order.

“Bond Registry” means the books for the registration of Bonds maintained by the Paying Agent.

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

“Bonds” means the City’s Financial Recovery Bonds, Series 2014B, with such series designations as may be determined by the Authorized Officer in the Supplemental Order.

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

“Certificate” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Order.

“Charter” means the Charter of the City, as amended from time to time.

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

“Claimants” means the beneficial owners of the Claims.

“Claims” has the meaning set forth recitals hereto.

“Closing Date” means the Date of Original Issue.

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

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Confirmation Order” has the meaning set forth in recitals hereto.

“Contingent General VEBA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“Contingent Police and Fire VEBA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“COP Litigation” has the meaning set forth in the Plan of Adjustment.

“COPs Claims” has the meaning set forth in the recitals and Exhibit A hereto.

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

“DDA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“Debt Retirement Fund” means the Debt Retirement Fund established under Section 501 hereof, and any subaccounts thereof established hereunder for the payment of principal of and premium and interest on the Bonds.

“Disbursing Agent” means the Registered Owner of the Bonds issued on behalf of the Claimants entitled to distributions of Bonds and/or cash from the Disputed COPs Claims Reserve.

“Disbursing Agent Agreement” means the agreement between the City and the Disbursing Agent to provide for the distributions of Bonds and/or cash to Claimants from the Disputed COPs Claims Reserve.

“Disputed COPs Claims” has the meaning set forth in the Plan of Adjustment.

“Disputed COPs Claims Reserve” means the Disputed COP Claims Reserve established under Section 401(b).

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

“Final Order” has the meaning set forth in the Plan of Adjustment.

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

“Interest Payment Date” means April 1 and October 1 of each year commencing with the April 1 or October 1 specified in the Supplemental Order.

“Interest Rate” means 4% per annum from the Date of Original Issue until the twentieth (20<sup>th</sup>) anniversary of the Date of Original Issue, and thereafter 6% per annum until the Maturity Date, or such other interest rates as confirmed in the Supplemental Order.

“Litigation Trust” has the meaning set forth in the Plan of Adjustment.

“Maturity Date” means the thirtieth (30<sup>th</sup>) anniversary of the Date of Original Issue or such other final date of maturity of each series of the Bonds as specified in the Supplemental Order.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VII.

“Other Unsecured Claims” has the meaning set forth in the recitals hereto.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:
  - (A) Bonds theretofore canceled by the Paying Agent or delivered to such Paying Agent for cancellation;
  - (B) Bonds for whose payment money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the registered owners of such Bonds;
  - (C) Bonds delivered to the Paying Agent for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
  - (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
  - (E) Bonds deemed paid as provided in Section 701.

“Paying Agent” means the bond registrar, transfer agent and paying agent for the Bonds.

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

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Police and Fire VEBA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“Registered Owner” means the registered owner of a Bond as the registered owner’s name appears on the Bond Registry under Section 305.

“Regular Record Date” has the meaning given such term in Section 302.

“Security Depository” has the meaning given such term in Section 310.

“Settled COP Claims” has the meaning set forth in the Plan of Adjustment.

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

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

“Supplemental Order” means the order or orders of the Authorized Officer making certain determinations and confirming the final details on the Bonds upon issuance, in accordance with the parameters of this Order.

“Unsecured Pro Rata Share” has the meaning set forth in the Plan of Adjustment.

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## **ARTICLE II**

### **DETERMINATIONS**

Section 201. Finding, and Declaration of Need to Issue Bonds. The Emergency Manager hereby finds and declares that it is necessary for the City to issue the Bonds hereunder in such sum as shall be determined and approved by the Emergency Manager, not in excess of \$632,000,000 (the “Maximum Aggregate Principal Amount”), and to evidence such debt by the issuance of the Bonds in one or more series not in excess of the Maximum Aggregate Principal Amount, in Authorized Denominations, pursuant to and in accordance with the provisions of Section 36a of Act 279, for the purpose of satisfying the Claims.

## **ARTICLE III**

### **AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS**

Section 301. Authorization of Bonds to Satisfy the Claims and Pledge. The City hereby authorizes the issuance of the Bonds as hereinafter defined in such principal amount as shall be confirmed in the Supplemental Order to satisfy the Claims as determined by the Authorized Officer in the Supplemental Order or subsequently confirmed by the Authorized Officer to Bond Counsel. The principal of and interest on the Bonds shall hereby be secured by the limited tax full faith and credit pledge of the City.

The City pledges to pay the principal of and interest on the Bonds as a first budget obligation from its general funds and in case of insufficiency thereof, from the proceeds of an annual levy of ad valorem taxes on all taxable property of the City, subject to applicable constitutional, statutory and charter tax rate limitations.

Section 302. Designations, Date, Interest, Maturity and Other Terms of the Bonds to Satisfy the Claims. (a) The Bonds shall be designated “FINANCIAL RECOVERY BONDS,



SERIES 2014B” and may bear such later or earlier dates and additional or alternative designations, series or subseries as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from “R-1” upwards, unless otherwise provided by the Authorized Officer in the Supplemental Order. The Bonds shall be dated and issued in such denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds of each series shall mature on such Maturity Dates not in excess of 30 years from the Date of Original Issue and shall bear interest at the Interest Rate on a taxable basis, payable on the Interest Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of the actual number of days elapsed in a 360 day year. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(c) Except as may be otherwise determined by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be payable to the Registered Owner as of the 15th day of the month, whether or not a Business Day (a “Regular Record Date”), prior to each Interest Payment Date. Interest on the Bonds shall be payable to such Registered Owners by check or draft drawn on the Paying Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of \$1,000,000 or more in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent.

(d) Interest on Bonds not punctually paid or duly provided for on an Interest Payment Date shall forthwith cease to be payable to the Registered Owners on the Regular Record Date established for such Interest Payment Date, and may be paid to the Registered Owners as of the close of business on a date fixed by the Paying Agent (a “Special Record Date”) with respect to the payment of such defaulted interest to be fixed by the Paying Agent, or may be paid at any time in any other lawful manner. The Paying Agent shall give notice to the Registered Owners at least seven days before any such Special Record Date.

(e) The principal of the Bonds shall be payable to the Registered Owners of the Bonds upon the presentation of the Bonds to the Paying Agent at the principal corporate trust office of the Paying Agent.

(f) The Bonds shall be subject to redemption and/or tender for purchase prior to maturity or shall not be subject thereto, upon such terms and conditions as shall be determined by the Authorized Officer and confirmed in the Supplemental Order.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Paying Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates, CUSIP numbers, if any; certificate numbers, and in the case of partial redemption,



the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Paying Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Emergency Manager and the Finance Director of the City and authenticated by the manual signature of the Finance Director or an authorized representative of the Paying Agent, as the case may be, and a facsimile of the seal of the City shall be imprinted on the Bonds. Additional Bonds bearing the manual or facsimile signatures of the Emergency Manager or Mayor of the City and the Finance Director, and upon which the facsimile of the seal of the City is imprinted may be delivered to the Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Paying Agent shall indicate on each Bond the date of its authentication.

Section 304. Authentication of the Bonds. (a) No Bond shall be entitled to any benefit under this Order or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 307 of this Order, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Paying Agent by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

(b) The Paying Agent shall manually execute the Certificate of Authentication on each Bond upon receipt of a written direction of the Authorized Officer of the City to authenticate such Bond.

Section 305. Transfer of Registration and Exchanges on the Bonds. (a) The registration of each Bond is transferable only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

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

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

(b) For every exchange or transfer of Bonds, the City or the Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except as otherwise provided in this Order, may charge a sum sufficient to pay the costs of preparing each new Bond issued upon such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Paying Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 307 of this Order and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The City shall give the Paying Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or as approved by an Authorized Officer in the Supplemental Order:

[Forms of Bonds]

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

CITY OF DETROIT  
FINANCIAL RECOVERY BOND, SERIES 2014B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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\_\_\_\_\_, 2014

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

The City of Detroit, County of Wayne, State of Michigan (the “City”), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon at the Interest Rate of 4.0% per annum from the Date of Original Issue specified above until the twentieth (20<sup>th</sup>) anniversary of the Date of Original Issue, and thereafter at 6.0% per annum, until the Maturity Date specified above or until the Principal Amount specified above is paid in full. Interest is payable semiannually on April 1 and October 1 in each year commencing on \_\_\_\_\_ (each an “Interest Payment Date”). The interest so payable, and punctually paid or duly provided for, will be paid, as provided in the hereinafter defined Order, to the person in whose name this Bond is registered on the books maintained for such purpose by the hereinafter defined Paying Agent (the “Bond Registry”), on the close of business on the Regular Record Date for such interest payment, which shall be the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall herewith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to Registered Owners at least seven days before such Special Record Date,

or may be paid at any time in any other lawful manner. Capitalized terms used herein but not defined herein, shall have the meanings ascribed to them in the Order.

The principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registrar, transfer agent and paying agent under the Order (such bank and any successor as paying agent, the "Paying Agent"). Interest on this Bond is payable in like money by check or draft drawn on the Paying Agent and mailed to the Registered Owner entitled thereto, as provided above, by first class mail or, upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Registered Owner, and such request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent. Interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. For prompt payment of this Bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Section 36a of Act No. 279, Public Acts of Michigan, 1909, as amended ("Act 279"), for the purpose of satisfying certain Claims, as defined in the Order. Pursuant to the Order, the bonds of this series (the "Bonds") are limited tax general obligations of the City, and the City is obligated to levy annually ad valorem taxes on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations.

The "Order" is an Order of the Emergency Manager issued on \_\_\_\_\_, 2014, supplemented by a Supplemental Order of an Authorized Officer of the City issued on \_\_\_\_\_, 2014, authorizing the issuance of the Bonds.

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

*(a) Optional Redemption.* Bonds or portions of bonds in Authorized Denominations of multiples of \$1,000 or integral multiples of \$1.00 in excess thereof are subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine, and by lot within a maturity on any date after the Date of Original Issue, at a redemption price of par plus accrued interest to the date fixed for redemption.

*(b) Mandatory Redemption.* [TO BE DETERMINED]

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

Notice of redemption shall be given to the registered owners of Bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days but not more than

sixty (60) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds or portions thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem such Bonds.

Reference is hereby made to the Order for the provisions with respect to the nature and extent of the security for the Bonds, the manner and enforcement of such security, the rights, duties and obligations of the City, and the rights of the Paying Agent and the Registered Owners of the Bonds. As therein provided, the Order may be amended in certain respects without the consent of the Registered Owners of the Bonds. A copy of the Order is on file and available for inspection at the office of the Finance Director and at the principal corporate trust office of the Paying Agent.

The City and the Paying Agent may treat and consider the person in whose name this Bond is registered on the Bond Registry as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes whatsoever, and all such payments so made to such person or upon his order shall be valid and effectual to satisfy and discharge the liability hereon to the extent of the sum or sums so paid.

The registration of this Bond is transferable only upon the Bond Registry by the Registered Owner hereof or by his attorney duly authorized in writing upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of the charges, if any, therein prescribed.

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

This Bond is not valid or obligatory for any purpose until the Paying Agent's Certificate of Authentication on this Bond has been executed by the Paying Agent.

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

CITY OF DETROIT

By: \_\_\_\_\_  
Emergency Manager

By: \_\_\_\_\_  
Finance Director

(SEAL)

(Form of Paying Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Order.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Michigan  
Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or typewrite name and address of transferee)

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

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

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

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

Name and Address: \_\_\_\_\_

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



Section 308. Registration. The City and the Paying Agent may treat and consider the Registered Owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal (and premium, if any) thereof and interest thereon and for all other purposes whatsoever, and all such payments so made to such Bondowner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 309. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the Paying Agent or the City and the Paying Agent and the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds issued under this Order.

Section 310. Book-Entry-Only System Permitted. (a) If determined by the Authorized Officer in the Supplemental Order, the Bonds or portions of the Bonds shall be issued to a securities depository selected by the Authorized Officer (the "Security Depository") to be held pursuant to the book-entry-only system maintained by the Security Depository and registered in the name of the Security Depository or its nominee. Ownership interests in Bonds held under such book-entry-only system shall be determined pursuant to the procedures of the Security Depository and Article 8 of the applicable Uniform Commercial Code (such persons having such interests, "Beneficial Owners").

(b) If (i) the City and the Paying Agent receive written notice from the Security Depository to the effect that the Security Depository is unable or unwilling to discharge its responsibilities with respect to the Bonds under the book-entry-only system maintained by it or (ii) the Authorized Officer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in certificated form, then the City may so notify the Security Depository and the Paying Agent, and, in either event, the City and the Paying Agent shall take appropriate steps to provide the Beneficial Owners with Bonds in certificated form to evidence their respective ownership interests in the Bonds. Whenever the Security Depository requests the City and the Paying Agent to do so, the Authorized Officer on behalf of the City and the Paying Agent will cooperate with the Security Depository in taking appropriate action after

reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(c) Notwithstanding any other provision of the Order to the contrary, so long as the Bonds are held pursuant to the book-entry-only system maintained by the Security Depository:

(i) all payments with respect to the principal and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Security Depository as provided in the representation letter from the City and the Paying Agent to the Security Depository with respect to such Bonds; and

(ii) all payments with respect to principal of the Bonds and interest on the Bonds shall be made in such manner as shall be prescribed by the Security Depository.

#### **ARTICLE IV**

##### **FUNDS AND ACCOUNTS**

Section 401. Establishment of Accounts and Funds. (a) The City hereby establishes and creates the Debt Retirement Fund as a special, separate and segregated account and fund which shall be held for and on behalf of the City by the Paying Agent.

(b) On the Effective Date, the City shall establish and create the Disputed COPs Claims Reserve (the "Disputed COPs Claims Reserve") which shall be held for and on behalf of the City by the Disbursing Agent under the Disbursing Agent Agreement pursuant to Section 401(d).

(c) The Disputed COP Claims Reserve shall contain no less than (i) an Unsecured Pro Rata Share of Bonds, calculated as if such Disputed COP Claims were Allowed in an amount equal to the sum of (A) aggregate unpaid principal amount as of the Petition Date for the COPs other than those giving rise to the Settled COP Claims (or such other amount as may be required by an order of the Bankruptcy Court), and (B) with respect to the Settled COPs Claims, the aggregate unpaid principal amount as of the Petition Date for the COPs giving rise to the Settled COPs claims less the amounts expended in settlement of such Settled COP Claims; and (ii) any distributions made on account of Bonds held in the Disputed COP Claims Reserve.

(d) An Authorized Officer is authorized and directed to designate a Disbursing Agent and negotiate and enter into a Disbursing Agent Agreement (the "Disbursing Agent Agreement") between the City and the Disbursing Agent, setting forth the duties and obligations of the Disbursing Agent with respect to the distribution of Bonds and/or cash from the Disputed COPs Claims Reserve to the Claimants thereof pursuant to Section 404(h).

(e) The Finance Director is hereby authorized to establish such additional accounts, subaccounts or funds as shall be required for the Bonds, and the Dispute COPS Claims Reserve to accommodate the requirements of such series of Bonds and the Disputed COPS Claims Reserve.

Section 402. Debt Retirement Fund. General funds of the City, proceeds of all taxes levied pursuant to Section 301 hereof [and any amounts transferred from the debt retirement funds related to the COPs, if any,] shall be used to pay the principal of and interest on the Bonds when due. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Paying Agent, and so long as the principal of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds and the fees and expenses of the Paying Agent shall be retained by the City to be used for any lawful purpose.

Section 403. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Paying Agent, upon written direction or upon oral direction promptly confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

Section 404. Satisfaction of Claims. (a) On the Effective Date, the City shall issue the Bonds in an amount sufficient to satisfy the Claims. An Authorized Officer shall arrange for delivery of the Bonds to the Claimants and the Disbursing Agent to satisfy the Claims on behalf of the Claimants of each class of creditors entitled to New B Notes and/or cash as provided in the Plan of Adjustment and as set forth in this Section 404 in subsections (b) through (g), inclusive. Upon delivery of the Bonds to the Disbursing Agent and the Claimants, an Authorized Officer shall take all necessary steps to extinguish any related existing debt, including the cancellation of any related bonds or notes of the City representing portions of the Claims.

(b) On the Effective Date, the City shall distribute to the Detroit General VEBA, Bonds in the aggregate principal amount of \$218,000,000, in satisfaction of the Allowed OPEB Claims held by the Detroit General VEBA Beneficiaries. The Detroit General VEBA shall also be paid any contingent additional distributions from the Disputed COPs Claims Reserve as set forth in Section 404(g).

(c) On the Effective Date, the City shall distribute to the Detroit Police and Fire VEBA, Bonds in the aggregate principal amount of \$232,000,000, in satisfaction of the Allowed OPEB Claims held by the Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA shall also be paid any contingent additional distributions from the Disputed COPs Claims Reserve as set forth in Section 404(g).

(d) On the Effective Date, the Downtown Development Authority Claims shall be allowed in the amount of \$33,600,000. Unless the Holder agrees to a different treatment of its Claim, each Holder of an Allowed Downtown Development Authority Claim, in full satisfaction of such Allowed Claim, shall receive from the City, on or as soon as reasonably practicable after the Effective Date, an Unsecured Pro Rata Share of the Bonds.

(e) Unless such Holder agrees to a different treatment of such claim, each Holder of an Allowed Other Unsecured Claim, in full satisfaction of such Allowed Claim, shall receive from the Disbursing Agent, on or as soon as reasonably practicable after the Effective Date, an Unsecured Pro Rata Share of Bonds.

(f) If and to the extent that Disputed COP Claims become Allowed Claims, the Holders of such Allowed Claims shall be sent a Distribution from the Disputed COP Claims Reserve by the Disbursing Agent of no less than (i) the portion of New B Notes held in the Disputed COP Claims Reserve initially allocated to the Disputed COP Claims that became Allowed Claims; and (ii) any distributions received by the Disputed COP Claims Reserve on account of such portion of Bonds.

(g) Upon the entry of a Final Order resolving any objection to any Disputed COP Claim and after all Distributions on account of Allowed COP Claims respecting such resolved Disputed COP Claims have been made or provided for (i) an amount of Bonds or distributions thereon in an amount equal to the costs, fees and expenses related to the COP Litigation incurred by the Litigation Trust from and after the Effective Date shall be distributed by the Disbursing Agent to the City subject to the terms of the Plan of Adjustment; (ii) following such distribution, the Bonds and any distributions thereon remaining in the Disputed COP Claims Reserve shall be distributed as follows: (A) 65% to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the Bonds allocated to each pursuant to Sections 404(b) and 404(c); (B) 20% to be distributed Pro Rata among holders of Allowed Limited Tax General Obligation Bond Claims in Class 7 under the Plan of Adjustment; and (C) 15% to holders of Allowed Other Unsecured Claims in Class 14 under the Plan of Adjustment.

## ARTICLE V

### THE PAYING AGENT

Section 501. Paying Agent. The Paying Agent for the Bonds shall act as bond registrar, transfer agent and paying agent for the Bonds and shall be initially \_\_\_\_\_, Detroit, Michigan, or such other bank or trust company located in the State which is qualified to act in such capacity under the laws of the United States of America or the State. The Paying Agent means and includes any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Paying Agent as determined by an Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. An Authorized Officer is authorized to enter into an agreement with such a bank or trust company, and from time to time as required, may designate a similarly qualified successor Paying Agent and enter into an agreement therewith for such services.

## ARTICLE VI

### SUPPLEMENTAL ORDERS AND RESOLUTIONS

Section 601. Supplemental Orders and Resolutions Not Requiring Consent of Holders of the Bonds. The City may without the consent of any Bondowner adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;
- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order; and
- (iv) such other action not materially, adversely and directly affecting the security of the Bonds.

provided that (A) no supplemental order or resolution amending or modifying the rights or obligations of the Paying Agent shall become effective without the consent of the Paying Agent and (B) the effectiveness of any supplemental resolution is subject to Section 702 to the extent applicable.

Section 602. Bond Counsel Opinion. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Paying Agent, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that, Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of an Authorized Officer or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VII

### DEFEASANCE

Section 701. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Paying Agent. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held



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

## ARTICLE VIII

### OTHER PROVISIONS OF GENERAL APPLICATION

[Section 801. Credit Enhancement. (a) There is hereby authorized to be obtained municipal bond insurance or other credit enhancement or a combination thereof to secure the payment of all or part of the Bonds, if, and provided that, it shall be determined by an Authorized Officer that obtaining such Municipal Bond Insurance Policy or other credit enhancement or a combination thereof is in the best interest of the City. Such municipal bond insurance or other credit enhancement providers may be afforded certain rights and remedies to direct the proceedings with respect to the enforcement of payment of the Bonds as shall be provided in the documents relating thereto. In the event a commitment for a Municipal Bond Insurance Policy is obtained or a commitment for other credit enhancement is obtained, an Authorized Officer is hereby authorized, to approve the terms, perform such acts and execute such instruments that shall be required, necessary or desirable to effectuate the terms of such commitment and the transactions described therein and in this Order and the Supplemental Order provided that such terms are not materially adverse to the City.

(b) In connection with the execution of any of the agreements authorized by this Section, an Authorized Officer is authorized to include therein such covenants as shall be appropriate.]

Section 802. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer, the City Clerk and any written designee of the Emergency Manager are each hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

Section 803. Delegation of City to, and Authorization of Actions of Authorized Officers. (a) Each Authorized Officer is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from Bond proceeds or other available funds, for and on behalf of the City.

(b) Except as otherwise provided herein, all determinations and decisions of the Authorized Officer with respect to the issuance and sale of the Bonds or the negotiation, execution or delivery of agreements as permitted or required by this Order shall be confirmed by this Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 804. Approving Legal Opinions with Respect to the Bonds. Delivery of the Bonds shall be conditioned upon receiving, at the time of delivery of the Bonds; the approving opinion of Bond Counsel, approving legality of the Bonds.

Section 805. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable from available funds in accordance with the agreement of such firm on file with the Finance Director.

Section 806. Preservation of Records. So long as any Bond remains Outstanding, all documents received by the Paying Agent under the provisions of this Order shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, and the Bondowners, and their agents and representatives, any of whom may make copies thereof.

Section 807. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City or Paying Agent shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 808. No Recourse Under Resolution. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member, officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 809. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 810. Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience

of reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 811. Conflict. All resolutions or parts of resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 812. Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 813. Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract between the City, the Paying Agent, the Bond Insurer and the Bondowners.

Section 814. Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 815. Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director



If to the Paying Agent, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Kevyn D. Orr  
Emergency Manager  
City of Detroit, Michigan

## EXHIBIT A

### THE UNSECURED CLAIMS

1. Class 7 Allowed Limited Tax General Obligation Bond Claims.
2. Class 9 Disputed COPS Claims which become Allowed Claims.
3. Class 12 OPEB Claims - Detroit General VEBA Claims ("General VEBA Claims") in the amount of \$218,000,000, plus contingent additional distributions from the Disputed COP Claims Reserve ("Contingent General VEBA Claims");
4. Class 12 OPEB Claims - Detroit Police and Fire VEBA Claims ("Police and Fire VEBA Claims") in the amount of \$232,000,000, plus contingent additional distributions from the Disputed COP Claims Reserve ("Contingent Police and Fire VEBA Claims");
5. Class 13 Allowed Downtown Development Authority Claims ("DDA Claims") in the amount of \$33,600,000; and
6. Class 14 Allowed Other Unsecured Claims ("Other Unsecured Claims").

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**EXHIBIT I.A.242**

NEW C NOTES  
SUMMARY OF PRINCIPAL TERMS

**NEW C NOTES  
SUMMARY OF PRINCIPAL TERMS<sup>1</sup>**

On the Effective Date, the City shall issue the New C Notes and distribute them as set forth in the Plan. The definitive documentation governing the New C Notes shall provide generally for the following terms:

Obligation	Unsecured financial recovery bonds due 2026.
Parking Revenues Lockbox	The City shall direct Parking Revenues into a lockbox account. Once amounts sufficient to pay the principal of or interest due on the New C Notes for the then current fiscal year (the “Annual Set Aside Requirement”) have been set aside, any excess may be transferred to the City’s general fund and used for other purposes.
Parking Violation Revenue	“Parking Revenues” shall mean (a) in the event the New C Notes are issued in a principal amount equal to or less than the \$21,271,804, revenues collected from fines received by the City related to tickets issued for parking violations, other than such revenues that would otherwise be paid to the 36 <sup>th</sup> District Court (“Violations Revenue”), and (b) in the event the New C Notes are issued in a principal amount in excess of \$21,271,804, Violations Revenue, meter collections and revenue from garage (other than Grand Circus) and boot and tow operations.
Principal Amount	Not to exceed \$88,430,021
Interest Rate	5%. In addition, in the event the City fails to make an interest and principal amortization payment when due (a “Payment Default”), the City shall have thirty days, following written notice of such default (the “Cure Period”), to cure such Payment Default. Failure to cure a Payment Default within the Cure Period will result in application of additional default rate interest of 2% until such Payment Default is cured.
Maturity	12 years, callable at any time for par plus accrued interest.
Payment Date	The City shall make interest and principal amortization payments annually on June 30.

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Plan.

Amortization	Principal amortization in accordance with the schedule hereto such that the total annual principal and interest cash payment on the bonds is \$9,977,153.00 (or \$2,400,000 with respect to Syncora).
City Parking Facilities Disposition	In the event the City disposes of some or all of the City Parking Facilities subsequent to distribution of the New C Notes, the City shall use the net proceeds from such transaction to prepay the amount owed on account of the New C Notes.
Effectuation of Provisions of New C Notes	The City, to the extent required to effectuate the provisions of the New C Notes, shall (i) cause the Detroit Building Authority to convey the City Parking Facilities to the City, and (ii) treat accounting of the Parking Revenues such that all Parking Revenues are deposited into a general governmental account.

**EXHIBIT I.A.243**

FORM OF NEW C NOTES DOCUMENTS

ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$88,430,021 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN COP CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY IN PARTIAL SATISFACTION THEREOF AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

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ORDER NO. \_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$88,430,021 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN COP CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY IN PARTIAL SATISFACTION THEREOF AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City of Detroit, County of Wayne, State of Michigan (the "City") pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; And

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, on August 20, 2014, the Emergency Manager filed on behalf of the City a Sixth Amended Plan of Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, the Plan of Adjustment provides, among other things, for the satisfaction of certain claims of unsecured creditors as set out in the Plan of Adjustment in exchange for the

receipt of unsecured pro rata shares ( each a “Pro Rata Share”) of New C Notes (the “New C Notes”); and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the “Effective Date”); and

WHEREAS, on or as reasonably practicable after the Effective Date, the City shall execute New C Notes Documents and issue New C Notes in the form of Financial Recovery Bonds authorized under Section 36a of the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”) and this Order, and distribute the New C Notes, in the form of the Financial Recovery Bonds, through the Litigation Trust, as defined in the Plan of Adjustment, to Settling COP Claimants as provided in the Plan of Adjustment (the “Settling COP Claimants”); and

WHEREAS, the Emergency Manager of the City deems it necessary to authorize the issuance of Financial Recovery Bonds in one or more series (the “Bonds”), in the aggregate principal amount of not to exceed Eighty Eight Million Four Hundred Thirty Thousand Twenty One Dollars (\$88,430,021) pursuant to Section 36a of Act 279; and

WHEREAS, the Bonds will be payable from City Parking Revenues or a portion thereof and secured by a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Board; and

WHEREAS, the City must receive prior approval of the terms and conditions for the issuance of the Bonds from the Board in accordance with Section 36a of Act 279; and

WHEREAS, the Emergency Manager desires to submit this Order to the Board proposing the issuance by the City of Financial Recovery Bonds, in one or more series, under Section 36a of Act 279, to provide for a portion of the financing of the City under the Plan of Adjustment, solely to satisfy the Settling COP Claimants’ COP Claims; and

WHEREAS, prior to submission of this Order to the Board, pursuant to Sections 12(1)(u) and 19(i) of Act 436, the Emergency Manager must obtain approval of the issuance of the Bonds by the City Council of the City (the “City Council”), and if the City Council disapproves the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED AS FOLLOWS:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment to them unless a different meaning clearly appears from the context:

“Account Control Agreement” means that certain Account Control Agreement by and among the City, the Paying Agent and the Depository Bank in favor of the Paying Agent with respect to the bank account that holds the City Parking Revenues.

“Act 243” means Act No. 243, Public Acts of Michigan, 1980, as amended.

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

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

“Authorized Denominations” shall mean denominations of Bonds equal to multiples of \$1.00.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

“Bankruptcy Court” has the meaning set forth in the Plan of Adjustment.

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

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

“Bond” or “Bonds” means the Financial Recovery Bonds, Series 2014C of the City authorized to be issued by the Order in the aggregate principal amount not to exceed \$88,430,021, in one or more series, and bearing such other designations as determined by the Authorized Officer in the Supplemental Order.

“Bond Registry” means the books for the registration of Bonds maintained by the Paying Agent.

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

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

“Certificate” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Order.

“Charter” means the Charter of the City, as amended from time to time.

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

[“City Parking Facilities” means \_\_\_\_\_.]

“City Parking Revenues” means revenues collected by the City related to (i) tickets issued for parking violations, including, but not limited to, meter collections, towing, storage fees and booting fees, other than revenues that would otherwise be paid to the 36th District Court, and (ii) if the Bonds are issued in a principal amount greater than \$21,271,804, garage operations at City Parking Facilities, other than the Grand Circus Park facility.

“Closing Date” means the Date of Original Issue.

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

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Confirmation Order” has the meaning set forth in recitals hereto.

“COP Claims” has the meaning set forth in the Plan of Adjustment.

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

“Debt Retirement Fund” means the Debt Retirement Fund established under Section 501 hereof, and any subaccounts thereof established hereunder for the payment of principal of and premium and interest on the Bonds.

“Depository Bank” means a bank or banks or other financial institution which the Emergency Manager of the City designates as depository of the City.

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

“Final Order” has the meaning set forth in the Plan of Adjustment.

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

“Interest Payment Date” means June 30 of each year commencing with the June 30 specified in the Supplemental Order.

“Interest Rate” means 5% per annum from the Date of Original Issue until the Maturity Date, or such other interest rates as confirmed in the Supplemental Order.

“Litigation Trust” has the meaning set forth in the Plan of Adjustment.

“Maturity Date” means June 30, 20\_\_ or such other final date of maturity of each series of the Bonds as specified in the Supplemental Order.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VII.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:
  - (A) Bonds theretofore canceled by the Paying Agent or delivered to such Paying Agent for cancellation;
  - (B) Bonds for whose payment money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the registered owners of such Bonds;
  - (C) Bonds delivered to the Paying Agent for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
  - (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
  - (E) Bonds deemed paid as provided in Section 701.

“Paying Agent” means the bond registrar, transfer agent and paying agent for the Bonds.

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

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Registered Owner” means the registered owner of a Bond as the registered owner’s name appears on the Bond Registry under Section 305.

“Regular Record Date” has the meaning given such term in Section 302.

“Security Depository” has the meaning given such term in Section 310.

“Settling COP Claimant” has the meaning set forth in the Plan of Adjustment.

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

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

“Supplemental Order” means the order or orders of the Authorized Officer making certain determinations and confirming the final details on the Bonds upon issuance, in accordance with the parameters of this Order.

“Unsecured Pro Rata Share” has the meaning set forth in the Plan of Adjustment.

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## ARTICLE II

### DETERMINATIONS

Section 201. Finding, and Declaration of Need to Issue Bonds. The Emergency Manager hereby finds and declares that it is necessary for the City to issue the Bonds hereunder in such sum as shall be determined and approved by the Emergency Manager, not in excess of \$88,430,021 (the “Maximum Aggregate Principal Amount”), and to evidence such debt by the issuance of the Bonds in one or more series not in excess of the Maximum Aggregate Principal Amount, in Authorized Denominations, pursuant to and in accordance with the provisions of Section 36a of Act 279, for the purpose of satisfying the Claims.



## ARTICLE III

### AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS

Section 301. Authorization of Bonds to Satisfy the Claims and Pledge. The City hereby authorizes the issuance of the Bonds as hereinafter defined in such principal amount as shall be confirmed in the Supplemental Order to satisfy a portion of the COP Claims as determined by the Authorized Officer in the Supplemental Order or subsequently confirmed by the Authorized Officer to Bond Counsel. The principal of and interest on the Bonds shall hereby be payable from (i) the City Parking Revenues and (ii) secured by the limited tax full faith and credit pledge of the City.

In the event of insufficient City Parking Revenues, the City pledges to pay the principal of and interest on the Bonds as a first budget obligation from its general funds and in case of insufficiency thereof, from the proceeds of an annual levy of ad valorem taxes on all taxable property of the City, subject to applicable constitutional, statutory and charter tax rate limitations.

Section 302. Designations, Date, Interest, Maturity and Other Terms of the Bonds to Satisfy the Claims. (a) The Bonds shall be designated "FINANCIAL RECOVERY BONDS, SERIES 2014C" and may bear such later or earlier dates and additional or alternative designations, series or subseries as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from "R-1" upwards, unless otherwise provided by the Authorized Officer in the Supplemental Order. The Bonds shall be dated and issued in Authorized Denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds of each series shall mature on the Maturity Date not more than 13 years from the Date of Original Issue and shall bear interest at the Interest Rate on a taxable basis, payable on the Interest Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(c) Except as may be otherwise determined by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be payable to the Registered Owner as of the 15th day of the month, whether or not a Business Day (a "Regular Record Date"), prior to each Interest Payment Date. Interest on the Bonds shall be payable to such Registered Owners by check or draft drawn on the Paying Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of \$1,000,000 or more in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent.



(d) Interest on Bonds not punctually paid or duly provided for on an Interest Payment Date shall forthwith cease to be payable to the Registered Owners on the Regular Record Date established for such Interest Payment Date, and may be paid to the Registered Owners as of the close of business on a date fixed by the Paying Agent (a "Special Record Date") with respect to the payment of such defaulted interest to be fixed by the Paying Agent, or may be paid at any time in any other lawful manner. The Paying Agent shall give notice to the Registered Owners at least seven days before any such Special Record Date.

(e) The principal of the Bonds shall be payable to the Registered Owners of the Bonds upon the presentation of the Bonds to the Paying Agent at the principal corporate trust office of the Paying Agent.

(f) The Bonds shall be subject to optional, mandatory sinking fund and mandatory redemption prior to maturity or shall not be subject thereto, upon such terms and conditions as shall be determined by the Authorized Officer and confirmed in the Supplemental Order.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Paying Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates, CUSIP numbers, if any; certificate numbers, and in the case of partial redemption, the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Paying Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Finance Director of the City and authenticated by the manual signature of the Finance Director or an authorized representative of the Paying Agent, as the case may be, and a facsimile of the seal of the City shall be imprinted on the Bonds. The Bonds shall be delivered to the Litigation Trust for the Benefit of the Settling COP Claimants as described in the Plan of Adjustment. Additional Bonds bearing the manual or facsimile signatures of the Mayor of the City and the Finance Director, and upon which the facsimile of the seal of the City is imprinted may be delivered to the Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Paying Agent shall indicate on each Bond the date of its authentication.

Section 304. Authentication of the Bonds. (a) No Bond shall be entitled to any benefit under this Order or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 307 of this Order, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Paying Agent by manual signature, and such certificate upon any Bond shall be

conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

(b) The Paying Agent shall manually execute the Certificate of Authentication on each Bond upon receipt of a written direction of the Authorized Officer of the City to authenticate such Bond.

Section 305. Transfer of Registration and Exchanges on the Bonds. (a) The registration of each Bond is transferable only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

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

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

(b) For every exchange or transfer of Bonds, the City or the Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except as otherwise provided in this Order, may charge a sum sufficient to pay the costs of preparing each new Bond issued upon such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Paying Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 307 of this Order and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The City shall give the Paying Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or as approved by an Authorized Officer in the Supplemental Order:

[Form of Bonds]

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

CITY OF DETROIT  
FINANCIAL RECOVERY BOND, SERIES 2014C

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
		_____, 2014	

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

The City of Detroit, County of Wayne, State of Michigan (the “City”), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon at the Interest Rate specified above per annum from the Date of Original Issue specified above until the Maturity Date specified above or until the Principal Amount specified above is paid in full. Interest is payable annually on June 30 in each year commencing on June 30, 20\_\_ (each an “Interest Payment Date”). The interest so payable, and punctually paid or duly provided for, will be paid, as provided in the hereinafter defined Order, to the person in whose name this Bond is registered on the books maintained for such purpose by the hereinafter defined Paying Agent (the “Bond Registry”), on the close of business on the Regular Record Date for such interest payment, which shall be the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall herewith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to Registered Owners at least seven days before such Special Record Date, or may be paid at any time in any other lawful manner.

Capitalized terms used herein but not defined herein, shall have the meanings ascribed to them in the Order.

The principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registrar, transfer agent and paying agent under the Order (such bank and any successor as paying agent, the "Paying Agent"). Interest on this Bond is payable in like money by check or draft drawn on the Paying Agent and mailed to the Registered Owner entitled thereto, as provided above, by first class mail or, upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Registered Owner, and such request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent. Interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. For prompt payment of this Bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

In the event that the City fails to make a principal and interest payment when due (a "Payment Default"), the City shall have 30 days, following written notice of such default (the "Cure Period"), to cure such Payment Default. Failure to cure a Payment Default within the Cure Period will result in application of additional default rate interest at the rate of 2% per annum until such Payment Default is cured.

This bond is one of a series of bonds aggregating the principal sum of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Section 36a of Act No. 279, Public Acts of Michigan, 1909, as amended ("Act 279"), for the purpose of satisfying certain Claims, as defined in the Order. The Bonds are limited tax general obligations of the City, and the City is obligated to levy annually ad valorem taxes on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations. Pursuant to the Authorizing Orders, the bonds of this series (the "Bonds") are payable in the first instance from the City Parking Revenues.

The "Order" is an Order of the Emergency Manager issued on \_\_\_\_\_, 2014, supplemented by a Supplemental Order of an Authorized Officer of the City issued on \_\_\_\_\_, 2014, authorizing the issuance of the Bonds.

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

(a) *Optional Redemption.* Bonds or portions of bonds in Authorized Denominations of integral multiples of \$1.00 are subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine, and by lot within a maturity on any date after the Date of Original Issue, at a redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Sinking Fund Redemption.* This bond is subject to mandatory sinking fund redemption in part prior to maturity, by lot in such manner as the Paying Agent may determine, at a redemption price of 100% of the principal amount thereof plus interest accrued to the date fixed for redemption, on the dates and in the principal amounts as follows:

<u>Date (June 30)</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__†	

†Final Maturity

The amounts to be so redeemed may be reduced by the principal amounts of this bond theretofore redeemed (otherwise than through operation of the Mandatory Sinking Fund Redemption described above), or otherwise acquired and delivered to the Paying Agent, at least 45 days prior to the payment date for credit against the Mandatory Sinking Fund Redemption requirement described above and shall be applied in direct order of date of redemption.

(c) *Mandatory Redemption from Proceeds of Sale of City Parking Facilities.* In the event the City sells any City Parking Facilities, this bond is subject to redemption in part at a price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption from the net proceeds of such disposition.

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

Notice of redemption shall be given to the registered owners of Bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds or portions thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem such Bonds.

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

Reference is hereby made to the Order for the provisions with respect to the nature and extent of the security for the Bonds, the manner and enforcement of such security, the rights, duties and obligations of the City, and the rights of the Paying Agent and the Registered Owners

of the Bonds. As therein provided, the Order may be amended in certain respects without the consent of the Registered Owners of the Bonds. A copy of the Order is on file and available for inspection at the office of the Finance Director and at the principal corporate trust office of the Paying Agent.

The City and the Paying Agent may treat and consider the person in whose name this Bond is registered on the Bond Registry as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes whatsoever, and all such payments so made to such person or upon his order shall be valid and effectual to satisfy and discharge the liability hereon to the extent of the sum or sums so paid.

The registration of this Bond is transferable only upon the Bond Registry by the Registered Owner hereof or by his attorney duly authorized in writing upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of the charges, if any, therein prescribed.

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

This Bond is not valid or obligatory for any purpose until the Paying Agent's Certificate of Authentication on this Bond has been executed by the Paying Agent.

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

CITY OF DETROIT

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Finance Director

(SEAL)



(Form of Paying Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Order.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Michigan  
Paying Agent

By: \_\_\_\_\_  
Authorized Signatory



ASSIGNMENT

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

\_\_\_\_\_  
(Please print or typewrite name and address of transferee)

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

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

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

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

Name and Address: \_\_\_\_\_

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

Section 308. Registration. The City and the Paying Agent may treat and consider the Registered Owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal (and premium, if any) thereof and interest thereon and for all other purposes whatsoever, and all such payments so made to such Bondowner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 309. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the Paying Agent or the City and the Paying Agent and the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds issued under this Order.

Section 310. Book-Entry-Only System Permitted. (a) If determined by the Authorized Officer in the Supplemental Order, the Bonds or portions of the Bonds shall be issued to a securities depository selected by the Authorized Officer (the "Security Depository") to be held pursuant to the book-entry-only system maintained by the Security Depository and registered in the name of the Security Depository or its nominee. Ownership interests in Bonds held under such book-entry-only system shall be determined pursuant to the procedures of the Security Depository and Article 8 of the applicable Uniform Commercial Code (such persons having such interests, "Beneficial Owners").

(b) If (i) the City and the Paying Agent receive written notice from the Security Depository to the effect that the Security Depository is unable or unwilling to discharge its responsibilities with respect to the Bonds under the book-entry-only system maintained by it or (ii) the Authorized Officer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in certificated form, then the City may so notify the Security Depository and the Paying Agent, and, in either event, the City and the Paying Agent shall take appropriate steps to provide the Beneficial Owners with Bonds in certificated form to evidence their respective ownership interests in the Bonds. Whenever the Security Depository requests the City and the Paying Agent to do so, the Authorized Officer on behalf of the City and the Paying Agent will cooperate with the Security Depository in taking appropriate action after

reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(c) Notwithstanding any other provision of the Order to the contrary, so long as the Bonds are held pursuant to the book-entry-only system maintained by the Security Depository:

(i) all payments with respect to the principal and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Security Depository as provided in the representation letter from the City and the Paying Agent to the Security Depository with respect to such Bonds; and

(ii) all payments with respect to principal of the Bonds and interest on the Bonds shall be made in such manner as shall be prescribed by the Security Depository.

## **ARTICLE IV**

### **FUNDS AND ACCOUNTS**

Section 401. Establishment of Accounts and Funds. The City hereby establishes and creates the following special, separate and segregated accounts and funds:

(a) City Parking Revenue Fund. There is hereby established at the Depository Bank the City Parking Revenue Fund. City Parking Revenues shall be directly remitted to and deposited by the Depository Bank into the City Parking Revenue Fund as provided in Section 801.

(b) Debt Retirement Fund. The City hereby establishes and creates the Debt Retirement Fund as a special, separate and segregated account and fund which shall be held for and on behalf of the City by the Paying Agent.

(c) The Finance Director is hereby authorized to establish such additional accounts, subaccounts or funds as shall be required for the Bonds to accommodate the requirements of such series of Bonds.

Section 402. Debt Retirement Fund. General funds of the City, proceeds of all City Parking Revenues transferred by the Depository Bank pursuant to Section 801 and taxes levied pursuant to Section 301 hereof shall be used to pay the principal of and interest on the Bonds when due. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Paying Agent, and so long as the principal of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds and the fees and expenses of the Paying Agent shall be retained by the City to be used for any lawful purpose.

Section 403. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Paying Agent, upon written direction or upon oral direction promptly

confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

Section 404. Satisfaction of COP Claims. On the Effective Date, the City shall issue the Bonds in an amount sufficient to satisfy the portion of the COP Claims to be satisfied thereby. An Authorized Officer shall arrange for delivery of the Bonds to the Litigation Trust to be distributed to satisfy the portion of the COP Claims on behalf of the Settling COP Claimants as provided in the Plan of Adjustment. Upon delivery of the Bonds to the Litigation Trustee, an Authorized Officer shall take all necessary steps to extinguish any related existing debt, including the cancellation of any obligation of the City representing portions of the COP Claims settled thereby.

## ARTICLE V

### THE PAYING AGENT

Section 501. Paying Agent. The Paying Agent for the Bonds shall act as bond registrar, transfer agent and paying agent for the Bonds and shall be initially \_\_\_\_\_, or such other bank or trust company located in the State which is qualified to act in such capacity under the laws of the United States of America or the State. The Paying Agent means and includes any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Paying Agent as determined by an Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. An Authorized Officer is authorized to enter into an agreement with such a bank or trust company, and from time to time as required, may designate a similarly qualified successor Paying Agent and enter into an agreement therewith for such services.

## ARTICLE VI

### SUPPLEMENTAL ORDERS AND RESOLUTIONS

Section 601. Supplemental Orders and Resolutions Not Requiring Consent of Holders of the Bonds. The City may without the consent of any Bondowner adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;

- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order; and
- (iv) such other action not materially, adversely and directly affecting the security of the Bonds.

provided that (A) no supplemental order or resolution amending or modifying the rights or obligations of the Paying Agent shall become effective without the consent of the Paying Agent and (B) the effectiveness of any supplemental resolution is subject to Section 702 to the extent applicable.

Section 602. Bond Counsel Opinion. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Paying Agent, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that, Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of an Authorized Officer or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VII

### DEFEASANCE

Section 701. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Paying Agent. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Owners of such Bonds. After such deposit, such Bonds shall no longer be entitled to the benefits of this Order (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Order for the benefit of such Bonds shall be discharged.

## ARTICLE VIII

### OTHER PROVISIONS OF GENERAL APPLICATION

Section 801. Account Control Agreement. (a) The City shall enter into the Account Control Agreement with the Depository Bank and the Paying Agent, pursuant to which the bank account described in Section 401(a) shall be established at the Depository Bank. Daily, City Parking Revenues deposited in the City Parking Revenue Fund shall be remitted by the Depository Bank to the Debt Retirement Fund held by the Paying Agent until sufficient funds are on deposit therein to pay the principal and interest payable on the Bonds during that fiscal year (the "Annual Deposit Requirement"). Once the Annual Deposit Requirement is satisfied, any additional City Parking Revenues shall be remitted to the City for deposit into its general fund and used for any other purposes permitted by law.

(b) In connection with the execution of any of the agreements authorized by this Section, an Authorized Officer is authorized to include therein such covenants as shall be appropriate.

Section 802. Agreements with Third Parties Related to Deposit of City Parking Revenues; Approval of Third Parties. The Emergency Manager is hereby authorized and directed on behalf of the City to take any and all other actions and perform any and all acts that shall be required, necessary or desirable, including, but not limited to, negotiate the terms and enter into the Account Control Agreement in such form and with such terms as shall be subsequently approved by the Emergency Manager (such subsequent approval to be conclusively evidenced by his execution and delivery of the Account Control Agreement) as security for the Bonds.

Section 803. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer, the City Clerk and any written designee of the Emergency Manager are each hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

Section 804. Delegation of City to, and Authorization of Actions of Authorized Officers. (a) Each Authorized Officer is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from Bond proceeds or other available funds, for and on behalf of the City.



(b) Except as otherwise provided herein, all determinations and decisions of the Authorized Officer with respect to the issuance and sale of the Bonds or the negotiation, execution or delivery of agreements as permitted or required by this Order shall be confirmed by this Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 805. Approving Legal Opinions with Respect to the Bonds. Delivery of the Bonds shall be conditioned upon receiving, at the time of delivery of the Bonds; the approving opinion of Bond Counsel, approving legality of the Bonds.

Section 806. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable from available funds in accordance with the agreement of such firm on file with the Finance Director.

Section 807. Preservation of Records. So long as any Bond remains Outstanding, all documents received by the Paying Agent under the provisions of this Order shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, and the Bondowners, and their agents and representatives, any of whom may make copies thereof.

Section 808. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City or Paying Agent shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 809. No Recourse Under Resolution. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member, officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 810. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 811 Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience of

reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 812 Conflict. All resolutions or parts of resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 813 Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 814 Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract between the City, the Paying Agent and the Bondowners.

Section 815 Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 816 Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director

If to the Paying Agent, to:

\_\_\_\_\_

Attention:

SO ORDERED this \_\_\_\_ day of September, 2014.

\_\_\_\_\_  
Kevyn D. Orr  
Emergency Manager  
City of Detroit, Michigan



A-1

EXHIBIT I.A.244.a

FORM OF NEW GRS ACTIVE PENSION PLAN

**COMBINED PLAN  
FOR THE  
GENERAL RETIREMENT SYSTEM  
OF THE  
CITY OF DETROIT, MICHIGAN**

**Effective July 1, 2014**

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## ARTICLE 1 – GENERAL PROVISIONS

### Sec. 1.1. General Retirement System Established; Adoption of 2014 Combined Plan Document

Effective July 1, 1938, a General Retirement System for the employees of the City of Detroit was established for the purpose of providing retirement and survivor benefits for eligible City employees and their beneficiaries. The provisions of the Detroit General Retirement System, as in effect July 1, 2014, are set forth in this Combined Plan Document. Component I of the Combined Plan Document applies to benefits accrued by Members on and after July 1, 2014 and to operation of the Detroit General Retirement System on and after July 1, 2014. Component II of the Combined Plan Document applies to benefits accrued by Members prior to July 1, 2014. Except as specifically provided in Component II, benefits provided under Component II of the Combined Plan Document are frozen effective June 30, 2014.

This Combined Plan Document shall replace in its entirety Chapter 47 of the Detroit City Code as in effect on June 30, 2014 and any conflicting provisions in any collective bargaining agreements covering Members (including, without limitation, the City Employment Terms that applied to Members effective July 18, 2012). All resolutions and policies of the Retirement Board previously adopted which are inconsistent with the provisions of this Combined Plan Document are also hereby also repealed to the extent of such inconsistency.

### Sec. 1.2. Retirement System Intended to be Tax-Qualified

The Retirement System is a governmental plan under Section 414(d) of the Internal Revenue Code which is intended to be a qualified plan and trust pursuant to applicable provisions of the Internal Revenue Code. The Board shall construe and administer the provisions of the Retirement System in a manner that gives effect to the tax-qualified status of the Retirement System.

### Sec. 1.3. Board of Trustees

Effective July 1, 1938, a Board of Trustees of the Detroit General Retirement System was created. The Board is vested with responsibility for the general administration, management and operation of the Detroit General Retirement System and with the trust and investment powers conferred in this Combined Plan Document.

### Sec. 1.4. Board of Trustees – Membership; Appointment

The Board of Trustees of the Detroit General Retirement System shall consist of ten Trustees, as follows:

- (1) The Mayor, *ex officio*, or the Mayor's designee;
- (2) One City Council Member, *ex officio*, who is selected by that body;
- (3) The City Treasurer, *ex officio*;
- (4) Five active employee members of the Retirement System to be elected by the Members in accordance with such rules and regulations as may be adopted by the Board. No more than one Trustee shall be elected from any one City Department;
- (5) One Detroit resident, appointed by the Mayor subject to the approval of the Board, who is neither an employee of the City nor is eligible to receive benefits under the Retirement System; and

- (6) One retiree who is receiving benefits under the Retirement System and who is elected by Retirees in accordance with procedures described in Section 1.5.

#### **Sec. 1.5. Board of Trustees; Retiree Member Election**

The procedures for the election of the Retiree member of the Board of Trustees shall be as follows:

- (1) *Notice.* Notice of a primary election shall be sent to each Retiree by United States Mail.
- (2) *Nominating petitions.* No candidate's name shall be placed on the primary election ballot unless a nominating petition containing the signatures of at least one hundred and twenty-five Retirees is filed with the secretary of the Board. The form of the nominating petition, the filing of the petition, and the procedure for verification of signatures shall be in accordance with rules and regulations adopted by the Board.
- (3) *Ballot.* Each candidate whose name appears on the ballot at any election held for the office of Retiree Trustee shall be identified by the title of the position held by the Retiree at the time of retirement and by the word "incumbent" if the candidate is a current trustee seeking re-election. No ballot shall contain any organizational or political designation or mark. Rotation and arrangement of names on the ballot shall be in accordance with the rules and regulations of the Board.
- (4) *Voting.* Procedures regarding mailing of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, handling of return envelopes received, and sealed ballot boxes shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (5) *Procedures.* Procedures regarding the selection and certification of successful candidates for nomination, the selection of Trustees from nominees, tie votes, and the destruction of ballots shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (6) *Board Rules.* Any matters relative to the election of the Retiree member of the Board not covered by this Section 1.5 shall be handled in accordance with such rules and regulations as the Board may adopt.

#### **Sec. 1.6. Board of Trustees; Oath; Term; Vacancies**

Within ten days after appointment or election, each Trustee shall take an oath of office to be administered by the Detroit City Clerk.

The regular term of office for the elected Member Trustees and the appointed Detroit resident Trustee shall be for a period of six years, one such Trustee to be elected or appointed, as the case may be, each year. The term of office for the Retiree Trustee shall be two years.

If an active employee Trustee leaves the employ of the City, or if an elected or appointed Trustee fails to attend four consecutive scheduled Board meetings without being excused for cause by the Trustees attending such meetings, the Trustee shall be considered to have resigned from the Board. By resolution, the Board shall declare the office vacated as of the date of adoption of such resolution. If a

vacancy occurs in the office of Trustee, the vacancy shall be filled at the next regular election held by the Board, or at any special election ordered by resolution adopted by the Board.

#### **Sec. 1.7. Board of Trustees; Officers and Employees**

The Board shall elect a chair and vice-chair from its members. The executive director of the Retirement System shall serve as secretary of the Board. The Board may employ such actuarial, medical and other employees as shall be required, subject to the powers and authority reserved to the Investment Committee and subject to the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*

#### **Sec. 1.8. Board of Trustees; Meetings; Rules of Procedure; Votes; Quorum**

- (1) The Board shall hold regular weekly meetings, at least one in each month, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure, including provisions for special meetings and notice thereof, and shall keep a record of proceedings. All meetings of the Board shall be public and are subject to the *Michigan Open Meetings Act*, MCL 15.261 *et seq.*
- (2) Each Trustee shall be entitled to one vote on each question before the Board. A majority vote of the Trustees present shall be necessary for a decision by the Trustees at any meeting of the Board.
- (3) Five Trustees shall constitute a quorum.

#### **Sec. 1.9. Board of Trustees; Compensation; Expenses**

Members of the Board of Trustees shall serve without additional compensation from the Employer, but they shall be compensated by the Retirement System as follows:

- (1) *Stipend.* Trustees are eligible for a meeting stipend, provided the Trustee attends one or more regular or special Board meetings during a month. The stipend amount shall be a minimum of sixty-seven dollars (\$67.00) per week multiplied by the Trustee's years of service. Eligibility rules and the amount of the stipend shall be set by Board resolution. However, the amount of the weekly meeting stipend shall not exceed two hundred dollars (\$200.00).
- (2) *Ex Officio Trustees.* Ex Officio Trustees are not eligible for a stipend payment.
- (3) *Attendance.* For purposes of this Section 1.9, attendance at a Board meeting shall include actual attendance at a meeting or being otherwise available to attend a Board meeting canceled for lack of a quorum.

Trustees shall be reimbursed from the Expense Fund for all actual, reasonable and necessary expenses incurred in the performance of their duties as Trustees.

#### **Sec. 1.10. Rules for Administration of Funds.**

Subject to the limitations contained in this Plan document, the Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this Plan document and for the transaction of its business.

#### **Sec. 1.11. Board of Trustees; Certain Data to be Kept**

The Board shall keep or cause to be kept, in convenient form, such data as shall be necessary for an actuarial valuation of the Retirement System and for checking and compiling the experience of the Retirement System. The ordinary actuarial, accounting and clerical services for the operation of the Retirement System shall be performed by the employees of the Retirement System.

#### **Sec. 1.12. Board of Trustees; Annual Audit Report**

The Board shall render a report to the Mayor, the City Council and the Investment Committee on or before the fifteenth day of January, showing the fiscal transactions of the Retirement System for the year ending on the preceding thirtieth day of June, the amounts of accumulated cash and securities in the various funds of the System, and the last balance sheet showing the financial condition of the Retirement System by means of an actuarial valuation of the assets and liabilities of the Retirement System.

#### **Sec. 1.13. Board of Trustees; Legal Advisors**

- (1) The Board shall appoint legal advisors (including a general counsel) who shall be directly responsible to and shall hold office at the pleasure of the Board of Trustees. Any legal advisor to the Board of Trustees shall be an attorney licensed to practice law in the State of Michigan and shall be experienced in matters relating to pension systems. The qualifications of legal counsel shall be approved by the Board of Trustees.
- (2) Legal advisors to the Board of Trustees shall have such duties relative to pension matters as shall be assigned by the Board of Trustees.
- (3) Costs and expenses relative to the position of legal advisors to the Board shall be payable out of the assets of the Retirement System, subject to the provisions of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*

#### **Sec. 1.14. Designation of Actuary; Authority to Engage Additional Actuaries**

The Retirement System actuary as of July 1, 2014 shall continue to serve as such until resignation or removal by the Board. In the event the Board desires to retain a new actuary, the Board and the Investment Committee shall collectively participate in the evaluation and selection of a qualified actuary. The Retirement System actuary shall be responsible for assisting the Board and the Investment Committee in performing its actuarial duties and shall comply with all requests for information or modeling requested by the Investment Committee, and shall attend meetings of the Board and Investment Committee as requested, so as to allow the Investment Committee to perform satisfactorily the rights and duties set forth in the Term Sheet and the Plan of Adjustment. Furthermore, the Board shall not act on any recommendation made by the Retirement System's actuary based on any calculation, assumption or assessment rejected by the Investment Committee.

Nothing herein shall be interpreted as limiting the Investment Committee's authority to engage an actuarial consulting firm other than the Retirement System's actuary to perform actuarial services deemed necessary to fulfill its fiduciary and other duties to the Retirement System as set forth in the Term Sheet and the Plan of Adjustment.

**Sec. 1.15. Board of Trustees; Adoption of Mortality and Other Tables of Experience and Rates of Interest; Limitations on Payments by the Retirement System**

- (1) Subject to Section 15.1, the Board shall adopt such mortality and other tables of experience, and a rate or rates of interest, as shall be necessary for the operation of the System on an actuarial basis, provided, that the authority granted by this section shall not permit or be used to provide for an interest rate which would violate the prohibitions of Subsection (2) or (3) of this section.
- (2) The Retirement System and the Trustees charged with management of the System shall not make any payment to active or retired Members other than payments that are required by the governing documents of the Retirement System. This prohibition applies to all payments that are not authorized by this Code, whether such payments are those commonly referred to as a “thirteenth check” or by any other name.
- (3) Anything in this Combined Plan Document or any other document to the contrary notwithstanding, the annual actuarial interest rate assumption for the period commencing July 1, 2014 and ending June 30, 2023 shall be six and three-quarters percent (6.75%).

**Sec. 1.16. Board of Trustees; Annual Actuarial Valuation of Assets and Liabilities**

Subject to Section 15.1, each year, on the basis of such mortality and other tables of experience, and such rate or rates of regular interest as the Board shall adopt pursuant to Section 1.15, the Board shall cause to be made an actuarial valuation of the assets and liabilities of the Retirement System.

**Sec. 1.17. Board of Trustees; Powers and Duties; Fiduciary Status; Fiduciary Duties**

The Board of Trustees shall have such powers and duties as are necessary for the proper administration of the Retirement System and the custody and investment of Retirement System assets, other than those powers and duties reserved to the Investment Committee. To the extent the Board exercises discretion with respect to investment of Retirement System assets, the Board shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*, and shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* A member of the Board of Trustees shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Board members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member’s fiduciary duties or conflicts with the provisions set forth in this Combined Plan Document.

**Sec. 1.18. Investment Committee; Establishment; Purpose; Fiduciary Status; Fiduciary Duties**

As of the effective date of the Plan of Adjustment, but subject to consummation of that certain Contribution Agreement by and between the Retirement System and the State of Michigan as provided in the Plan of Adjustment, an Investment Committee is hereby created for the purpose of making recommendations to the Board of Trustees with respect to certain investment management matters relating to the Retirement System. The creation and operation of the Investment Committee is controlled by the term sheet regarding Investment Committee Governance for General Retirement System, as attached to the Plan of Adjustment (“Term Sheet”). The Investment Committee shall remain in effect for a period of not less than twenty years following the date of confirmation of the Plan of Adjustment. The Investment Committee shall be an investment fiduciary as defined in the *Public Employee Retirement*

*System Investment Act*, as amended, MCL 38.1132 *et seq.* and shall have all powers granted fiduciaries under the first sentence of MCL 38.1133(5) and (6). The Investment Committee shall service in a fiduciary capacity with respect to the investment management of Retirement System assets, determination of the investment return assumptions, and Board compliance with provisions of the governing documents of the Retirement System. An Investment Committee member shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* An Investment Committee member shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Investment Committee members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflicts with the provisions set forth in the Term Sheet.

#### **Sec. 1.19. Investment Committee; Membership; Appointment**

The Investment Committee shall consist of seven (7) members, determined as follows:

- (1) Five independent members, two of whom must be residents of the State of Michigan, and none of whom may be a party in interest with respect to the Retirement System, as defined in as defined in Section 38.1132d(4) of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* Each independent Investment Committee member shall have expert knowledge or extensive experience with respect to either (a) economics, finance, or institutional investments, or (b) administration of public or private retirement plans, executive management, benefits administration or actuarial science. At least one of the independent Investment Committee members shall satisfy the requirements of (a) above and at least one of the independent Investment Committee members shall satisfy the requirements of (b) above. The initial independent Investment Committee members shall be selected by mutual agreement of the appropriate representatives of the State of Michigan, the City and the Board, in consultation with the Foundation for Detroit's Future, and shall be named in the Plan of Adjustment. If one or more of the five initial independent Investment Committee members are not selected by mutual agreement prior to confirmation of the Plan of Adjustment, then the United States Bankruptcy Court, Eastern District of Michigan shall designate such number of independent Investment Committee members as necessary to bring the number of independent Investment Committee members to five (5);
- (2) One Retiree who is a Retiree member of the Board of Trustees who shall be appointed by the Board; and
- (3) One Employee Member who is an employee member of the Board of Trustees who shall be appointed by the Board.

#### **Sec. 1.20. Investment Committee; Term; Resignation and Removal; Vacancies**

The term of office for the independent members of the Investment Committee shall be six years; provided, however, that the initial term for the independent Investment Committee members shall be determined as follows:

<u>Independent Member</u>	<u>Term of Office</u>
(1)	2 years
(2)	3 years



- |     |         |
|-----|---------|
| (3) | 4 years |
| (4) | 5 years |
| (5) | 6 years |

The term of office for a Retiree or employee Investment Committee member shall be the number of years remaining on such individual's term of office as a member of the Board of Trustees. Each Investment Committee member shall serve until his or her successor is appointed at the expiration of his or her term of office, or until his or her death, incapacity, resignation or removal, if earlier. Notwithstanding any provision of this Combined Plan Document, an initial independent Investment Committee member shall not be prohibited from becoming a successor independent Investment Committee member after expiration of his or her initial term.

An Investment Committee member may resign at any time by giving ninety days' prior written notice to the Investment Committee, the City and the Board, which notice or time period may be waived by the Investment Committee. An Investment Committee member may be removed from office by majority vote of the other Investment Committee members for any of the following reasons: (a) the member is legally incapacitated from executing his or her duties as a member of the Investment Committee and neglects to perform those duties; (b) the member has committed a material breach of the provisions of the Retirement System or the policies or procedures of the Retirement System and the removal of the member is in the interests of the Retirement System or its Members and Beneficiaries; (c) the member is convicted of a violation of law and the removal is accomplished by a vote of the members of the Investment Committee in accordance with the voting procedure set forth in Section 1.21; or (d) if the member holds a license to practice and such license is revoked for misconduct by any State or federal government. A member who fails to attend four (4) consecutive scheduled meetings of the Investment Committee shall be deemed to have resigned, unless in each case his or her absence is excused for cause by the remaining Members attending such meetings. In the event of such removal or resignation, the Investment Committee shall by resolution declare the office of the member vacated as of the date such resolution is adopted.

An Investment Committee member may have his or her voting privileges temporarily suspended by a 70% or higher vote of the other members if the member is indicted or sued by a State or federal government for an alleged violation of the law that relates to his or her service on the Investment Committee, or for other alleged financial crimes, including fraud.

Any vacancy occurring on the Investment Committee shall be filled within sixty (60) days following the date of the vacancy for the unexpired portion of the term, in the same manner in which the office was previously filled.

Successor independent Investment Committee members shall be recommended by a majority of the remaining independent Investment Committee members and shall be confirmed by the Board and the Treasurer of the State of Michigan, in consultation with the Foundation for Detroit's Future, pursuant to such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with the Term Sheet or the Plan of Adjustment). In the event the Board and the Treasurer of the State of Michigan cannot agree on the successor independent Investment Committee member within thirty (30) days of the receipt of the recommendation of the Investment Committee, the remaining independent Investment Committee members shall appoint the successor independent Investment Committee member.

In the event the United States Bankruptcy Court, Eastern District of Michigan appoints one or more independent Investment Committee members, successors to any such independent Investment Committee member shall be appointed in the same manner as provided in the preceding paragraph.

following three (3) weeks' notice to the Board of the individuals appointed, in accordance with such rules and regulations as may be adopted by the Investment Committee, provided that such rules are not inconsistent with either the Term Sheet or the Plan of Adjustment.

Successor Investment Committee members shall have the powers and duties conferred on Investment Committee members herein.

#### **Sec. 1.21. Investment Committee; Operation; Meetings; Quorum; Voting**

The Investment Committee members shall select from among the independent members a chair and a vice chair. The Investment Committee members shall select from among themselves a secretary. The Investment Committee shall hold regular meetings, not less frequently than once every other month, and shall hold special meetings as necessary. The Investment Committee shall designate the time and place thereof in advance. The secretary or his or her designee shall be responsible for providing meeting notices to the other Investment Committee members. The Investment Committee shall adopt its own rules of procedure and shall keep a record of its proceedings. Notice and conduct of all Investment Committee meetings, both regular and special, shall be public and subject to the *Michigan Open Meetings Act*, MCL 15.261 *et seq.* All Investment Committee meeting shall be held within the City of Detroit.

Five Investment Committee members shall constitute a quorum at any meeting, as long as at least three of the independent Investment Committee members are in attendance. Each Investment Committee member shall be entitled to one vote on each question before the Committee. Except as otherwise provided in the Term Sheet, at least four concurring votes shall be necessary for a decision by the Investment Committee.

#### **Sec. 1.22. Investment Committee; Expenses**

Investment Committee members shall be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to the administration of the Investment Committee, including but not limited to the purchase of insurance, shall be payable out of the assets of the Retirement System. The Investment Committee may retain actuarial, legal counsel, audit or other professional or support personnel to provide advice to the Investment Committee as it deems reasonably necessary to perform its functions and such parties or persons may be reasonably compensated from the assets of the Retirement System. Such engagements shall not be subject to approval of the Board.

Investment Committee members shall be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to administration of the Investment Committee, including but not limited to the purchase of insurance, shall be payable out of the assets of the Retirement System.



## ARTICLE 2 – DEFINITIONS

### Sec. 2.1. Definitions

Unless a different meaning is plainly required by context, for purposes of Component I of this Combined Plan Document the following words and phrases have the meanings respectively ascribed to them by this section:

- (1) *Accumulated Mandatory Employee Contributions* means the sum of all amounts deducted from the compensation of a Member and credited to the Accumulated Mandatory Employee Contribution Fund for periods on and after July 1, 2014.
- (2) *Accumulated Voluntary Employee Contributions* means the total balance in a Member's individual account under Component I of the Retirement System.
- (3) *Actuarial Equivalent or Actuarially Equivalent* means a Retirement Allowance or benefit amount having the same Actuarial Equivalent Value as another applicable benefit. The rates of interest adopted by the Board from time to time to determine Actuarial Equivalence shall not violate the terms of the Plan of Adjustment.
- (4) *Actuarial Equivalent Value* means the value of an applicable Retirement Allowance or benefit amount, where values are calculated under generally accepted actuarial methods and using the applicable tables, interest rates and other factors established by the Board upon recommendation of the Investment Committee.
- (5) *Administrative Rules and Regulations* means rules and regulations promulgated by the Board of Trustees for the administration of the Retirement System and for the transaction of its business.
- (6) *Age, Attainment of* means the age an individual reaches on the day of his or her birthday.
- (7) *Average Final Compensation* means the average Compensation received by a Member during the ten consecutive years of Credited Service which immediately precede the date of the Member's last termination of employment with the Employer. If a Member has less than ten years of Credited Service, the Member's Average Final Compensation shall be the average of the annual Compensation received by the Member during the Member's total years of Credited Service. If a Member is absent from service with the City for a period of not less than two months during his last two years of employment because of an unpaid leave under the Family and Medical Leave Act, such Member's Average Final Compensation will mean the average Compensation received by the Member during the ten consecutive year period out of the last twelve years of Credited Service which produces the highest average.
- (8) *Beneficiary* means any person who is entitled to receive a Retirement Allowance or pension payable from funds of the Retirement System due to the participation of a Member.
- (9) *Board of Trustees or Board or Retirement Board* means the Board of Trustees of the Detroit General Retirement System.
- (10) *City* means the City of Detroit, Michigan, a municipal corporation.
- (11) *City Council or Council* means the legislative body of the City.

- (12) *Compensation* means a Member's base salary or wages actually paid to the Member for personal services rendered to the Employer, excluding bonuses, overtime pay, payment of unused accrued sick leave, longevity pay, payment for unused accrued vacation, the cost or value of fringe benefits provided to the Member, termination or severance pay, reimbursement of expenses, or other extra payment of any kind. Compensation will include any amount which is contributed by the City to a plan or program pursuant to a salary reduction agreement and which is not includable in the income of the Member under Sections 125, 402(e)(3), 402(h) or 403(b) of the Internal Revenue Code.

For periods of time prior to July 1, 2014, the City shall provide to the Retirement System actual base salary or wages paid to Members using the best and most reliable sources of information available to the City. In the event the City is unable to provide actual base wages to the Retirement System, the City shall make reasonable estimates of each Member's base salary or wages for purposes of determining a Member's Compensation.

Notwithstanding the foregoing, for purposes of determining a Member's Voluntary Employee Contributions, Compensation shall mean the gross salary or wages paid to the Member for personal services rendered to the Employer.

The annual Compensation of each Member taken into account for the purposes of determining all benefits provided under the Retirement System for any determination period shall not exceed the limitation set forth in Code Section 401(a)(17) (\$260,000 for the Plan Year commencing July 1, 2014). Such limitation shall be adjusted for the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year. If Compensation for any prior determination period is taken into account in determining a Member's benefits for the current determination period, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that determination period. If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

- (13) *Credited Service* means service credited to a Member to the extent provided in Section 4 of Component I of this Combined Plan Document.
- (14) *Detroit General Retirement System or Retirement System* means the General Retirement System of the City of Detroit created and established by Title IX, Chapter VI, of the 1918 Detroit City Charter, as amended, continued in effect through the 1974, 1997 and 2012 Detroit City Charters, Article 47 of the Detroit City Code and this Combined Plan Document, as amended from time to time, which consists of:
- (a) The *2014 Defined Benefit Plan*, the terms of which are described in Component I hereof;
  - (b) The *Defined Contribution Plan*, consisting of the Voluntary Employee Contribution Account, the terms of which are described in Component I hereof;
  - (c) The *Frozen 1973 Defined Benefit Plan*, the terms of which are described in Component II hereof;

- (d) The *Frozen 1973 Defined Contribution Plan*, the terms of which are described in Component II hereof; and
- (e) The *Frozen 1998 Defined Contribution Plan*, the terms of which are described in Component II hereof, which was never implemented by the City.

References to the words *Retirement System* in Component I of the Combined Plan Document shall mean the provisions of the *Defined Benefit Plan and Defined Contribution Plan* described in Component I, unless a different meaning is plainly required by the context.

- (15) *Disability* means that a Member is mentally or physically totally incapacitated for the further performance of duty for the Employer and that such incapacity is likely to be permanent, provided that the Member shall be eligible to receive long term disability benefits under a policy or plan of insurance or self-insurance maintained by the Employer for the period of such incapacity.
- (16) *Employee* means any regular and/or permanent officer, agent, or person in the employ of the Employer, but does not include:
  - (a) individuals whose services for the Employer are compensated on a contractual or fee basis;
  - (b) persons who are employed in positions normally requiring less than six hundred hours of work per annum; or
  - (c) any person during any period when such person is classified by the Employer as a non-common-law employee or an independent contractor for federal income tax and withholding purposes whose compensation for services is reported on a form other than Form W-2 or any successor form for reporting wages paid to and taxes withheld from employees, even if a court or administrative agency determines that such person is a common-law employee of the Employer.

If a person described in (c) above is reclassified by the Employer as a common-law employee of the Employer and otherwise meets the definition of an Employee, the person will be eligible to participate in the Retirement System prospectively as of the actual date of such reclassification only (and only to the extent such individual otherwise qualifies as an Employee).

- (17) *Employer* means the City, or any board, commission, or court serving the City, to the extent that both the City, through the action of City Council, and the governing authority of such board, commission or court, shall mutually agree to include the employees of such board, commission, or court, as Employees under the provisions of this Retirement System at such time as they are eligible. To the extent that any employees of a board, commission, or court are considered Employees for this purpose, all employees of such board, commission, or court, shall be so included. However, only City board members and commissioners who are also Employees are eligible to participate in the Retirement System, unless otherwise specifically provided for in the Combined Plan Document. In all cases of doubt, the Board of Trustees shall decide who is an Employee.
- (18) *Family and Medical Leave Act* means the federal Family and Medical Leave Act of 1993, as amended, and regulations issued thereunder.

- (19) *Hour of Service* means (i) each hour for which a Member is paid or entitled to payment by the Employer for the performance of duties, and (ii) each hour for which a Member is directly paid or entitled to payment by the Employer for reasons other than the performance of duties (such as vacation, holiday, illness or approved leave of absence).
- (20) *Internal Revenue Code or Code* means the United States Internal Revenue Code of 1986, as amended.
- (21) *Investment Committee* means the committee established pursuant to Section 1.18 which shall have the powers and duties described herein.
- (22) *Mandatory Employee Contributions* mean the contributions made by a Member to the Retirement System pursuant to Section 9.3(3).
- (23) *Member* means any Employee who is included in the membership of the Retirement System and who has not retired or died.
- (24) *Normal Retirement Age* means age sixty-two (62). Notwithstanding the foregoing, the Normal Retirement Age of a Member who is an active Employee as of June 30, 2014 and who has 10 or more years of Vesting Service as of such date shall be as follows:

<u>Age as of July 1, 2014</u>	<u>Normal Retirement Age</u>
61 years	60 years and 0 months
60 years	60 years and 0 months
59 years	60 years and 3 months
58 years	60 years and 6 months
57 years	60 years and 9 months
56 years	61 years and 0 months
55 years	61 years and 3 months
54 years	61 years and 6 months
53 years	61 years and 9 months

- (25) *Normal Retirement Date* means for any Member the later of the date (i) the Member attains 10 years of Vesting Service, or (ii) attains Normal Retirement Age.

Pursuant to Code Section 411(e), as in effect in 1974, a Member shall be 100% vested in his accrued benefit under the Retirement System upon attainment of his or her Normal Retirement Date while in Service.

- (26) *Notice to Members, Beneficiaries, and Retirees* means a mailing using First Class United States Mail to the Members, Beneficiaries, and Retirees at their last known addresses.
- (27) *Pension Reserve* means the present value of all payments to be made on account of any Retirement Allowance. Such Pension Reserve shall be computed upon the basis of such mortality and other tables of experience and interest, as provided herein until June 30, 2023 and, thereafter, as shall be adopted by the Board upon the recommendation of the Investment Committee.
- (28) *Plan Actuary or Actuary* means the enrolled actuary or actuarial firm appointed as provided in Section 1.14 to serve as technical advisor to the Investment Committee and the Board on matters

regarding the funding and operation of the Retirement System and to perform such other duties as the Board or the Investment Committee may direct.

- (29) *Plan Document or Combined Plan Document* means this instrument, effective as of July 1, 2014, with all amendments hereafter adopted.
- (30) *Plan of Adjustment* means the Plan for the Adjustment of Debts of the City of Detroit, which has been approved by the United States Bankruptcy Court in *In re City of Detroit*, Michigan, Case No. 13-53846.
- (31) *Plan Year* means the twelve month period commencing on July 1 and ending on June 30.
- (32) *Prior Service* means the service credit awarded to a Member before July 1, 2014 under the terms of Component II of the Retirement System as in effect on June 30, 2014, as certified by the Board of Trustees.
- (33) *Retiree* means a former Member who is receiving a Retirement Allowance from the Retirement System.
- (34) *Retirement* means a Member's withdrawal from the employ of the Employer with a Retirement Allowance paid by the Retirement System.
- (35) *Retirement Allowance* means an annual amount payable in monthly installments by the Retirement System, whether payable for a temporary period or throughout the future life of a Retiree or Beneficiary.
- (36) *Service* means personal services rendered to the Employer by a person as an Employee, provided such person is compensated by the Employer for such personal services.
- (37) *Spouse* means the person to whom a Member is legally married under applicable law at the time a determination is made.
- (38) *Straight Life Retirement Allowance* means payment of a Member's Retirement Allowance over the Member's lifetime.
- (39) *Vesting Service* means service credited to a Member to the extent provided in Article 4 of Component I of this Combined Plan Document.
- (40) *Voluntary Employee Contributions* mean the after-tax contributions made by a Member to the Retirement System pursuant to Section 10.1.
- (41) *Voluntary Employee Contributions Account* means the account established pursuant to Section 10.3 for a Member who elects to make Voluntary Employee Contributions.

## **ARTICLE 3 – MEMBERSHIP**

### **Sec. 3.1. Eligible Employees**

The membership of the Retirement System shall consist of all persons who are full time Employees, except:

- (a) persons who are members of the Police and Fire Retirement System of the City of Detroit, established under Title IX, Chapter VII of the 1918 Detroit City Charter, continued in the 1974, 1997 and 2012 Detroit City Charters, and continued in the form of the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan; and
- (b) Any person who is a member of any other public employee pension or retirement plan adopted by the State of Michigan, other than the Michigan National Guard, or by any other political subdivision of the State of Michigan.

### **Sec. 3.2. Cessation of Membership; Re-Employment by the Employer**

- (1) The following provisions shall apply to a non-vested Member who terminates employment with the Employer and is re-employed:
  - (a) Except as otherwise provided in this Article 3, if any non-vested Member leaves the employment of the Employer for any reason other than retirement or death, such person shall continue to be a Member until such time as the Member receives a total distribution of his Accumulated Mandatory Employee Contributions and Accumulated Voluntary Employee Contributions. Upon receipt of his Accumulated Mandatory Employee Contributions, the Member's Credited Service and Vesting Service at that time shall be forfeited.
  - (b) If re-employment occurs within a period of six years from and after the date employment with the Employer last terminated, any forfeited Credited Service and Vesting Service rendered on and after July 1, 2014 shall be restored for purposes of determining the Member's Retirement Allowance after re-employment, provided that within the two year period beginning on the Member's re-employment date, the Member re-contributes to the Retirement System any Accumulated Mandatory Employee Contributions that were distributed to the Member pursuant to Section 5.5.
  - (c) If re-employment of a non-vested Member does not occur within a period of six years from and after the date employment with the Employer last terminated, the Member shall not be permitted to re-contribute to the Retirement System any Accumulated Mandatory Employee Contributions that were distributed to the Member pursuant to Section 5.5 and any forfeited Credited Service and Vesting Service shall not be restored at the time of the Member's re-employment.
- (2) A former Employee who is vested but has not yet begun to receive a Retirement Allowance and who is rehired prior to being separated for six years shall have his benefit pertaining to his total Credited Service earned on and after July 1, 2014 calculated in accordance with the terms of Component I of the Retirement System in effect at the time of his last termination of employment.



- (3) A former Employee who is vested but has not begun to receive a Retirement Allowance and who is rehired after being separated for more than six years shall be entitled to two separate and distinct pensions under Component I, each to be calculated in accordance with the provisions of Component I of the Retirement System in effect at the time of each separation from service.
- (4) Retirement benefits for a Retiree who returns to active full time employment shall be subject to the following:
  - (a) A Retiree who returns to work will have his Retirement Allowance suspended upon re-employment. The variable pension improvement factor (escalator) shall not be added to the amount of the original Retirement Allowance during the Retiree's re-employment period.
  - (b) A Retiree who returns to work will be entitled to receive a second Retirement Allowance in accordance with the provisions of the Retirement System in effect during his re-employment period.
  - (c) A Retiree's Average Final Compensation for purposes of determining the Retiree's second Retirement Allowance will be based upon the Compensation earned by the Retiree after he returns to work.
  - (d) An individual who retires for a second time will not be allowed to change the payment option selected by the Member with respect to the original Retirement Allowance. However, the individual may select a separate payment option with respect to his second Retirement Allowance.
  - (e) The Coordination of Benefits (Equaled Social Security) option will not be available with respect to payment of the second Retirement Allowance.

### **Sec. 3.3. Report of the Employer**

It shall be the duty of the Employer to submit to the Board of Trustees a statement showing the name, title, compensation, duties, date of birth, date of hire, and length of service of each Member, and such other information as the Board of Trustees may require or reasonably request for proper administration of the Retirement System.

## **ARTICLE 4 – SERVICE CREDIT**

### **Sec. 4.1. Credited Service**

- (1) The Board shall keep an accurate record of each Employee's accumulated Service credit from the date of commencement of employment with the Employer to the date of termination of employment with the Employer.
- (2) A Member shall be credited with one month of Credited Service for each calendar month during which he performs one hundred forty (140) or more Hours of Service for the Employer as an Employee beginning on the later of July 1, 2014 or his date of hire with the Employer and ending on the date his employment with the Employer is terminated. Service shall be credited in years and twelfths (1/12<sup>th</sup>) of a year. Not more than one-twelfth (1/12<sup>th</sup>) of a year of Credited Service shall be credited to a Member on account of all Service rendered to the Employer in a calendar month. Not more than one year of Credited Service shall be credited to a Member on account of all Service rendered to the Employer in any period of 12 consecutive months.
- (3) A Member who does not perform Service for the Employer by reason of a Disability which begins on or after July 1, 2014 shall be credited with Credited Service for the period of his Disability during which he is entitled to receive long-term disability benefits under the Employer's plan or policy.
- (4) Solely for purposes of determining eligibility for a retirement benefit under Section 5.2, a Member shall be credited with the sum of his Prior Service as determined by the Board and his Credited Service on and after July 1, 2014 determined under Section 4.1(2).

### **Sec. 4.2. Vesting Service**

- (1) A Member shall be credited with a year of Vesting Service for each Plan Year commencing on or after July 1, 2014 during which the Member performs 1,000 or more Hours of Service for the Employer.
- (2) A Member's total Vesting Service shall be the sum of his Prior Service and his Service determined under Section 4.2(1).

### **Sec. 4.3. Service Credit; Military Service**

An Employee who enters the military service of the United States while employed by an Employer shall have the period of such military service credited as Service in the same manner as if the Employee had served the Employer without interruption, provided that (1) the Employee's entry into such military service and re-employment thereafter shall be in accordance with applicable laws, ordinances, and regulations of the State of Michigan and the Employer, (2) he or she is re-employed by the Employer upon completion of such military service; and (3) the Member contributes to the Retirement System the Mandatory Employee Contributions that would have been made by the Member but for the Member's military service.. During the period of military service and until return to employment with the Employer, the Employee's Mandatory Employee Contributions to the Retirement System shall be suspended.

### **Sec. 4.4. Service Credit; Qualified Military Service**

Notwithstanding any provision of this Combined Plan Document to the contrary, contributions, benefits, and service credit with respect to qualified military service under Component I, shall be



provided in accordance with Code Section 414(u). Notwithstanding anything to the contrary herein, if a Member dies while performing qualified military service (as defined in Code Section 414(u)), to the extent required by Code Section 401(a)(37), the survivors of the Member are entitled to any additional benefits (if any, and other than benefit accruals relating to the period of qualified military service) provided under the Retirement System as if the Member had resumed and then terminated employment on account of death.

## **ARTICLE 5 – ELIGIBILITY FOR RETIREMENT BENEFITS**

### **Sec. 5.1. Eligibility for Unreduced Normal Retirement Benefit**

Any Member who attains his Normal Retirement Date may retire upon written application filed with the Board setting forth the date on which the Member desires to be retired. The date of retirement shall be effective as of the first day following the later of (i) the Member's last day on the City payroll, or (ii) the date the Member executes and files an application for retirement, notwithstanding that the Member may have separated from Service during the notification period. Such a Member shall be entitled to receive an unreduced Retirement Allowance calculated as provided in Section 6.1 and payable in a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.2. Eligibility for Reduced Early Retirement Benefit**

Any Member who has attained Age fifty-five, who is credited with thirty or more years of Credited Service, and who has not attained his Normal Retirement Date, shall have the option of retiring upon written application filed with the Board setting forth the date on which the Member desires to be retired. The Retirement Allowance payable to a Member who retires early shall be the Actuarial Equivalent of the Retirement Allowance that would be payable to the Member at his Normal Retirement Date pursuant to Section 6.1, as determined by the Plan Actuary. A Member's early retirement benefit shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.3. Eligibility for Deferred Vested Retirement Benefit**

Any Member who ceases to be an employee before satisfying the requirements for receipt of a retirement benefit under Section 5.1 or Section 5.2 and who is credited with ten or more years of Vesting Service (regardless of age), shall be entitled to receive an unreduced Retirement Allowance commencing at any time following his attainment of Age sixty-two. Deferred vested retirement benefits shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.4. Eligibility for Retirement Benefit – Disabled Members**

Any Member who becomes Disabled prior to his Normal Retirement Date shall be entitled to receive an unreduced Retirement Allowance commencing at any time following the Member's attainment of Age sixty-two. Disability retirement benefits shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.5. Return of Accumulated Mandatory Contributions to Non-Vested Member**

If a Member ceases to be an Employee before becoming eligible for a deferred vested Retirement Allowance under Section 5.3 or a disability Retirement Allowance under Section 5.4, the Member may elect to receive distribution of the Accumulated Mandatory Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Mandatory Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.

## **ARTICLE 6 – RETIREMENT ALLOWANCE; VARIABLE PENSION IMPROVEMENT FACTOR (ESCALATOR)**

### **Sec. 6.1. Retirement Allowance**

The Retirement Allowance payable to a Member commencing at the later of his Normal Retirement Date or his actual retirement from employment with the Employer in the form of a Straight Life Retirement Allowance shall be equal to one and one-half percent (1.5%) of the Member's Average Final Compensation multiplied by the Member's years (computed to the nearest one-twelfth ( $1/12^{\text{th}}$ ) year) of Credited Service earned on and after July 1, 2014.

### **Sec. 6.2. Variable Pension Improvement Factor (Escalator)**

Except as provided in Section 9.5, beginning July 1, 2018 and effective the first day of each Plan Year thereafter, the Trustee may determine that a Retiree's annual Retirement Allowance shall be increased by a factor of two percent (2.0%), computed each year on the basis of the amount of the original Retirement Allowance received at the time of Retirement; provided, that the recipient of said Retirement Allowance shall have attained Age sixty-two and shall have been receiving a Retirement Allowance for a period of not less than twelve months prior to the first day of such Plan Year.

## **ARTICLE 7 – DEATH BENEFITS**

### **Sec. 7.1. Accidental Death Benefit; Performance of Duty**

- (1) If a Member is killed in the performance of duty in the service of the Employer, or dies as the result of illness contracted or injuries received while in the performance of duty in the service of the Employer, and such death, illness, or injuries resulting in death, is found by the Board to have resulted from the actual performance of duty in the service of the Employer, the Member's surviving Spouse shall be entitled to a monthly annuity benefit equal to the Member's Retirement Allowance at the time of his death, unreduced for early payment. Such benefit shall be payable until the earlier of the surviving Spouse's death.
- (2) The minimum annual Retirement Allowance payable to a surviving Spouse under this Section 7.1 shall be equal to ten percent (10%) of the Member's Average Final Compensation determined as of his date of death.

### **Sec. 7.2. Death Benefits for Surviving Spouses Generally**

If any Member dies while in the employ of the Employer (other than in the performance of duty) after the date such Member has earned ten or more years of Credited Service, the Member's surviving Spouse shall receive a Retirement Allowance. The Retirement Allowance payable to the Spouse shall be computed in the same manner in all respects as if said Member had (i) retired effective the day preceding the Member's death, notwithstanding that the Member had not attained Normal Retirement Date, (ii) elected a Joint and One Hundred Percent Survivor Allowance as described in Section 8.1, and (iii) nominated the surviving Spouse as Beneficiary.

### **Sec. 7.3. Refund of Accumulated Mandatory Contributions Upon Death of Member**

If a Member dies while employed by the City or following termination of employment but prior to commencement of a Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions to the Retirement System at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Mandatory Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Mandatory Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.

### **Sec. 7.4. Benefits Offset by Compensation Benefits; Subrogation**

- (1) Any amounts which may be paid or payable to a Beneficiary on account of a Member's death under the provisions of any Workers' Compensation, pension, or similar law, except federal Social Security old-age and survivors' benefits, shall be an offset against any amounts payable from funds of the Retirement System on account of the Member's death. If the present value of the benefits payable under said Workers' Compensation, pension, or similar law, is less than the Pension Reserve for the Retirement Allowance payable by the Retirement System, the present value of the said Workers' Compensation, pension, or similar legal benefit shall be deducted from the amounts payable by the Retirement System, and such amounts as may be provided by the Retirement System, so reduced, shall be payable as provided in this Combined Plan Document.

- (2) In the event a person becomes entitled to a pension payable by the Retirement System because of an accident or injury caused by the act of a third party, the Retirement System shall be subrogated to the rights of said person against such third party to the extent of the benefit which the Retirement System pays or becomes liable to pay.

## ARTICLE 8 – FORMS OF PAYMENT

### Sec. 8.1. Retirement Allowance Options

- (1) Until the date the first Retirement Allowance payment check is issued, any Member may elect to receive a *Straight Life Retirement Allowance* payable throughout life, or the Member may elect to receive the Actuarial Equivalent of the *Straight Life Retirement Allowance* computed as of the effective date of retirement, in a reduced Retirement Allowance payable throughout life, and nominate a Beneficiary, in accordance with the options set forth below:
  - (a) *Option One. Cash Refund Annuity.* If a Retiree who elected a Cash Refund Annuity dies before payment of the Accumulated Contributions made to the Retirement System on and after July 1, 2014 has been received in an aggregate amount equal to, but not exceeding the Retiree's Accumulated Mandatory Employee Contributions at the time of retirement, the difference between said Accumulated Mandatory Employee Contributions and the aggregate amount of annuity payments already received, shall be paid in a single lump sum to a Beneficiary nominated by written designation duly executed by the Member and filed with the Board. If there are no such designated Beneficiaries surviving said Retiree, any such difference shall be paid to the Retiree's estate.
  - (b) *Option Two. Joint and One Hundred Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and One Hundred Percent Survivor Allowance*, one hundred percent of the reduced Retirement Allowance shall be paid to and continued throughout the life of the Beneficiary nominated by written designation duly executed and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (c) *Option "A". Joint and Seventy-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and Seventy-Five Percent Survivor Allowance*, seventy-five percent of the reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (d) *Option Three. Joint and Fifty Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and Fifty Percent Survivor Allowance*, fifty percent of the reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (e) *Option "B". Joint and Twenty-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and Twenty-Five Percent Survivor Allowance*, twenty-five percent of the reduced Retirement Allowance shall be paid throughout the life of the Beneficiary nominated by written designation duly executed and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
- (2) *Joint and Survivor Optional Forms of Payment.* The *Joint and Survivor Optional Forms of Payment* provided under the Retirement System shall be made available in either the standard form or the pop-up form, as follows:

- (a) *Standard Form.* Under the *Standard Form*, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree.
- (b) *Pop-up Form.* Under the *Pop-up Form*, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree and the designated Beneficiary. In the event of the death of the designated Beneficiary during the lifetime of the Retiree, the amount of the Retirement Allowance shall be changed to the amount that would have been payable had the Retiree elected the *Straight Life Retirement Allowance Form of Payment*.
- (3) *Coordination of Benefits.* According to such rules and regulations as the Board shall adopt, until the first payment of a Retirement Allowance becomes due, but not thereafter, a Member under Age sixty-five may elect to have the Member's *Straight Life Retirement Allowance* provided for in this Retirement System equated on an Actuarial Equivalent basis to provide an increased Retirement Allowance payable to Age sixty-two or Age sixty-five, and to provide a decreased Retirement Allowance thereafter. The increased Retirement Allowance payable to such Age shall approximate the total of the decreased Retirement Allowance payable thereafter and the estimated social security benefit. If a Member elects to receive increased and then decreased Retirement Allowance payments provided for in this paragraph, he or she may also elect to have such payments reduced by electing one of the optional forms of payment provided for in paragraph (1) of this Section 8.1. This coordination of benefits option shall not create any additional actuarial costs.

#### **Sec. 8.2. Disposition of Surplus Benefits upon Death of Retiree and Beneficiary**

If under a Joint and One Hundred Percent Survivor allowance, a Joint and Seventy-Five Percent Survivor allowance, a Joint and Fifty Percent Survivor allowance, or a Joint and Twenty-Five Percent Survivor allowance as provided for under Section 8.1(1), both a Retiree and his Beneficiary die before they have received in Retirement Allowance payments an aggregate amount equal to the Retiree's Accumulated Mandatory Employee Contributions at the time of retirement, the difference between the said Accumulated Mandatory Employee Contributions and the aggregate amount of Retirement Allowances paid to the Retiree and Beneficiary, shall be paid in a single lump sum to such person or persons nominated by written designation of the Retiree duly executed and filed with the Board. If there are no such person or persons surviving the Retiree and the Beneficiary, any such difference shall be paid to the estate of the second to die of the Retiree or Beneficiary.

## ARTICLE 9 – FUNDING AND RESERVES

### Sec. 9.1. Funding Objective of the Retirement System

The funding objective of Component I of the Retirement System is to establish and receive Employer and Member contributions during each Plan Year that are sufficient to fully cover the actuarial cost of benefits anticipated to be paid on account of Credited Service rendered by Members during the Plan Year (the normal cost requirements of the Retirement System), and amortize the unfunded actuarial costs of benefits likely to be paid on account of Credited Service rendered on or after July 1, 2014 and before the first day of the Plan Year (the unfunded actuarial accrued liability of Component I of the Retirement System).

### Sec. 9.2. Funds

Component I of the Retirement System shall consist of the Accumulated Mandatory Employee Contribution Fund, the Accumulated Voluntary Employee Contribution Fund, the Pension Accumulation Fund, the Rate Stabilization Fund, the Expense Fund, and the Income Fund, as follows:

- (1) The Accumulated Mandatory Employee Contribution Fund shall be the Fund in which shall be accumulated the contributions of Members to provide their Retirement Allowances. Upon the Retirement, termination, or death of a Member with a vested Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions shall be deemed to be part of the Pension Reserve which shall be used to pay the Member's Retirement Allowance.
- (2) The Accumulated Voluntary Employee Contribution Fund shall be the Fund in which shall be accumulated the voluntary after-tax contributions of Members together with earnings thereon.
- (3) The Pension Accumulation Fund shall be the fund in which shall be accumulated reserves for the Retirement Allowances and other benefits payable from that portion of the Employer's annual contribution that is not credited to the Rate Stabilization Fund, and from which shall be paid Retirement Allowances and other benefits on account of Members.
- (4) The Rate Stabilization Fund shall be the Fund to which shall be credited Employer contributions in excess of the amount of the Employer's contribution which is credited to the Pension Accumulation Fund.
- (5) The Expense Fund shall be the fund to which shall be credited any money provided by the Employer to pay the administrative expenses of the Retirement System, and from which shall be paid certain expenses incurred in connection with the administration and operation of the Retirement System.
- (6) The Income Fund shall be the Fund to which shall be credited all interest, dividends, and other income derived from the investments of Component I of the Retirement System and any earnings thereon, all gifts and bequests received by Component I of the Retirement System, and all other moneys credited to Component I of the Retirement System, the disposition of which is not specifically provided for in this Article 9. There shall be paid or transferred from the Income Fund, all amounts required to credit earnings and losses to the various Funds of the Retirement System in accordance with the provisions of Component I of this Combined Plan Document.



### **Sec. 9.3. Method of Financing Retirement System Benefits**

- (1) The pension liabilities for Members shall be determined by the Plan's Actuary using the entry-age normal cost method of actuarial valuation.
- (2) The Employer's annual contribution to finance the prospective pension liabilities for the nine Plan Year period commencing July 1, 2014 and ending June 30, 2023 shall be five percent of the Compensation of active Members for the applicable Plan Year. A portion of the Employer's annual contribution for each Plan Year shall be credited to the Rate Stabilization Fund. The remainder of the City's annual contribution shall be allocated to the Pension Accumulation Fund.
- (3) Except as provided in Section 9.5, for each Plan Year, a Member shall contribute to the Retirement System an amount equal to four percent of his or her Compensation for such Plan Year. A Member's Mandatory Employee Contributions for the Plan Year beginning July 1, 2014 and ending June 30, 2015 shall commence as of July 14, 2014. The officer or officers responsible for processing the payroll shall cause a Member's Mandatory Employee Contributions to be deducted from the Member's Compensation on each and every payroll, for each and every payroll period, from the date of his participation in the Retirement System to the date he ceases to be a Member. The contribution shall be deducted from the Members' Compensation, notwithstanding that the minimum compensation provided by law for any Member shall be reduced thereby. Payment of compensation, less said Mandatory Employee Contributions, shall be a complete discharge of all claims and demands whatsoever for the services rendered by the said Member during the period covered by such payment. Member Mandatory Employee Contributions will be used for the purpose of funding the normal cost of the Retirement System.

### **Sec. 9.4. Member Contributions Picked-Up**

- (1) The Employer shall pick up Member Mandatory Employee Contributions required pursuant to Sections 9.3(3) and 9.5 in accordance with Code Section 414(h).
- (2) The picked-up contributions, although designated as employee contributions shall be treated as City contributions for the purpose of determining a Member's tax treatment under the Internal Revenue Code. The City shall pay the contributions picked-up on behalf of a Member from the same source of funds that are used for paying compensation to the Member.
- (3) The Employer shall pick up Member Mandatory Employee Contributions by a reduction in the Member's cash salary or an offset against a future salary increase, or both. The Employer shall designate Mandatory Employee Contributions that are picked-up and paid to the Retirement System as employer contributions and not as employee contributions. No Member who participates in the Retirement System shall have the option of choosing to receive the contributed amounts directly instead of having those amounts paid by the City to the Retirement System.

### **Sec. 9.5. Fiscal Responsibility: Increased Funding Obligations and Benefit Reductions**

- (1) To safeguard the long-term actuarial and financial integrity of the Retirement System, in the event the funding level of Component I of the Retirement System projected over a five year period falls below one hundred percent (100%), the following remedial action shall be required in the order set forth below, beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than one hundred percent (100%):

- (a) the Trustee may not award the variable pension improvement factor (escalator) described in Section 6.2 to any Retiree;
  - (b) all amounts credited to the Rate Stabilization Fund shall be transferred to the Pension Accumulation Fund for the purposes of funding benefits payable under Component I of the Retirement System; and
  - (c) Member Mandatory Contributions shall be increased from four percent (4%) of Compensation to five percent (5%) of Compensation for the next following five Plan Years.
- (2) In the event the funding level of the Retirement System determined as provided in Section 9.5(1) is projected to fall below eighty percent (80%), the following remedial action shall be required in the order set forth below, beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than eighty percent (80%):
- (a) the remedial action required in Section 9.5(1) shall be implemented or continued;
  - (b) the Retirement Allowance payable to a Retiree shall not include the variable pension improvement factor (escalator) that was most recently added to the Retiree's Retirement Allowance for a Plan Year;
  - (c) Member Mandatory Employee Contributions shall be increased from five percent (5%) of Compensation to six percent (6%) of Compensation for the next following five Plan Years;
  - (d) the Retirement Allowance payable to a Retiree shall not include the variable pension improvement factor (escalator) that was most recently added to the Retiree's Retirement Allowance for the Plan Year preceding the Plan Year referenced in paragraph (b) above; and
  - (e) the Retirement Allowance accrued by Members for up to a five Plan-Year-period shall be determined as provided in Section 6.1, except that one percent (1%) shall be substituted for one and one-half percent (1.5%) wherever it appears in said Section 6.1.
- In determining whether the eighty percent (80%) funding level under this Section 9.5(2) has been achieved, the Plan's Actuary shall calculate the funding percentage of the Retirement System after taking into account the elimination of the variable pension improvement factor (escalator) pursuant to Section 9.5(1)(a) but prior to taking into account the remedial steps provided in Sections 9.5(1)(b) and (c).
- (3) For purposes of this Section 9.5, the "funding level" shall mean the ratio of the market value of the assets of Component I of the Retirement System to the actuarial accrued liability of Component I of the Retirement System. The actuarial accrued liability shall be calculated by the Plan's Actuary utilizing an interest rate assumption of six and three-quarters percent (6.75%) and other reasonable assumptions as directed by the Board upon the recommendation of the Investment Committee. The market value of assets shall be determined on the basis of a three-year look back period of smoothed investment returns.

## **ARTICLE 10 – VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec. 10.1. Voluntary Employee Contributions; Amount; Vesting**

Subject to procedures established by the Board, a Member may elect to reduce his Compensation for any Plan Year by a whole percentage equal to three percent (3%), five percent (5%) or seven percent (7%) and have such amount contributed by the Employer to a Voluntary Employee Contribution Account maintained on his behalf under Component I of the Retirement System. Voluntary Employee Contributions shall be made to the Retirement System on an after-tax basis. Amounts credited to a Member's Voluntary Employee Contribution Account shall be one hundred percent (100%) vested at all times.

### **Sec. 10.2. Changing an Election to Contribute**

A Member may change or revoke an election to make Voluntary Employee Contributions to the Retirement System pursuant to this Article 10 in such manner and with such advance notice as the Board shall determine. Notwithstanding the foregoing, a Member shall be permitted to change such election not less frequently than annually.

### **Sec. 10.3. Individual Member Accounting; Crediting of Earnings**

The Board shall maintain a Voluntary Employee Contribution Account on behalf of each Member who elects to make Voluntary Employee Contributions to the Retirement System. Each Plan Year, a Member's Voluntary Employee Contribution Account shall be credited with earnings at a rate equal to the actual net investment rate of return on the assets of the Retirement System for the second fiscal year immediately preceding the fiscal year in which the earnings are credited; in no event, however, shall the earnings rate credited to a Member's Voluntary Employee Contribution Account for any Plan Year be less than zero percent (0%) nor greater than five and one-quarter percent (5.25%).

### **Sec. 10.4. Distribution of Accumulated Voluntary Employee Contributions**

- (1) If a Member ceases to be an Employee other than by reason of death, the Member may elect to receive distribution of the Accumulated Voluntary Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Voluntary Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.
- (2) In lieu of receiving distribution of his Accumulated Voluntary Employee Contributions as provided in Section 10.4(1), a Member may elect to have the actuarial equivalent value of his Accumulated Voluntary Employee Contributions added to his Retirement Allowance and paid in the form of an annuity described in Section 8.1.
- (3) If a Member dies while employed by the Employer or following termination of employment but prior to receiving distribution of the Member's Accumulated Voluntary Employee Contributions, the amounts credited to the Member's Accumulated Voluntary Employee Contribution Account at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Voluntary Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Voluntary Employee Contributions at the time of death

may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.

## **ARTICLE 11 – LOAN PROGRAM FOR VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec. 11.1. The Loan Program**

A loan program shall be available to Members who have amounts credited to a Voluntary Employee Contributions Account. The Board is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of the loan program. Copies of the rules shall be made available to eligible Members in the offices of the Retirement System. Any loans granted or renewed under the Retirement System shall be made and administered pursuant to and in compliance with Section 72(p) of the Internal Revenue Code and regulations thereunder.

### **Sec. 11.2. Eligibility for Loan**

Subject to the rules and procedures established by the Board, loans may be made to eligible Members from such Member's Voluntary Employee Contribution Account. An eligible Member is any Member who has participated in the Retirement System for twelve (12) months or more. Former Members, Spouses and Beneficiaries are not eligible to receive any loans from the Retirement System. No Member shall have more than two (2) outstanding loans from the Retirement System (Component I and/or Component II) at any time. A Member who has previously defaulted on a loan shall not be eligible for a loan from the Retirement System.

### **Sec. 11.3. Amount of Loan**

An eligible Member who has satisfied applicable rules and procedures established by the Board may borrow from his Voluntary Employee Contribution Account an amount, which does not exceed the lesser of (i) fifty percent (50%) of the Member's Voluntary Employee Contribution Account balance, and (ii) Ten Thousand Dollars (\$10,000.00), in each case reduced by the excess, if any, of: (1) the Member's highest outstanding loan balance under the Retirement System during the one (1) year period ending on the day before the date on which the loan is made, or (2) the outstanding loan balance under the Retirement System on the date on which the loan is made, whichever is less. The minimum loan amount shall be One Thousand Dollars (\$1,000.00).

### **Sec. 11.4. Terms and Conditions**

In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:

- (a) Each loan application shall be made in writing.
- (b) All loans shall be memorialized by a collateral promissory note for the amount of the loan, including interest, payable to the order of the Retirement System and properly executed by the Member.
- (c) Each loan shall be repaid by substantially equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than Twenty Dollars (\$20.00) for any two-week pay period. A Member receiving a loan will be required to authorize payroll deductions from his compensation in an amount sufficient to repay the loan over its term.

- (d) An amount equal to the principal amount of the loan to a Member (but not more than one half of the Member's vested interest in the Retirement System) will be designated as collateral for guaranteeing the loan.
- (e) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among Members in its determination of interest rates on loans. However, loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the Retirement System's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the Retirement System of administering the loan. The loan interest rate shall be calculated in a manner that will not negatively affect either the Employer's costs with respect to the Retirement System or the investment return allocated to Members.
- (f) Loan repayments shall be suspended during a period of military service, as permitted by Section 414(u)(4) of the Internal Revenue Code. A Member who has an outstanding loan balance from the Retirement System who is absent from employment with the City, and who has satisfied the requirements of Section 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the Retirement System during said periods of absence.

#### **Sec. 11.5. Loan Balance**

A Member's outstanding loan balance shall be considered a directed investment by the Member and interest payments shall be credited to the Member's Voluntary Employee Contribution Account (provided that the interest credited to the Member's Voluntary Employee Contribution Account shall be reduced appropriately to cover the administrative costs of the loan program and avoid negatively affecting the Employer's costs or the Retirement System's investment returns), and shall not be part of the Retirement System's net investment income or part of the Member's Voluntary Employee Contribution Account balance for the purpose of allocation of net investment income under the Retirement System.

#### **Sec. 11.6. Default**

In the event a Member defaults on a loan before the loan is repaid in full, the unpaid balance thereof will become due and payable and, to the extent that the outstanding amount is not repaid by the end of the calendar quarter which follows the calendar quarter in which the last payment was received, such amount shall be deemed to have been distributed to the Member for tax purposes, consistent with Section 72(p) of the Internal Revenue Code.

#### **Sec. 11.7. Distribution**

No distribution shall be made to a Member, former Member, Spouse or Beneficiary from the Retirement System until all outstanding loan balances and applicable accrued interest have been repaid or offset against amounts distributable to the Member from the Retirement System.



## ARTICLE 12 - LIMITATION ON BENEFITS AND CONTRIBUTIONS

### Sec. 12.1. Compliance With Code Section 415(b) And Regulations

- (1) Notwithstanding any other provision of this Combined Plan Document, the defined benefit component of the Retirement System shall be administered in compliance with the provisions of Code Section 415(b) and regulations thereunder that are applicable to governmental plans.
- (2) The maximum annual benefit accrued by a Member during a limitation year (which shall be the Plan Year) and the maximum annual benefit payable under the Retirement System to a Member at any time within a Plan Year, when expressed as an annual benefit in the form of a straight life annuity (with no ancillary benefits), shall be equal to \$160,000 (as such amount is adjusted pursuant to Code Section 415(d) for such Plan Year).
- (3) Notwithstanding the foregoing:
  - (a) if the benefit under the Retirement System is payable in any form other than a straight life annuity, the determination as to whether the limitation described in Section 12.1(2) has been satisfied shall be made, in accordance with the regulations prescribed by the Secretary of the Treasury, by adjusting such benefit to the Actuarially Equivalent straight life annuity beginning at the same time, in accordance with Section 12.1(8) or (9);
  - (b) if the benefit under the Retirement System commences before Age sixty-two, the determination of whether the limitation set forth in Section 12.1(2) (the "Dollar Limit") has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by reducing the Dollar Limit so that the Dollar Limit (as so reduced) is equal to an annual benefit payable in the form of a straight life annuity, commencing when such benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-two; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-two and the age of benefit commencement, then the Dollar Limit (as so reduced) shall equal the lesser of (i) the amount determined under this Section 12.1(3)(b) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the straight life annuity under the Retirement System, commencing at Age sixty-two; and
  - (c) if the benefit under the Retirement System commences after Age sixty-five, the determination of whether the Dollar Limit has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by increasing the Dollar Limit so that the Dollar Limit (as so increased) is equal to an annual benefit payable in the form of a straight life annuity, commencing when the benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age 65; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-five and the Age of benefit commencement, the Dollar Limit (as so increased) shall equal the lesser of (i) the amount determined under this Section 12.1(3)(c) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the immediately

commencing straight life annuity under the Retirement System, commencing at Age sixty-five.

- (4) Notwithstanding the foregoing provisions of this Section 12.1, except as provided in Section 12.1(5), the maximum annual benefit specified in Section 12.1(2) above shall not apply to a particular Retirement System benefit if (a) the annual amount of such Retirement System benefit, together with the aggregate annual amount of any other pensions payable with respect to such Member under all other defined benefit plans maintained by the Employer, does not exceed \$10,000 for the Plan Year or any prior Plan Year and (b) the Member was not at any time a participant in a defined contribution plan maintained by the Employer.
- (5) In the case of a Member who has less than ten years of participation in the Retirement System, the limitation set forth in Section 12.1(2) shall be such limitation (without regard to this Section 12.1(5)), multiplied by a fraction, the numerator of which is the number of years of participation in the Retirement System (or parts thereof) credited to the Member and the denominator of which is ten. In the case of a Member who has less than ten years of Vesting Service, the limitations set forth in Paragraph (b) of Section 12.1(2) and in Section 12.1(4) shall be such limitations (determined without regard to this Section 12.1(5)) multiplied by a fraction, the numerator of which is the number of years of Vesting Service, or parts thereof, credited to the Member and the denominator of which is ten.
- (6) Notwithstanding anything in this Section 12.1 to the contrary, if the annual benefit of a Member who has terminated employment with the Employer is limited pursuant to the limitations set forth in Section 12.1(2), such annual benefit shall be increased in accordance with the cost-of-living adjustments of Code Section 415(d).
- (7) For purposes of determining actuarial equivalence under Paragraph (b) or (c) of Section 12.1(3), the interest rate assumption shall be five percent (5%) and the mortality table used shall be the applicable mortality table specified by the Board.
- (8) The actuarially equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) does not apply, as required by Paragraph (a) of Section 12.1(3), is equal to the greater of (a) the annual amount of the straight life annuity payable under the Retirement System commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the interest rate and mortality assumptions set forth in Section 12.1(7).
- (9) The actuarially equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) applies, as required by Paragraph (a) of Section 12.1(3), is equal to the greatest of (a) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same Actuarial Equivalent present value as the form of benefit payable to the Member, (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table specified by the Board, or (c) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the applicable interest rate and the applicable mortality table, both as specified by the Board, divided by 1.05.



- (10) For purposes of applying the limitations set forth in this Section 12.1, all qualified defined benefit plans (whether or not terminated) ever maintained by the Employer shall be treated as one defined benefit plan.
- (11) For purposes of this Section 12.1, the term “compensation” shall include those items of remuneration specified in Treasury Regulation § 1.415(c)-2(b) and shall exclude those items of remuneration specified in Treasury Regulation § 1.415(c)-2(c), taking into account the timing rules specified in Treasury Regulation § 1.415(c)-2(e), but shall not include any amount in excess of the limitation under Code Section 401(a)(17) in effect for the year. The term “compensation” as defined in the preceding sentence shall include any payments made to a Member by the later of (a) two and one-half months after the date of the Member’s severance from employment with the Employer or (b) the end of the limitation year that includes the date of the Member’s severance from employment with the Employer, provided that, absent a severance from employment, such payments would have been paid to the Member while the Member continued in employment with the Employer and are regular compensation for services performed during the Member’s regular working hours, compensation for services outside the Member’s regular working hours (such as overtime or shift differential pay), commissions, bonuses or other similar compensation.
- (12) This Section 12.1 shall be administered in conformity with the regulations issued by the Secretary of the Treasury interpreting Code Section 415 including, but not limited to, any regulation providing for the “grandfathering” of any benefit accrued prior to the effective date of such regulations or statutory provision.

#### **Sec. 12.2. Compliance with Code Section 415(c) and Regulations**

- (1) The “annual addition” with respect to a Member for a limitation year shall in no event exceed the lesser of:
  - (a) \$40,000 (adjusted as provided in Code Section 415(d)); or
  - (b) One hundred percent (100%) of the Member’s compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder, for the limitation year.
- (2) The “annual addition” with respect to a Member for a limitation year means the sum of his Voluntary Employee Contributions
- (3) to the Retirement System, and the employer contributions, employee contributions and forfeitures allocated to his accounts under any other qualified defined contribution plan (whether or not terminated) maintained by the Employer, and the amounts described in Code Sections 415(l)(2) and 419A(d)(2) allocated to his account.
- (4) In the event the “annual addition” to the Retirement System on behalf of a Member would otherwise exceed the amount that may be applied for his benefit under the limitation contained in this Section 12.2, the limitation shall be satisfied by reducing the Member’s Voluntary Employee Contributions to the extent necessary and distributing such amounts to the Member.

## **ARTICLE 13 - RETIREMENT SYSTEM ADMINISTRATION**

### **Sec. 13.1. Board of Trustees as Retirement System Administrator**

- (1) The Retirement Board shall have the power and authority to manage and administer the Retirement System in accordance with the provisions of the Combined Plan Document.
- (2) The Retirement Board shall provide procedures for the processing and review of benefit claims, corrections of errors, and similar matters, as further described in Section 13.2.
- (3) The Retirement Board and the Retirement System shall not make any payment to active or retired Members or Beneficiaries other than payments that are required by the Retirement System as established by this Combined Plan Document. This prohibition applies to all payments that are not authorized by this Combined Plan Document, whether such payments are those commonly referred to as a "thirteenth check" or payments by any other name.

### **Sec. 13.2. Powers and Duties of Board**

- (1) The Board shall have the following powers and duties:
  - (a) exclusive authority regarding the administration, management and operation of the Retirement System, including, but not limited to, the right to contract for office space, computer hardware and software, and human resource services (any or all of which may be obtained from the City), and to make rules and regulations with respect to the operation of the Retirement System not inconsistent with the terms of the Combined Plan Document and applicable law, and to amend or rescind such rules and regulations;
  - (b) to determine questions of law or fact that may arise as to the rights of any person claiming rights under the Retirement System;
  - (c) to determine the contributions to the Retirement System required of the Employer and Members pursuant to the documents governing operation of the Retirement System, including the Plan of Adjustment;
  - (d) to construe and interpret the provisions of the Retirement System and to reconcile any inconsistencies;
  - (e) to perform ministerial functions, whether or not expressly authorized, which the Board may deem necessary or desirable in carrying out its duties under the Retirement System;
  - (f) except to the extent authority is vested in the Investment Committee, authority to employ, contract and pay for professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation of the Retirement System;
  - (g) except to the extent authority or responsibility is vested in the Investment Committee, to arrange for annual audits of the records and accounts of the Retirement System by a certified public accountant or by a firm of certified public accountants pursuant to generally accepted auditing standards;

- (h) to prepare an annual report for the Retirement System for each fiscal year in compliance with generally accepted accounting principles. The report shall contain information regarding the financial, actuarial, and other activities of the Retirement System during the fiscal year. The Board shall furnish a copy of the annual report to the Mayor and finance director of the City, to the chair of the City Council and to the Investment Committee. The report shall also contain a review of the latest actuarial valuation of the Retirement System;
- (i) to maintain or cause to be maintained such separate funds and accounts as are required to be maintained under the provisions of Components I and II of the Combined Plan Document and such additional accounts as the Board deems necessary or expedient for the proper administration of the Retirement System and the administration and investment of the assets of the Retirement System. The Board shall maintain suitable records, data and information in connection with the performance of its functions, including, but not limited to, accurate and detailed accounts of all investments, receipts, disbursements, and other actions, including the proportionate interest therein and accumulated contributions of each Member who has made contributions to the Retirement System;
- (j) to correct any error in the records of the Retirement System that results in overpayment or underpayment of contributions to the Retirement System by the Employer or a Member, or overpayment or underpayment of benefits to a Member, former Member, or Beneficiary by the Retirement System. In the event of overpayment to a Member, former Member or Beneficiary, the Board may, as far as practicable, adjust future payments to such individual, in such a manner that the Actuarial Equivalent of the benefit to which such individual was entitled shall be paid;
- (k) to the extent permissible under Michigan law (and consistent with the Retirement System's favorable tax qualified status under Code Section 401(a)), purchase one or more insurance policies to indemnify any person and such person's heirs and legal representatives who is made a party to (or threatened to be made a party to) any action, suit or proceeding whether brought by or in the right of the Board, the Investment Committee or the Retirement System or otherwise, by reason of the fact that such person is or was a Board member, Investment Committee member, director, officer, employee or agent of the Board (or an advisory body or committee of the Board) or the Retirement System. The insurance policies purchased by the Board shall not indemnify any person who is judicially determined to have incurred liability due to fraud, gross negligence or malfeasance in the performance of his duties; and
- (l) except to the extent authority or responsibility is vested in the Investment Committee, to perform any other function that is required for the proper administration of the Retirement System.

### **Sec. 13.3. Executive Director; Employees**

The Board shall employ on behalf of the Retirement System an executive director and any other employees for which the Board establishes positions. The executive director shall do all of the following:

- (a) manage and administer the Retirement System under the supervision and direction of the Board;

- (b) annually prepare and submit to the Board for review, amendment, and adoption an itemized budget projecting the amount required to pay the Retirement System's expenses for the following fiscal year; and
- (c) perform such other duties as the Board shall delegate to the executive director.

The executive director, unless such power is retained by the Board, shall determine the compensation of all employees of the Retirement System (except the executive director, whose compensation shall be determined by the Board; and the chief investment officer, whose compensation shall be determined by the Investment Committee) and such compensation shall be payable from the Retirement System. Any person employed by the Retirement System may, but need not, be an employee of the City.

#### **Sec. 13.4. Discretionary Authority**

The Board shall have discretion to:

- (a) interpret the provisions of the Retirement System;
- (b) make factual findings with respect to any and all issues arising under the Retirement System;
- (c) determine the rights and status of Members, Retirees, Beneficiaries and other persons under the Retirement System;
- (d) decide benefit disputes arising under the Retirement System; and
- (e) make determinations and findings (including factual findings) with respect to the benefits payable hereunder and the persons entitled thereto as may be required for the purposes of the Retirement System.

#### **Sec. 13.5. Administrator's Decision Binding**

The Board's decision on any matter arising in connection with administration and interpretation of the Retirement System shall be final and binding on Members, Retirees and Beneficiaries.

## ARTICLE 14 – MANAGEMENT OF FUNDS

### Sec. 14.1. Board as Trustee of Retirement System Assets

The Board of Trustees shall be the trustee of the funds held under the Retirement System, shall receive and accept all sums of money and other property paid or transferred to it by or at the direction of the City and, subject to the terms of Article 15, shall have the power to hold, invest, reinvest, manage, administer and distribute such money and other property subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws*, as amended.

### Sec. 14.2. Maintenance of Segregated Funds

The Board of Trustees shall maintain separate funds as required for the proper administration of the Retirement System and shall not commingle the assets held under the Retirement System for the purpose of funding benefits accrued by Members prior to July 1, 2014, together with earnings and losses on such assets (or replacement assets), as more fully described in Component II of this Combined Plan Document, with the assets of the Retirement System held for the purpose of paying benefits accrued by Members on and after July 1, 2014 as described in this Component I of the Combined Plan Document. Notwithstanding the foregoing, the assets held under Components I and II of this Combined Plan Document may be commingled for investment purposes.

### Sec. 14.3. Custodian of Funds

The Board of Trustees shall appoint or employ custodians of the assets of the Retirement System. The custodians shall perform all duties necessary and incidental to the custodial responsibility and shall make disbursements as authorized by the Board.

### Sec. 14.4. Exclusive Purpose

All money and other assets of the Retirement System shall be held by the Trustees and invested for the sole purpose of paying benefits to Members and Beneficiaries and shall be used for no other purpose. In exercising its discretionary authority with respect to the management of the money and other assets of the Retirement System, the Trustees shall exercise the care, skill, prudence and diligence under the circumstances then prevailing, that a person acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character with like aims.

### Sec. 14.5. Prohibited Conduct

Members of the Board and employees of the Retirement System are prohibited from:

- (1) Having any beneficial interest, direct or indirect, in any investment of the Retirement System;
- (2) Being an obligor or providing surety for any money loaned to or borrowed from the Retirement System;
- (3) Except as provided in Article 10, borrowing any money or other assets of the Retirement System; and

- (4) Receiving any pay or other compensation from any person, other than compensation paid by the Retirement System, with respect to investments of the Retirement System.

## ARTICLE 15 – INVESTMENT OF RETIREMENT SYSTEM ASSETS

### Sec. 15.1. Investment Powers of the Board and the Investment Committee

Subject to the requirements set forth in this Article 15, the Board shall have the power and authority to manage, control, invest and reinvest money and other assets of the Retirement System subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965*, being sections 38.1132 *et seq. of the Michigan Compiled Laws*, as amended. Notwithstanding anything in this Combined Plan Document to the contrary, for the twenty year period following the effective date of the Plan of Adjustment, the Investment Committee shall make recommendations to the Board with respect to investment management matters as provided in this Article 15.

All investment management decisions made by the Board, as more fully described in Section 15.2, shall require a recommendation by an affirmative vote of the Investment Committee as provided in this Combined Plan Document. The Board shall take no action with respect to any matter for which the Investment Committee has advisory responsibility and authority, unless and until such action has been approved by affirmative vote of the Investment Committee. All actions and recommendations of the Investment Committee shall be forwarded to the Board for consideration and are subject to Board approval. If the Board (a) fails to approve or disapprove an Investment Management decision that has been recommended by an affirmative vote of the Investment Committee, and such failure continues for forty-five days after the date that the recommendation was made to the Board, or (b) the Board disapproves an Investment Management decision within such forty-five day period but fails to provide to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee and the Chief Investment Officer are authorized to implement the decision.

If the Board disapproves an Investment Committee recommendation within such forty-five day period and provides to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee shall have forty-five days after the receipt of the Board response to either (a) withdraw the recommended Investment Management decision, or (b) request, in writing, a conference with the Board to be held within ten days, but not sooner than five business days, of the request to discuss the alternative proposal from the Board, unless a later date is agreed to in writing by the Board and the Investment Committee to discuss the disapproval as set forth in the Board's written response. Any such conference shall be conducted with at least three independent Investment Committee members present in person or by phone. Within ten days of the commencement of the conference or twenty days following the Investment Committee's request for a conference if no conference is held, the Investment Committee shall either withdraw the recommended Investment Management decision or provide the Board with a written explanation of the Investment Committee's decision to proceed with the recommended Investment Management decision. After delivery of such written explanation by the Investment Committee, the Investment Committee and the chief investment officer are authorized to implement the decision. Any action taken by the Board or the Investment Committee in violation of the terms of this Article 15 shall constitute an ultra vires act and the Investment Committee or the Board is granted the express right to seek to preliminarily enjoin such violation without the need to show irreparable harm.

### Sec. 15.2. Investment Management

- (1) For purposes of this Combined Plan, investment management decisions shall include:



- (a) development of an investment policy statement with sound and consistent investment goals, objectives, asset allocation and rebalancing guidelines, performance benchmarks for strategic asset allocation and such other aspects of investment policy as are consistent with the needs of the Retirement System;
- (b) within 120 days after the effective date of the Plan of Adjustment, placement of all of the assets of the Retirement System not already under qualified management with qualified investment managers selected by the Investment Committee;
- (c) evaluation, retention, termination and selection of qualified managers to invest and manage the Retirement System's assets;
- (d) review and affirmation or rejection of the correctness of any and all calculations, actuarial assumptions and/or assessments used by the Retirement System actuary including, but not limited to (i) those underlying the restoration of pension benefits, funding levels and amortization thereof, all in accordance with the pension restoration program attached to the Plan of Adjustment (as more fully described in Component II of this Combined Plan Document), (ii) those underlying the determination of annual funding levels and amortization thereof, and (iii) on or after fiscal year 2024, the recommended annual contributions to the Retirement System in accordance with applicable law;
- (e) in accordance with approved actuarial work as provided in paragraph (d) above and based on the annual actuarial valuation reports and any other projections or reports as applicable from the Retirement System's actuary or other professional advisors, the determination of the extent of restoration of pension benefits, including but not limited to the payment of a portion of the reduction in base monthly pension amounts and the payment of lost COLA payments, all in conformance with the pension restoration program attached to the Plan of Adjustment;
- (f) communication of the Retirement System's investment goals, objectives, and standards to the investment managers, including any material changes that may subsequently occur;
- (g) determination and approval of the Retirement System's investment and asset allocation guidelines, taking into account the appropriate liquidity needs of the Retirement System;
- (h) periodic review and evaluation of the performance of the investment managers in context with established standards of performance, including restoration of benefits pursuant to Component II of the Retirement System;
- (i) the taking of corrective action deemed prudent and appropriate when an investment manager fails to perform as expected;
- (j) interpretation of Retirement System governing documents, existing law, the Plan of Adjustment and other financial information that could affect funding or benefit levels;
- (k) review and approval, prior to final issuance, of the annual audit and all financial reports prepared on behalf of the Retirement System and meet and confer with the Retirement System's auditor or other professional advisors as necessary prior to approval of the annual audit or other financial reports;



- (l) determination of the funding status of the Retirement System and any remedial action to be taken pursuant to Section 9.5; and
- (m) causing an asset/liability valuation study to be performed for the Retirement System every three years or, more often, as deemed necessary or prudent by the Investment Committee or as requested by the Board.

All actions of the Investment Committee shall comply with the provisions of pertinent federal, state, and local laws and regulations, specifically *Public Act 314* and *Plan Investment Guidelines*.

### **Sec. 15.3. Best Practices**

Prior to adopting an investment policy and asset allocation policy, selecting investment managers or adopting investment return assumptions, the Investment Committee shall give appropriate consideration to the following:

- (a) the fiduciary best practices and institutional standards for the investment of public employee retirement system plan assets;
- (b) the objective to obtain investment returns above the established actuarial investment return assumption to support the restoration of benefits under the Plan of Adjustment, to the extent that it is prudent and consistent with the overall funding, liquidity needs and actuarial assumptions governing the Retirement System; and
- (c) the liquidity needs of the Retirement System.

### **Sec. 15.4. Chief Investment Officer**

The Investment Committee shall have the exclusive power to select, retain and terminate the services of a chief investment officer for the Retirement System. The Investment Committee shall determine any and all compensation and other terms of employment of any chief investment officer hired by it. The chief investment officer shall report directly to the Investment Committee and the Executive Director of the Board. The chief investment officer shall be responsible for assisting the Investment Committee and the Board with respect to oversight of the Retirement System's investment portfolio. The chief investment officer shall provide such periodic reports relating to the Retirement System's assets to the Investment Committee and the Board as it or they shall request.

### **Sec. 15.5. Investment Consultants**

The Board and/or Investment Committee may retain the services of one or more investment consultants who shall be responsible for assisting the Investment Committee and the Board with oversight of the Retirement System's investment portfolio. Any such investment consultant shall be a registered advisor with the United States Securities and Exchange Commission and shall be a nationally recognized institutional investment consultant with expertise in the investment of public pension plan assets. Any such investment consultant shall acknowledge in writing its role as investment fiduciary with respect to the Retirement System as defined in the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* The Board or the Investment Committee, as appropriate, shall determine the compensation and other terms of employment of any investment consultant hired by it. The duties of an investment consultant may include, but shall not be limited to:

- (a) providing an asset/liability valuation study for the Retirement System;

- (b) reviewing the Retirement System's asset allocation based on current market assumptions;
- (c) identifying and recommending to the Investment Committee and the Board appropriate investment strategies based on the financial condition of the Retirement System;
- (d) implementing the approved investment strategies, such as recommending to the Investment Committee, for Board approval, an asset allocation strategy, building an investment structure for the Retirement System, and identifying qualified investment managers (through an organized search process) to execute and implement investment strategies;
- (e) monitoring and evaluating the ongoing progress of the investment managers toward stated investment goals and objectives;
- (f) recommending to the Investment Committee and the Board any necessary corrective actions, including adjustments to the investment structure or investment management organizations in the event of a deviation from expectations;
- (g) communicating the investment policies of the Retirement System to the investment managers;
- (h) reviewing the investment policies with the appropriate employees of the Retirement System;
- (i) aiding the Investment Committee in providing recommendations on issues relating to rebalancing and cash flow management, securities lending, transition management, cash equalization and other investment related topics;
- (j) attending Investment Committee and Board meetings in person, or telephonically, as needed or as requested;
- (k) meeting with the Investment Committee to provide detailed quarterly performance reports and executive summaries of performance;
- (l) meeting with the Investment Committee and the Board to review capital markets and inform the Board and Retirement System employees on the current investment environment; and
- (m) meeting with the Investment Committee and the Board to provide recommendations on asset allocation, investment structure, and manager selections.

## **ARTICLE 16 – MISCELLANEOUS**

### **Sec. 16.1. Nonduplication of Benefits**

If any Member is a participant in another defined benefit pension plan, retirement system or annuity plan sponsored by the City (including Component II of this Retirement System) and the Member is or becomes entitled to accrue pension benefits under such plan or retirement system (including Component II of this Retirement System) with respect to any period of service for which he is entitled to accrue a benefit under Component I of this Retirement System, such Member shall not be eligible to accrue or receive payment of a benefit under Component I with respect to such period of service.

### **Sec. 16.2. Assignments Prohibited**

The right of a person to a pension, annuity, the return of Accumulated Voluntary Employee Contributions and/or the return of Accumulated Mandatory Employee Contributions, the Retirement Allowance itself, to any optional form of payment, to any other right accrued or accruing to any person under the provisions of this Retirement System, and the monies in the various funds of the Retirement System shall not be assignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, except as specifically provided in this Combined Plan Document or by an eligible domestic relations order of a lawful court.

### **Sec. 16.3. Protection Against Fraud**

A person who, with intent to deceive, makes any statements or reports required under this Retirement System that are untrue, or who falsifies or permits to be falsified any record or records of this Retirement System, or who otherwise violates, with intent to deceive, any terms or provisions of the Retirement System, shall be subject to prosecution under applicable law.

### **Sec. 16.4. Amendment; Termination; Exclusive Benefit**

The City reserves the right to amend the Combined Plan Document created hereunder at any time; such amendments may include termination of the Retirement System; provided, however, that following the effective date of the Plan of Adjustment, no amendment other than amendments required to comply with applicable federal law or the Plan of Adjustment may be made effective prior to July 1, 2023, nor may any amendment or termination deprive any Member, former Member or Beneficiary of any then vested benefit under the Retirement System, except as provided in a Plan of Adjustment. Notwithstanding the foregoing, the City and the Board have the authority to amend the Combined Plan Document as necessary to retain the tax qualified status of the Retirement System under the Internal Revenue Code. The City shall make no amendment or amendments to the Retirement System which causes any part of the assets of the Retirement System to be used for, or diverted to, any purpose other than the exclusive benefit of Members, former Members or their Beneficiaries; provided, that the City may make any amendment necessary, with or without retroactive effect, to comply with applicable federal law. Any amendment of the Retirement System by the City must be approved by the Council or person standing in the stead of the Council.

Upon termination of the Retirement System or upon complete discontinuance of contributions to the Retirement System, the rights of all Members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

#### **Sec. 16.5. Forfeitures Not to Increase Benefits**

Any forfeitures arising under the Retirement System due to a Member's termination of employment or death, or for any other reason, shall be used to pay expenses of the Retirement System and shall not be applied to increase the benefits any Member would otherwise receive under the Retirement System at any time prior to termination of the Retirement System.

#### **Sec. 16.6. Required Distributions - Compliance with Code Section 401(a)(9) and Regulations**

The Retirement System will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the final regulations issued thereunder, notwithstanding any provision in the Combined Plan Document to the contrary. Pursuant to Code Section 401(a)(9)(A)(ii), a Member's interest must begin to be distributed by the later of (i) the April 1 of the calendar year following the calendar year that he attains the Age of seventy and one-half (70-1/2), or (ii) April 1 of the calendar year following the year in which he retires. Distributions will be made in accordance with Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9. The provisions of this Section 16.6 and the regulations cited herein and incorporated by reference override any inconsistent plan distribution options.

#### **Sec. 16.7. Direct Rollovers**

- (1) For purposes of compliance with Code Section 401(a)(31), a distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (2) For purposes of this Section 16.7, the following terms shall have the following meanings:
  - (a) "Direct rollover" means a payment by the retirement system to an eligible retirement plan specified by a distributee.
  - (b) "Distributee" means a Member or former Member. It also includes the Member's or former Member's surviving spouse, a spouse or former spouse who is the alternate payee under an eligible domestic relations order, or a nonspouse beneficiary who is a designated beneficiary as defined by Code Section 401(a)(9)(E). However, a nonspouse beneficiary may only make a direct rollover to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.
  - (c) "Eligible retirement plan" means any of the following that accepts a distributee's eligible rollover distribution:
    - (i) a qualified trust described in Code Section 401(a);
    - (ii) an annuity plan described in Code Section 403(a);
    - (iii) an annuity contract described in Code Section 403(b);
    - (iv) an individual retirement account described in Code Section 408(a);
    - (v) an individual retirement annuity described in Code Section 408(b);

- (vi) a Roth IRA described in Code Section 408A; or
  - (vii) a plan eligible under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan from the retirement system.
- (d) “Eligible rollover distribution” means any distribution of all or any portion of the balance to the credit of a distribute under the retirement system, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or the life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income; and any other distribution which the Internal Revenue Service does not consider eligible for rollover treatment, such as any distribution that is reasonably expected to total less than \$200 during the year. Notwithstanding the foregoing, a portion of a distribution will not fail to be an “eligible rollover distribution” merely because the portion consists of after-tax contributions that are not includible in Member’s gross income upon distribution from the retirement system. However, such portion may be transferred only (i) to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; (ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or (iii) to a Roth IRA described in Code Section 408A.

#### **Sec. 16.8. Construction**

Words in the singular should be read and construed as though used in the plural, and words in the plural should be read and construed as though used in the singular, where appropriate. The words “hereof”, “herein”, and “hereunder” and other similar compounds of the word “here”, shall mean and refer to Component I of this Combined Plan Document and not to any particular provision or section thereof. The table of contents, article and section headings are included for convenience of reference, and are not intended to add to, or subtract from, the terms of the Combined Plan Document or the Retirement System created hereunder.

#### **Sec. 16.9. Severability**

If any section or part of a section of this Combined Plan Document or provision relating to the Retirement System is for any reason held to be invalid or unconstitutional, such holding shall not be construed as affecting the validity of the remaining sections of the Combined Plan Document or Retirement System or of the Combined Plan Document or Retirement System in its entirety.

CLI-2207829v7

EXHIBIT I.A.244.b

PRINCIPAL TERMS OF NEW GRS ACTIVE PENSION PLAN

## NEW GRS ACTIVE PENSION PLAN -- MATERIAL TERMS

1. Benefit Formula: FAC (average base compensation over last 10 consecutive years of employment) x Years of Service x 1.5%. If an employee had leave of not less than 2 months without pay under the Family and Medical Leave Act in the last 2 years of employment, such employee's FAC will be determined using the highest 10 consecutive years of base compensation over the last 12 consecutive years of employment. Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus.
2. Actual time for accrual is actual time served. For vesting and eligibility, 1,000 hours for a year of service.
3. Normal Retirement Age – age 62 with a transition period for active employees as of June 30, 2014 as follows:

<u>Age as of July 1, 2014</u>	<u>Normal Retirement Age</u>
61years	60 years
60 years	60 years
59 years	60.3 years
58 years	60.6 years
57 years	60.9 years
56 years	61.0 years
55 years	61.3 years
54 years	61.6 years
53 years	61.9 years
52 years	62 years

4. 10 Years of Service for vesting.
5. Early retirement -- Eligible at 55 & 30 years of service, with true actuarial reduction. No pension payments allowed below age 55; terminated employees must wait until 62.
6. Deferred Vested -- 10 Years payable at 62.
7. Disability -- to be provided by commercial insurance until normal retirement age. In applying the formula for an age 62 pension, a disabled employee will be credited with service for the period of long-term disability leave.
8. Annuity Savings Fund - voluntary Annuity Savings Fund contributions equal to 3%, 5% or 7% of after-tax pay. Interest will be credited at the actual net investment rate of return for GRS, but will in no event be lower than 0% or higher than 5.25%. No in-service withdrawals permitted.



9. Investment Return/Discount Rate – 6.75%
10. COLA - Variable COLA benefit payable after the hybrid plan has been in effect for 4 full plan years, provided that the funding level is above 100%. A simple 2% COLA on hybrid benefit. Retirees become eligible for a COLA only for plan years after the retiree reaches age 62 and has been retired for a minimum of 12 months.
11. Contributions - Employer contribution of 5% of the base compensation of eligible employees. A portion of such contribution is used to fund normal cost and a portion is credited to a rate stabilization fund. Employees contribute 4% of base compensation toward normal cost.
12. If the funding level is below 100% (based on 3 year look back of smoothed returns), the plan's risk-shifting levers listed below will be applied in the listed order, until the actuary can state that by virtue of the use of levers, and a 6.75% discount rate and return assumption, the funding level is projected to be 100% on a market value basis within the next 5 years.
  - (a) No COLAs will be paid;
  - (b) Amounts credited to the rate stabilization fund will be used to fund accrued benefits; and
  - (c) Employee contributions to the hybrid will increase by 1% to 5% of base compensation for up to a 5 year period.

If the funding level is below 80% (without taking into account the use of rate stabilization funds and the 1% increase in employee contributions):

- (d) The steps taken in (a), (b) and (c) above will be continued;
- (e) The most recently awarded COLA is rescinded (i.e., Members' future benefit payments will be not include that COLA);
- (f) Employee contributions to the hybrid will increase to 6% of base compensation for up to a 5 year period;
- (g) The second most recently awarded COLA is rescinded; and
- (h) The benefit accrual rate is decreased from 1.5% to 1% for up to 5 years.



EXHIBIT I.A.248.a

FORM OF NEW PFRS ACTIVE PENSION PLAN

**COMBINED PLAN  
FOR THE  
POLICE AND FIRE  
RETIREMENT SYSTEM OF  
THE CITY OF DETROIT, MICHIGAN**

**Effective July 1, 2014**

## COMPONENT I

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## ARTICLE 1 – GENERAL PROVISIONS

### Sec. 1.1. Police and Fire Retirement System Established; Adoption of 2014 Plan Document

Effective July 1, 1941, a Pension System for Policemen and Firemen of the City of Detroit was established for the purpose of providing retirement allowances and death benefits for Policemen and Firemen and their beneficiaries by amendment to the Charter of the City of Detroit. That Pension System was amended on numerous occasions after July 1, 1941, including an amendment renaming the Retirement System as the “Police and Fire Retirement System of the City of Detroit.” The provisions of the Police and Fire Retirement System of the City of Detroit, as in effect July 1, 2014, are set forth in this Plan Document. Component I of the Plan Document applies to benefits accrued by Members on and after July 1, 2014 and to operation of the Police and Fire Retirement System of the City of Detroit on and after July 1, 2014. Component II of the Plan Document generally applies to benefits accrued by Members prior to July 1, 2014. Except as specifically provided in Component II, benefits provided under Component II of the Plan Document are frozen effective June 30, 2014.

This Combined Plan Document shall replace the provisions of the Police and Fire Retirement System of the City of Detroit as set forth in the City of Detroit Charter, the Detroit City Code and any conflicting provisions in any collective bargaining agreements, rulings or opinions covering Members (including, without limitation, City Employment Terms). All resolutions and policies of the Retirement Board previously enacted which are inconsistent with the provisions of this Plan Document are also hereby repealed to the extent of such inconsistency.

### Sec. 1.2. Retirement System Intended to be Tax-Qualified; Governmental Plan

The Retirement System is a governmental plan under Section 414(d) of the Internal Revenue Code which is intended to be a qualified plan and trust pursuant to applicable provisions of the Internal Revenue Code. The Board shall construe and administer the provisions of the Retirement System in a manner that gives effect to the tax-qualified status of the Retirement System.

### Sec. 1.3. Board of Trustees

Effective July 1, 1941, a Board of Trustees of the Police and Fire Retirement System of the City of Detroit was created. The Board is vested with responsibility for the general administration, management and operation of the Police and Fire Retirement System of the City of Detroit and with the trust and investment powers conferred in this Combined Plan Document.

### Sec. 1.4. Board of Trustees – Membership; Appointment

The Board of Trustees of the Police and Fire Retirement System of the City of Detroit shall consist of seventeen Trustees, as follows:

- (1) The Mayor, *ex-officio*, or the Mayor’s designee;
- (2) The President of City Council or a member thereof elected by Council, *ex-officio*;
- (3) The City Treasurer or Deputy City Treasurer, *ex-officio*;
- (4) The City Finance Director, or a designated representative, *ex-officio*;
- (5) The City Budget Director, or a designated representative, *ex-officio*;



- (6) The Corporation Counsel of the City, or a designated representative, *ex-officio*;
- (7) Three Fire Members of the Retirement System to be elected by the Fire Members under such rules and regulations as may be established by the Board of Fire Commissioners to govern such elections, as follows:
  - (a) Two to be elected by and from Members holding the rank of lieutenant (or its equivalent) and lower ranks; and
  - (b) One to be elected by and from Members holding ranks above the rank of lieutenant (or its equivalent);
- (8) Three Police Members of the Retirement System to be elected by the Police Members under the rules and regulations as may be established by the Commissioner of Police to govern such elections, as follows:
  - (a) Two to be elected by and from Members holding the rank of lieutenant (or its equivalent) and lower ranks; and
  - (b) One to be elected by and from Members holding a rank above lieutenant (or its equivalent); and
- (9) One individual who neither is a Member of the Retirement System nor an employee of the City in any capacity to be selected by the Board;
- (10) Two retirees receiving benefits under the Retirement System, one of whom shall be elected by Retired Police Members and one of whom will be elected by Retired Fire Members pursuant to Section 1.5 below;
- (11) One Trustee appointed by the Mayor upon election of a Retiree Police Trustee; and
- (12) One Trustee appointed by the Mayor upon election of a Retiree Fire Trustee.

**Sec. 1.5. Board of Trustees; Scheduling of Elections for Active and Retiree Trustees**

- (1) Annual elections for active Police Officers and Firefighters shall be held in the Police and Fire Departments during the month of May to elect a trustee to fill the vacancy created by the expiration of a term.
- (2) Elections to fill vacancies created by the expiration of a term for a Retiree Trustee shall be held every three years during the month of May.
- (3) A special election for Retiree Trustees shall be held as soon as practicable after the Plan of Adjustment is confirmed. Unless a Retiree Trustee elected by reason of this special election resigns or is removed from the position of Trustee in accordance with the terms of the Combined Plan Document, a Retiree elected to the office of Trustee in the special election shall be eligible to serve a full term of three (3) years from the date of the special election, plus such period of time until the last day of June that follows the third anniversary of the special election, at which time an election for Retiree Trustees shall be held in accordance with Section 1.6.

### **Sec. 1.6. Procedures for election of Retiree Trustees**

The procedures for the election of the Retiree Trustees shall be as follows:

- (1) *Notice.* Notice of a primary election shall be sent to each Retiree by United States Mail.
- (2) *Notice of Candidacy.* A proposed candidate shall submit a notarized letter to the executive director notifying the Retirement System of his or her candidacy.
- (3) *Ballot.* Each candidate whose name appears on the ballot at any election held for the office of Retiree Trustee shall be identified by the title of the position the Retiree held at the time of retirement and by the word "incumbent" if the candidate is a current trustee seeking re-election. No ballot shall contain any organizational or political designation or mark. Rotation and arrangement of names on the ballot shall be in accordance with the rules and regulations of the Board.
- (4) *Voting.* Procedures regarding mailing of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, handling of return envelopes received, and sealed ballot boxes shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (5) *Procedures.* Procedures regarding the selection and certification of successful candidates for nomination, the selection of Trustees from nominees, tie votes, and the destruction of ballots shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (6) *Board Rules.* Any matters relative to the election of the Retiree member of the Board not covered by this Section 1.6 shall be handled in accordance with such rules and regulations as the Board may adopt.

### **Sec. 1.7. Board of Trustees; Oath; Term; Vacancies**

Within ten days after appointment or election, each Trustee shall take an oath of office to be administered by the City Clerk.

The term of office for each elected Trustee under Sections 1.4(7), (8) and (10) shall be three years. The term of office for the Trustee who is selected by the Board under Section 1.4(9) shall be two years. The term of office for the Trustees appointed by the Mayor under Sections 1.4(11) and (12) shall be three years. Except as provided in Section 1.5(3), elected Trustees holding office on June 30, 2014 shall serve the remainder of their terms.

If a Trustee resigns or is removed by the other Trustees for cause, or if an elected or appointed Trustee fails to attend three consecutive scheduled Board meetings without being excused for cause by the Trustees attending such meetings, the Trustee shall be considered to have resigned from the Board. If a vacancy occurs in the office of Trustee from any cause other than expiration of a term, the vacancy for the unexpired term shall be filled within sixty days of the date of said vacancy in the same manner as the office was previously filled. No vacancy shall result by reason of a change in the rank or grade of a Trustee during the term of office.

### **Sec. 1.8. Board of Trustees; Officers and Employees**

The Board of Trustees shall elect from its membership a chairman and a vice chairman. The executive director of the Retirement System shall serve as Secretary of the Board of Trustees. The Board may employ such special actuarial, medical and other employees as shall be required, subject to the powers and authority reserved to the Investment Committee and subject to the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*

### **Sec. 1.9. Board of Trustees; Meetings; Rules of Procedure; Votes; Quorum**

- (1) The Board shall hold regular meetings, at least one in each month, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure, including provisions for special meetings and notice thereof, and shall keep a record of proceedings. All meetings of the Board shall be public and are subject to the *Michigan Open Meetings Act*, MCL 15.261 *et seq.*
- (2) Each Trustee shall be entitled to one vote on each question before the Board. A majority vote of the Trustees present shall be necessary for a decision by the Trustees at any meeting of the Board.
- (3) Eight members of the Board, four of whom must be elected members, shall constitute a quorum.

### **Sec. 1.10. Board of Trustees; Compensation; Expenses**

All members of the Board of Trustees shall serve without additional compensation from the City or the Retirement System; however Retiree Trustees shall receive a hourly stipend from the Retirement System equal to the lowest rate of pay received by an active employee Trustee for attending Board meetings, educational time and travel out of the City on official business of the Retirement System. All Trustees shall be reimbursed from the Expense Fund for all actual, reasonable and necessary expenses incurred in the performance of their duties as Trustees.

### **Sec. 1.11. Rules for Administration of Funds.**

Subject to the limitations contained in this Combined Plan document, the Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this Combined Plan document and for the transaction of its business.

### **Sec. 1.12. Board of Trustees; Certain Data to be Kept**

The Board of Trustees shall keep, or cause to be kept, in convenient form, such data as shall be necessary for the actuarial valuation of the various funds of the Retirement System and for checking and compiling the experience of the Retirement System. The ordinary actuarial, accounting and clerical services for the operation of the Retirement System shall be performed by the employees of the Retirement System.

### **Sec. 1.13. Board of Trustees; Annual Audit Report**

The Board shall render a report to the Mayor, the City Council and the Investment Committee on or before the fifteenth day of January, showing the fiscal transactions of the Retirement System for the year ending on the preceding thirtieth day of June, the amounts of accumulated cash and securities in the various funds of the System, and the last balance sheet showing the financial condition of the Retirement System by means of an actuarial valuation of the assets and liabilities of the Retirement System.

#### **Sec. 1.14. Board of Trustees; Legal Advisors**

- (1) The Board shall appoint legal advisors (including a general counsel) who shall be directly responsible to and shall hold office at the pleasure of the Board of Trustees. Any legal advisor to the Board of Trustees shall be an attorney licensed to practice law in the State of Michigan and shall be experienced in matters relating to pension systems. The qualifications of legal counsel shall be approved by the Board of Trustees.
- (2) Legal advisors to the Board of Trustees shall have such duties relative to pension matters as shall be assigned by the Board of Trustees.
- (3) Costs and expenses relative to the position of legal advisors to the Board shall be payable out of the assets of the Retirement System, subject to the provisions of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*

#### **Sec. 1.15. Designation of Actuary; Authority to Engage Additional Actuaries**

The Retirement System actuary as of July 1, 2014 shall continue to serve as such until resignation or removal by the Board. In the event the Board desires to retain a new actuary, the Board and the Investment Committee shall collectively participate in the evaluation and selection of a qualified actuary. The Retirement System actuary shall be responsible for assisting the Board and the Investment Committee in performing its actuarial duties and shall comply with all requests for information or modeling requested by the Investment Committee, and shall attend meetings of the Board and Investment Committee as requested, so as to allow the Investment Committee to perform satisfactorily the rights and duties set forth in the Term Sheet and the Plan of Adjustment. Furthermore, the Board shall not act on any recommendation made by the Retirement System's actuary based on any calculation, assumption or assessment rejected by the Investment Committee.

Nothing herein shall be interpreted as limiting the Investment Committee's authority to engage an actuarial consulting firm other than the Retirement System's actuary to perform actuarial services deemed necessary to fulfill its fiduciary and other duties to the Retirement System as set forth in the Term Sheet and the Plan of Adjustment.

#### **Sec. 1.16. Board of Trustees; Adoption of Mortality and Other Tables of Experience and Rates of Interest; Limitations on Payments by the Retirement System**

- (1) Subject to Section 15.1, the Board shall adopt such mortality and other tables of experience, and a rate or rates of interest, as shall be necessary for the operation of the System on an actuarial basis, provided, that the authority granted by this section shall not permit or be used to provide for an interest rate which would violate the prohibitions of Subsection (2) or (3) of this section.
- (2) The Retirement System and the Trustees charged with management of the System shall not make any payment to active or retired Members other than payments that are required by the governing documents of the Retirement System. This prohibition applies to all payments that are not authorized by this Code, whether such payments are those commonly referred to as a "thirteenth check" or by any other name.
- (3) Anything in this Combined Plan Document or any other document to the contrary notwithstanding, the annual actuarial interest rate assumption for the period commencing July 1, 2014 and ending June 30, 2023 shall be six and three-quarters percent (6.75%).

#### **Sec. 1.17. Board of Trustees; Annual Actuarial Valuation of Assets and Liabilities**

Subject to Section 15.1, each year, on the basis of such mortality and other tables of experience, and such rate or rates of regular interest as the Board shall adopt pursuant to Section 1.16, the Board shall cause to be made an actuarial valuation of the assets and liabilities of the Retirement System.

#### **Sec. 1.18. Board of Trustees; Powers and Duties; Fiduciary Status; Fiduciary Duties**

The Board of Trustees shall have such powers and duties as are necessary for the proper administration of the Retirement System and the custody and investment of Retirement System assets, other than those powers and duties reserved to the Investment Committee. To the extent the Board exercises discretion with respect to investment of Retirement System assets, the Board shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*, and a Board member shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* A member of the Board of Trustees shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Board members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflicts with the provisions set forth in this Combined Plan Document.

#### **Sec. 1.19. Investment Committee; Establishment; Purpose; Fiduciary Status; Fiduciary Duties**

As of the effective date the Plan of Adjustment, but subject to consummation of that certain Contribution Agreement by and between the Retirement System and the State of Michigan as provided in the Plan of Adjustment, an Investment Committee is hereby created for the purpose of making recommendations to the Board of Trustees with respect to certain investment management matters relating to the Retirement System. The creation and operation of the Investment Committee is controlled by the term sheet regarding Investment Committee Governance for General Retirement System, as attached to the Plan of Adjustment ("Term Sheet"). The Investment Committee shall remain in effect for a period of not less than twenty years following the date of confirmation of the Plan of Adjustment. The Investment Committee shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* and shall have all powers granted fiduciaries under the first sentence of MCL 38.1133(5) and (6). The Investment Committee shall service in a fiduciary capacity with respect to the investment management of Retirement System assets, determination of the investment return assumptions, and Board compliance with provisions of the governing documents of the Retirement System. An Investment Committee member shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* An Investment Committee member shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Investment Committee members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflicts with the provisions set forth in the Term Sheet.

#### **Sec. 1.20. Investment Committee; Membership; Appointment**

The Investment Committee shall consist of nine (9) members, determined as follows:

- (1) Five independent members, two of whom must be residents of the State of Michigan, and none of whom may be a party in interest with respect to the Retirement System, as defined in as defined in Section 38.1132d(4) of the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* Each independent Investment Committee member shall have expert knowledge or extensive experience with respect to either (a) economics, finance, or institutional investments, or (b) administration of public or private retirement plans, executive management, benefits administration or actuarial science. At least one of the independent Investment Committee members shall satisfy the requirements of (a) above and at least one of the independent Investment Committee members shall satisfy the requirements of (b) above. The initial independent Investment Committee members shall be selected by mutual agreement of the appropriate representatives of the State of Michigan, the City and the Board, in consultation with the Foundation for Detroit's Future, and shall be named in the Plan of Adjustment. If one or more of the five initial independent Investment Committee members are not selected by mutual agreement prior to confirmation of the Plan of Adjustment, then the United States Bankruptcy Court, Eastern District of Michigan shall designate such number of independent Investment Committee members as necessary to bring the number of independent Investment Committee members to five (5);
- (2) Two Retirees who shall be appointed by the Board consisting of one retired Police Member and one retired Fire Member who are serving on the Board and who are receiving benefits under the Retirement System; and
- (3) Two Employee Members who shall be appointed by the Board consisting of one elected Fire Department employee and one elected Police Department employee who are active members of the Board.

#### **Sec. 1.21. Investment Committee; Term; Resignation and Removal; Vacancies**

The term of office for the independent members of the Investment Committee shall be six years; provided, however, that the first term for the independent Investment Committee members shall be determined as follows:

<u>Independent Member</u>	<u>Term of Office</u>
(1)	2 years
(2)	3 years
(3)	4 years
(4)	5 years
(5)	6 years

The term of office for a Retiree or employee Investment Committee member shall be the number of years remaining on such individual's term of office as a member of the Board of Trustees. Each Investment Committee member shall serve until his or her successor is appointed at the expiration of his or her term of office, or until his or her death, incapacity, resignation or removal, if earlier. Notwithstanding any provision of this Combined Plan document, an initial independent Investment Committee member shall not be prohibited from becoming a successor independent Investment Committee member after expiration of his or her initial term.

An Investment Committee member may resign at any time by giving ninety days' prior written notice to the Investment Committee, the City and the Board, which notice or time period may be waived by the Investment Committee. An Investment Committee member may be removed from office by



majority vote of the other Investment Committee members for any of the following reasons: (a) the member is legally incapacitated from executing his or her duties as a member of the Investment Committee and neglects to perform those duties; (b) the member has committed a material breach of the provisions of the Retirement System or the policies or procedures of the Retirement System and the removal of the member is in the interests of the Retirement System or its Members and Beneficiaries; (c) the member is convicted of a violation of law and the removal is accomplished by a vote of the members of the Investment Committee in accordance with the voting procedure set forth in Section 1.22; or (d) if the member holds a license to practice and such license is revoked for misconduct by any State or federal government. A member who fails to attend four (4) consecutive scheduled meetings of the Investment Committee shall be deemed to have resigned, unless in each case his or her absence is excused for cause by the remaining Members attending such meetings. In the event of such removal or resignation, the Investment Committee shall by resolution declare the office of the member vacated as of the date such resolution is adopted.

An Investment Committee member may have his or her voting privileges temporarily suspended by a 70% or higher vote of the other members if the member is indicted or sued by a State or federal government for an alleged violation of the law that relates to his or her service on the Investment Committee, or for other alleged financial crimes, including fraud. Any vacancy occurring on the Investment Committee shall be filled within sixty (60) days following the date of the vacancy for the unexpired portion of the term, in the same manner in which the office was previously filled.

Successor independent Investment Committee members shall be recommended by a majority of the remaining independent Investment Committee members and shall be confirmed by the Board and the Treasurer of the State of Michigan, in consultation with the Foundation for Detroit's Future, in accordance with such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with the Term Sheet or the Plan of Adjustment). In the event the Board and the Treasurer of the State of Michigan cannot agree on the successor independent Investment Committee member within thirty (30) days of the receipt of the recommendation of the Investment Committee, the remaining independent Investment Committee members shall appoint the successor independent Investment Committee member.

In the event the United States Bankruptcy Court, Eastern District of Michigan appoints one or more independent Investment Committee members, successors to any such independent Investment Committee member shall be appointed in the same manner as provided in the preceding paragraph following three (3) weeks' notice to the Board of the individuals appointed, in accordance with such rules and regulations as may be adopted by the Investment Committee provided that such rules are not inconsistent with either the Term Sheet or the Plan of Adjustment.

Successor Investment Committee members shall have the powers and duties conferred on Investment Committee members herein.

#### **Sec. 1.22. Investment Committee; Operation; Meetings; Quorum; Voting**

The Investment Committee members shall select from among the independent members a chair and a vice chair. The Investment Committee members shall select from among themselves a secretary. The Investment Committee shall hold regular meetings, not less frequently than once every other month, and shall hold special meetings as necessary. The Investment Committee shall designate the time and place thereof in advance. The secretary or his or her designee shall be responsible for providing meeting notices to the other Investment Committee members. The Investment Committee shall adopt its own rules of procedure and shall keep a record of proceedings. Notice and conduct of all Investment Committee meetings, both regular and special, shall be public and subject to the *Michigan Open Meetings Act*, MCL

15.261 *et seq.* All Investment Committee meeting shall be held within the City of Detroit.

Five Investment Committee members shall constitute a quorum at any meeting, as long as at least three of the independent Investment Committee members are in attendance. Each independent Investment Committee member shall be entitled to one vote on each question before the Investment Committee. Each Retiree and Employee member shall be entitled to one-half vote on each question before the Investment Committee. Except as otherwise provided in the Term Sheet, at least four concurring votes shall be necessary for a decision by the Investment Committee.

#### **Sec. 1.23. Investment Committee; Expenses**

Investment Committee members shall be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to the administration of the Investment Committee, including but not limited to the purchase of insurance, shall be payable out of the assets of the Retirement System. The Investment Committee may retain actuarial, legal counsel, audit or other professional or support personnel to provide advice to the Investment Committee as it deems reasonably necessary to perform its functions and such parties or persons may be reasonably compensated from the assets of the Retirement System. Such engagements shall not be subject to approval of the Board.

Investment Committee members shall be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to administration of the Investment Committee, including but not limited to the purchase of insurance, shall be payable out of the assets of the Retirement System.



## ARTICLE 2 – DEFINITIONS

### Sec. 2.1. Definitions

Unless a different definition is contained within this Combined Plan Document, or a different meaning is plainly required by context, for purposes of this Combined Plan Document the following words and phrases have the meanings respectively ascribed to them by this section:

- (1) *Accumulated Mandatory Employee Contributions* means the sum of all amounts deducted from the compensation of a Member and credited to the Accumulated Mandatory Employee Contribution Fund for periods on and after July 1, 2014.
- (2) *Accumulated Voluntary Employee Contributions* means the total balance in a Member's individual account under Component I of the Retirement System.
- (3) *Actuarial Equivalent or Actuarially Equivalent* means a Retirement Allowance or benefit amount having the same Actuarial Equivalent Value as another applicable benefit. The rates of interest adopted by the Board from time to time shall not violate the terms of the Plan of Adjustment.
- (4) *Actuarial Equivalent Value* means the value of an applicable Retirement Allowance or benefit amount, where values are calculated under generally accepted actuarial methods and using the applicable tables, interest rates and other factors established by the Board upon recommendation of the Investment Committee.
- (5) *Administrative Rules and Regulations* means rules and regulations promulgated by the Board of Trustees for the administration of the Retirement System and for the transaction of its business.
- (6) *Age, Attainment of* means the age an individual reaches on the day of his or her birthday.
- (7) *Average Final Compensation* means the average Compensation received by a Member during the ten consecutive years of Credited Service (five consecutive years of Credited Service for members of the Detroit Police Command Officers Association and the Detroit Police Lieutenants and Sergeants Association) which immediately precede the date of the Member's last termination of City employment as an employee of the Police Department or the Fire Department. If a Member has less than ten years (or five years) of Credited Service, the Average Final Compensation shall be the average of the annual Compensation received by the Member during the Member's total years of Credited Service.
- (8) *Beneficiary* means any person who is entitled to receive a Retirement Allowance or pension payable from funds of the Retirement System due to the participation of a Member.
- (9) *Board of Trustees or Board or Retirement Board* means the Board of Trustees of the Police and Fire Retirement System of the City of Detroit.
- (10) *City* means the City of Detroit, Michigan, a municipal corporation.
- (11) *City Council or Council* means the legislative body of the City.
- (12) *Compensation* means a Member's base salary or wages actually paid to the Member for personal services rendered to the Employer, excluding bonuses, overtime pay, payment of unused accrued sick leave, longevity pay, payment for unused accrued vacation, the cost or value of fringe

benefits provided to the Member, termination or severance pay, reimbursement of expenses, or other extra payment of any kind. Compensation will include any amount which is contributed by the City to a plan or program pursuant to a salary reduction agreement and which is not includable in the income of the Member under Sections 125, 402(e)(3), 402(h) or 403(b) of the Internal Revenue Code.

For periods of time prior to July 1, 2014, the City shall provide to the Retirement System actual base salary or wages paid to Members using the best and most reliable sources of information available to the City. In the event the City is unable to provide actual base wages to the Retirement System, the City shall make reasonable estimates of each Member's base salary or wages for purposes of determining a Member's Compensation.

Notwithstanding the foregoing, for purposes of determining a Member's Voluntary Employee Contributions, Compensation shall mean the gross salary or wages paid to the Member for personal services rendered to the Employer.

The annual Compensation of each Member taken into account for the purposes of determining all benefits provided under the Retirement System for any determination period shall not exceed the limitation set forth in Code Section 401(a)(17) (\$260,000 for the Plan Year commencing July 1, 2014). Such limitation shall be adjusted for the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year. If Compensation for any prior determination period is taken into account in determining a Member's benefits for the current determination period, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that determination period. If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

- (13) *Credited Service* means service credited to a Member to the extent provided in Article 4 of Component I of this Combined Plan Document.
- (14) *Disability or Disabled*: see *Total Disability or Totally Disabled*.
- (15) *DROP Account* means the account established by the Board for a Member who is eligible for and who elects to participate in the DROP Program.
- (16) *DROP Program* means a program established for eligible Members pursuant to Article 12.
- (17) *Employee* means an employee of the City's Police Department who has taken an oath of office or a Firefighter providing services to the City, but does not include:
  - (a) individuals whose City services are compensated on a contractual or fee basis; or
  - (b) any person during any period when such person is classified by the City as a non common-law employee or an independent contractor for federal income tax and withholding purposes whose compensation for services is reported on a form other than Form W-2 or any successor form for reporting wages paid to and taxes withheld from employees, even if a court or administrative agency determines that such person is a common-law employee of the City.

If a person described in (b) above is reclassified by the City as a common-law employee of the City and otherwise meets the definition of an Employee, the person will be eligible to participate in the Retirement System prospectively as of the actual date of such reclassification only (and only to the extent such individual otherwise qualifies as an Employee).

- (18) *Employer* means the City.
- (19) *Final Compensation* means the annual Compensation of a Member at the time of his or her termination of employment.
- (20) *Firefighter* means the rank in the Fire Department classified by the civil service commission as firefighter.
- (21) *Fire Member* means a sworn employee of the Fire Department of the City of Detroit who is a participant in the Retirement System.
- (22) *Hour of Service* means (i) each hour for which a Member is paid or entitled to payment by the City for the performance of duties, and (ii) each hour for which a Member is directly paid or entitled to payment by the City for reasons other than the performance of duties (such as vacation, holiday, illness or approved leave of absence).
- (23) *Internal Revenue Code or Code* means the United States Internal Revenue Code of 1986, as amended.
- (24) *Investment Committee* means the committee established pursuant to Section 1.19 which shall have the powers and duties described herein.
- (25) *Mandatory Employee Contributions* mean the contributions made by a Member to the Retirement System pursuant to Section 9.3(3).
- (26) *Member* means any Police Member or Fire Member who has not retired or died.
- (27) *Normal Retirement Age* means for any member of the Detroit Fire Fighters Association and the Detroit Police Officers Association, age fifty-two with twenty-five years of Credited Service. For any member of the Detroit Police Command Officers Association or the Detroit Police Lieutenants and Sergeants Association, Normal Retirement Age is age fifty with twenty-five years of Credited Service, with the following transition period:

<u>Fiscal Year</u>	<u>Age and Service</u>
2015	Age 43 and 20 years
2016	Age 43 and 20 years
2017	Age 44 and 21 years
2018	Age 45 and 22 years
2019	Age 46 and 23 years
2020	Age 47 and 24 years

2021 and thereafter

Age 50 and 25 years

Pursuant to Code Section 411(e), as in effect in 1974, a Member shall be 100% vested in his accrued benefit under the Retirement System upon attainment of Normal Retirement Age while in Service.

- (28) *Notice to Members, Beneficiaries, and Retirees* means a mailing using First Class United States Mail to the Members, Beneficiaries, and Retirees at their last known addresses.
- (29) *Patrolman* means the rank in the Police Department currently or formerly known as patrolman.
- (30) *Pension Reserve* means the present value of all payments to be made on account of any Retirement Allowance. Such Pension Reserve shall be computed upon the basis of such mortality and other tables of experience, and interest, as provided herein until June 30, 2023 and, thereafter, as shall be adopted by the Board upon the recommendation of the Investment Committee.
- (31) *Plan Actuary or Actuary* means the enrolled actuary or actuarial firm appointed prior to provided in Section 1.15 to serve as technical advisor to the Investment Committee and the Board on matters regarding the funding and operation of the Retirement System and to perform such other duties as the Investment Committee or the Board may direct.
- (32) *Plan Document or Combined Plan Document* means this instrument, effective as of July 1, 2014, with all amendments hereafter adopted.
- (33) *Plan of Adjustment* means the Plan for the Adjustment of Debts of the City of Detroit, which has been approved by the United States Bankruptcy Court in *In re City of Detroit, Michigan*, Case No. 13-53846.
- (34) *Plan Year* means the twelve month period commencing on July 1 and ending on June 30.
- (35) *Police and Fire Retirement System of the City of Detroit or Retirement System* means the Police and Fire Retirement System of the City of Detroit created and, prior to July 1, 2014, memorialized in Title IX, Chapter VI, of the 1918 Detroit City Charter, as amended, continued in effect through the 1974, 1997 and 2012 Detroit City Charters, Article 47 of the Detroit City Code, Article 54 of the Detroit City Code of 1964, and collective bargaining agreements and, on and after July 1, 2014, memorialized in this Combined Plan Document, as amended from time to time.

The Retirement System consists of:

- (a) The *2014 Defined Benefit Plan*, which is described in Component I hereof;
- (b) The *Defined Contribution Plan*, consisting of the Voluntary Employee Contribution Account and the DROP Account, which are described in Component I hereof;
- (c) The *Frozen Defined Benefit Plan*, which is described in Component II hereof; and
- (d) The *Frozen Defined Contribution Plan*, which is described in Component II hereof.

References to the words *Retirement System* in Component I of the Plan Document shall mean the provisions of the *Defined Benefit Plan and Defined Contribution Plan* described in Component I, unless a different meaning is plainly required by context.

- (36) *Police Member* means a Police Officer who has taken the oath of office as prescribed in the Detroit City Charter, excluding patrolmen of other City departments, privately employed patrolmen and special patrolmen, who is a participant in the Retirement System.
- (37) *Police Officer* means the rank in the Police Department known as Police Officer.
- (38) *Prior Service* means the service credit awarded to a Member before July 1, 2014 under the terms of the Retirement System as in effect on June 30, 2014, as certified by the Board of Trustees.
- (39) *Retiree* means a former Member who is receiving a Retirement Allowance from the Retirement System.
- (40) *Retirement* means a Member's withdrawal from the employ of the City with a Retirement Allowance paid by the Retirement System.
- (41) *Retirement Allowance* means an annual amount payable in monthly installments by the Retirement System, whether payable for a temporary period or throughout the future life of a Retiree or Beneficiary.
- (42) *Service* means personal services rendered to the City by an employee of the Police Department or Fire Department, provided such person is compensated by the City for such personal services.
- (43) *Spouse* means the person to whom a Member is legally married under applicable law at the time a determination is made.
- (44) *Straight Life Retirement Allowance* means payment of a Member's Retirement Allowance over the Member's lifetime.
- (45) *Total Disability or Totally Disabled* means:
  - (a) during the first twenty-four (24) months that a Member receives benefits from the Retirement System due to injury, illness or disease, that the Member is unable to perform, for wage or profit, the material and substantial duties of the Member's occupation; and
  - (b) during all subsequent months that a Member receives benefits from the Retirement System due to illness, injury or disease, that the Member is unable to perform, for wage or profit, the material and substantial duties of any occupation for which the Member is suited, based on education, training and experience
- (46) *Vesting Service* means service credited to a Member to the extent provided in Section 4 of Component I of this Combined Plan Document.
- (47) *Voluntary Employee Contributions* mean the after-tax contributions made by an eligible Member to the Retirement System pursuant to Section 10.1.
- (48) *Voluntary Employee Contributions Account* means the account established pursuant to Section 10.3 for an eligible Member who elects to make Voluntary Employee Contributions.

## **ARTICLE 3 – MEMBERSHIP**

### **Sec. 3.1. Eligible Employees**

- (1) The membership of the Retirement System shall consist of all persons who are employed with the Police and Fire Departments of the City and who are confirmed as Police Officers or Firefighters according to the rules and regulations of the respective Departments. An eligible Employee's membership in the Retirement System shall be automatic; no eligible Employee shall have the option to elect to become a Member of the Retirement System.
- (2) Any appointive official of the Police Department or Fire Department appointed from the membership thereof shall be permitted to remain a Member, paying contributions and entitled to benefits as though he had remained in the rank, grade or position held at the date of his appointment.
- (3) Any Police Officer or Firefighter who, prior to being confirmed, shall be killed or totally incapacitated as the result of the performance of active duty, shall be deemed to have been a Member.
- (4) Any Member who shall be transferred to a civilian position in his department shall continue as a Member, subject to all the obligations of a Member.

### **Sec. 3.2. Cessation of Membership; Re-Employment**

- (1) If a Member dies, or is separated from service with the City by resignation, dismissal, retirement or disability, he shall cease to be a Member.
- (2) If a Member ceases to be a Member under paragraph (1) and later becomes a Police Officer or Firefighter, he shall again become a Member, subject to the obligations of a Member.
- (3) Retirement benefits for a Retiree who returns to active full time employment shall be subject to the following:
  - (a) A Retiree who returns to work will have his Retirement Allowance suspended upon re-employment. The variable pension improvement factor (escalator) shall not be added to the amount of the original Retirement Allowance during the Retiree's re-employment period.
  - (b) A Retiree who returns to work will be entitled to receive a second Retirement Allowance in accordance with the provisions of the Retirement System in effect during his re-employment period.
  - (c) A Retiree's Average Final Compensation for purposes of determining the Retiree's second Retirement Allowance will be based upon the Compensation earned by the Retiree after he returns to work.
  - (d) An individual who retires for a second time will not be allowed to change the payment option selected by the Member with respect to the original Retirement Allowance. However, the individual may select a separate payment option with respect to his second Retirement Allowance.

### **Sec. 3.3. Report From City**

It shall be the duty of the City to submit to the Board of Trustees a statement showing the name, title, compensation, duties, date of birth, date of hire, and length of service of each Member, and such other information as the Board of Trustees may require or reasonably request for proper administration of the Retirement System.



## **ARTICLE 4 – SERVICE CREDIT**

### **Sec. 4.1. Credited Service**

- (1) The Board shall keep an accurate record of each Member's accumulated Service credit from the date of commencement of employment with the City to the date of termination of employment with the City.
- (2) A Member shall be credited with one month of Credited Service for each calendar month during which he performs one hundred forty (140) or more Hours of Service for the City as a Police Officer or Firefighter beginning on the later of July 1, 2014 or his date of hire with the City as a Police Officer or Firefighter and ending on the date his employment with the City as a Police Officer or Firefighter is terminated. Service shall be credited in years and twelfths (1/12<sup>th</sup>) of a year. Not more than one-twelfth (1/12<sup>th</sup>) of a year of Credited Service shall be credited to a Member on account of all Service rendered to the City in a calendar month. Not more than one year of Credited Service shall be credited a Member on account of all Service rendered to the City in any period of 12 consecutive months.
- (3) Not more than one month of Credited Service shall be granted for any period of more than one month during which the Member is absent without pay; notwithstanding the foregoing, any Member who shall be suspended from duty and subsequently reinstated to duty without further disciplinary action shall receive credit for the time of such period of suspension.
- (4) Solely for purposes of determining eligibility for a retirement benefit under Sections 5.1 and 5.4, a Member shall be credited with the sum of his Prior Service as determined by the Board and his Credited Service on and after July 1, 2014 determined under Section 4.1(2). The period of time during which a Member is on layoff from the service of the City shall be included in the Member's Credited Service solely for the purposes of determining whether the Member has attained twenty-five years of Credited Service for purposes of Section 5.1.

### **Sec. 4.2. Vesting Service**

- (1) A Member shall be credited with a year of Vesting Service for each Plan Year commencing on or after July 1, 2014 during which the Member performs 1,000 or more Hours of Service for the City.
- (2) A Member's total Vesting Service shall be the sum of his Prior Service and his Service determined under Section 4.2(1).

### **Sec. 4.3. Service Credit; Military Service**

A Member who enters the military service of the United States while employed with the City shall have the period of such military service credited as City Service in the same manner as if the Member had served the City without interruption, provided that (1) the Member's entry into such military service and re-employment thereafter shall be in accordance with applicable laws, ordinances, and regulations of the State of Michigan and the City, (2) he or she is re-employed by the City as a Police Officer or Firefighter upon completion of such military service, and (3) the Member contributes to the Retirement System the Mandatory Employee Contributions that would have been made by the Member but for the Member's military service. During the period of military service and until return to City employment, the Member's Mandatory Employee Contributions to the Retirement System shall be suspended.



#### **Sec. 4.4. Service Credit; Qualified Military Service**

Notwithstanding any provision of this Combined Plan Document to the contrary, contributions, benefits, and service credit with respect to qualified military service under Component I, shall be provided in accordance with Code Section 414(u). Notwithstanding anything to the contrary herein, if a Member dies while performing qualified military service (as defined in Code Section 414(u)), to the extent required by Code Section 401(a)(37), the survivors of the Member are entitled to any additional benefits (if any, and other than benefit accruals relating to the period of qualified military service) provided under the Retirement System as if the Member had resumed and then terminated employment on account of death.

Notwithstanding anything to the contrary herein, if the City decides to provide Differential Wage Payments to individuals who are performing service in the uniformed services (as defined in Chapter 43 of Title 238, United States Code) while on active duty for a period of more than thirty (30) days, such Differential Wage Payment will be treated as compensation under the Code Section 415(c)(3) limits, but not for purposes of benefit accruals under the Retirement System. For these purposes the term "Differential Wage Payment" means a payment defined in Code Section 3401(h)(2) that is made by the City to an individual who is performing service in the uniformed services while on active duty for a period of more than thirty (30) days.

## **ARTICLE 5 – ELIGIBILITY FOR RETIREMENT**

### **Sec. 5.1. Eligibility for Unreduced Normal Retirement Benefit**

Any Member who attains his Normal Retirement Age may retire upon written application filed with the Board setting forth the date on which the Member desires to be retired. The date of retirement shall be effective as of the first day following the later of (i) the Member's last day on the City payroll, or (ii) the date the Member executes and files an application for retirement, notwithstanding that the Member may have separated from Service during the notification period. Such a Member shall be entitled to receive an unreduced Retirement Allowance calculated as provided in Section 6.1 and payable in a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.2. Eligibility for Deferred Vested Retirement Benefit**

Any Member who terminates employment with the City prior to satisfying the requirements for receipt of a retirement benefit under Section 5.1 and who is credited with ten (10) or more years of Vesting Service (regardless of age) shall be entitled to receive an unreduced Retirement Allowance commencing at any time following his attainment of Age sixty-two. At a Member's election, the Member may begin receiving an immediate Retirement Allowance following his attainment of Age fifty-five, actuarially reduced for early commencement, in lieu of an unreduced Retirement Allowance beginning at age sixty-two. Deferred vested retirement benefits shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.3. Eligibility for Disability Retirement Benefit – Duty Disability**

(1) If the Board shall find that a Member has become Totally Disabled resulting from performance of duty, upon written application to the Board by or on behalf of such Member or by the head of his department, such Member shall be retired, notwithstanding that during such period of notification he may have separated from Service with the City. In making such determination, the Board may require that such Member undergo a medical examination to be made by a qualified physician or surgeon in the appropriate specialty at Detroit Receiving Hospital or other medical facility as may be selected by the Board. A Member who retires as a result of duty disability shall receive for a period of twenty-four months the sum of:

- (a) a basic benefit equal to fifty percent (50%) of his Final Compensation at the time his duty disability retirement begins, and
- (b) a supplemental benefit equal to sixteen and two-thirds percent (16-2/3%) of his Final Compensation at the time his duty disability retirement begins.

Subject to Section 9.5, on the first day of each Plan Year, a Member's duty disability benefit will be increased as provided in Section 6.2.

(2) After a Member receives benefits hereunder for a period of twenty-four months, the Board will determine whether the Member is disabled from any occupation. If the Member is disabled from any occupation, the Member shall continue to receive the benefit provided in paragraphs (1)(a) and (1)(b) until such time as the Member would have attained twenty-five years of Credited Service had he continued in active Service with the City. At that time, the Member shall continue to receive the benefit described in paragraph 1(a) above; however, benefits described in paragraph (1)(b) above will cease. If the Member is not disabled from any occupation, he shall continue to

receive the benefit described in paragraph (1)(a) above; benefits described in paragraph 1(b) will cease.

- (3) In the event a Member receiving duty disability benefits has attained twenty-five years of Credited Service, duty disability benefits shall continue to be paid to the Member until the earlier of (i) the Member's attainment of age sixty-five, or (ii) the date the Member ceases to be Totally Disabled as determined by the Board. Upon termination of disability or attainment of age sixty-five, a member with twenty-five years of Credited Service shall be eligible to receive a Retirement Allowance as provided in Section 6.1. The amount of such Retirement Allowance shall be equal to the amount which would have been payable to the Member if the Member's conversion from duty disability retirement to a Retirement Allowance had occurred on the date the Member attained twenty-five years of Service Credit.
- (4) If a Member on duty disability retirement returns to active Service with the City and shall re-qualify for duty disability retirement for the same or related reasons within twenty-four months of his return to active Service, then the disability shall be deemed a continuation of the prior Total Disability and the period of the Member's active Service following the return to work will not qualify the Member to be entitled to a new initial determination of disability for purposes of determining the benefit payable to the Member. Instead, such Member will return to duty disability retirement benefits based on the number of months of disability with which the Member was credited at the time of his return to active Service, as if there had not been a break in his period of duty disability retirement.
- (5) During the period a Member is eligible to receive duty disability benefits under this Section 5.3, the Member shall continue to be credited with Credited Service until the Member accrues twenty-five years of Credited Service, at which time accrual of Credited Service shall cease.
- (6) In the event that a recipient of a duty disability retirement benefit receives earned income from gainful employment during a calendar year, the amount of the Member's disability benefit payable during the next subsequent Plan Year will be adjusted so it does not exceed the difference between (i) the Member's base salary at the date of duty disability, increased by the variable pension improvement factor (escalator) (if any) applicable to such benefit pursuant to Section 6.2 times the number of full Plan Years from the date of the Member's duty disability to the year in which the earnings offset is applied, and (ii) the amount of the Member's remuneration from gainful employment during the prior calendar year. The amount of income received by a Member shall be determined by the Board based upon information received from the Member or based upon information secured from other reliable sources. Furnishing such information to the Board shall be a condition for the Member's continued eligibility for duty disability benefits.
- (7) The Board shall not act upon or grant the application for duty disability benefits filed by a Member who, although not capable of performing the full duties of his prior position, has not suffered any diminishment of his base wages or benefits because he is either (i) regularly assigned to a position, the full duties of which he is capable of performing; or (ii) assigned to a restricted duty position, unless the Member's Department advises the Board that it intends to seek a duty disability retirement for the Member in the foreseeable future. The provisions of this paragraph shall not affect a Member's right to seek a duty disability retirement benefit when no restricted duty position is available or restrict the authority of the Police Department or Fire Department (as applicable) to apply for a duty disability retirement benefit for such Member.

#### **Sec. 5.4. Eligibility for Disability Retirement Benefit – Non-Duty Disability**

- (1) Upon the application of a Member or the Member's department head, a Member who becomes totally and permanently disabled in the employ of the City not resulting from the performance of duty shall be retired by the Board; provided that a qualified physician or surgeon in the appropriate specialty at Detroit Receiving Hospital or other medical facility as may be selected by the Board, shall certify to the Board after a medical examination, that such Member is mentally or physically totally and permanently disabled for the further performance of duty to the City. Such a Member shall receive the following applicable benefits:
  - (a) If such Member has less than five years of Credited Service at the time of his disability retirement, his Accumulated Mandatory Employee Contributions standing to his credit in the Accumulated Mandatory Employee Contributions Fund shall be returned to him, or at his option he shall receive a cash refund annuity which shall be the actuarial equivalent of his Accumulated Mandatory Employee Contributions.
  - (b) If such Member has five or more years of Credited Service at the time of his disability retirement, he shall receive a disability Retirement Allowance computed in accordance with the provisions of Section 6.1 payable in any of the optional forms provided in Section 8.1 hereof. His annual straight life retirement allowance shall not be less than twenty per cent (20%) of his Average Final Compensation.
- (2) The Board shall not act upon or grant the application for non-duty disability benefits filed by a Member who, although not capable of performing his full duties, has not suffered any diminishment of his base wages or benefits because he is either (i) regularly assigned to a position, the full duties of which he is capable of performing; or (ii) assigned to a restricted duty position, unless the Member's employer advises the Board that it intends to seek a non-duty disability retirement for the Member in the foreseeable future. The provisions of this paragraph shall not affect a Member's right to seek a non-duty disability retirement benefit when no restricted duty position is available or restrict the authority of the Police Department or Fire Department (as applicable) to apply for a non-duty disability retirement benefit for such Member.
- (3) If a Retiree receiving non-duty disability retirement benefits is or becomes engaged in a gainful occupation, business, or employment paying more than the difference between the disabled Retiree's Retirement Allowance and Average Final Compensation, the Retiree's Retirement Allowance shall be reduced by the amount of such difference. If the amount of the Retiree's earnings changes, the Retirement Allowance may be adjusted accordingly.

#### **Sec. 5.5. Disability Retirees; Reexamination**

- (1) At least once each year during the first five years following the retirement of a Member under Section 5.3 or Section 5.4, and at least once in every three year period thereafter, the Board may require that such disability Retiree who has not attained his Normal Retirement Age undergo a medical examination, to be made by, or under the direction of, a qualified physician or surgeon in the appropriate specialty at Detroit Receiving Hospital or other medical facility as may be selected by the Board. Should any such Retiree who has not attained Normal Retirement Age fail to submit to at least one such medical examination in any such period, the Retiree's Retirement Allowance may be suspended by the Board until the examination is completed. Should such failure continue for one year, all of the Retiree's rights in and to the Retirement Allowance may be revoked by the Board. If upon such examination of a Retiree, the examiner reports that the Retiree is no longer Totally Disabled, and such report is concurred in by the Board, the Retiree

shall be restored to active service with the City and the Retirement Allowance paid pursuant to Section 5.3 or Section 5.4 shall be suspended until the Retiree terminates active service with the City.

- (2) A disabled Retiree who has been, or shall be, reinstated to active service in the employ of the City shall again become a Member. All Credited Service at the time of the disability retirement shall be restored to the Member.

#### **Sec. 5.6. Return of Accumulated Mandatory Contributions to Non-Vested Member**

If a Member ceases to be an Employee before becoming eligible for a deferred vested Retirement Allowance under Section 5.2 or a disability Retirement Allowance pursuant to Section 5.4 or 5.5, the Member may elect to receive distribution of the Accumulated Mandatory Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Mandatory Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.

#### **Sec. 5.7. Benefits Offset by Compensation Benefits; Subrogation**

- (1) Any amounts which may be paid or payable to a Member, Retiree, or Beneficiary on account of disability or death under the provisions of any Workers' Compensation, pension, or similar law, except federal Social Security old-age and survivors' and disability insurance benefits, shall be an offset against any amounts payable from funds of the Retirement System on account of the same disability or death. If the present value of the benefits payable under said Workers' Compensation, pension, or similar law, is less than the Pension Reserve for the Retirement Allowance payable by the Retirement System, the present value of the said Workers' Compensation, pension, or similar legal benefit shall be deducted from the amounts payable by the Retirement System, and such amounts as may be provided by the Retirement System, so reduced, shall be payable as provided in this Combined Plan Document.
- (2) In the event a person becomes entitled to a pension payable by the Retirement System because of an accident or injury caused by the act of a third party, the Retirement System shall be subrogated to the rights of said person against such third party to the extent of the benefit which the Retirement System pays or becomes liable to pay.

## **ARTICLE 6 – RETIREMENT ALLOWANCE; VARIABLE PENSION IMPROVEMENT FACTOR (ESCALATOR)**

### **Sec. 6.1. Retirement Allowance**

The Retirement Allowance payable to a Member commencing at the later of his Normal Retirement Age or his actual retirement from employment with the City in the form of a Straight Life Retirement Allowance shall be equal to two percent (2%) of the Member's Average Final Compensation multiplied by the Member's years (computed to the nearest one-twelfth (1/12<sup>th</sup>) year) of Credited Service earned on and after July 1, 2014.

### **Sec. 6.2. Variable Pension Improvement Factor (Escalator)**

Except as provided in Section 9.5, beginning July 1, 2015 and effective the first day of each Plan Year thereafter, the Board may determine that the annual Retirement Allowance of a member of the Detroit Police Command Officers Association or the Detroit Police Lieutenants and Sergeants Association shall be increased by a factor of one percent (1.0%), computed each year on the basis of the amount of the original Retirement Allowance received at the time of Retirement; provided, that the recipient of said Retirement Allowance shall have been receiving a Retirement Allowance for a period of not less than twelve months prior to the first day of such Plan Year.



## ARTICLE 7 – DEATH BENEFITS

### Sec. 7.1. Accidental Death Benefit; Performance of Duty

- (1) If a Member is killed in the performance of duty in the service of the City, or dies as the result of illness contracted or injuries received while in the performance of duty in the service of the City, and such death, illness, or injury resulting in death, is found by the Board to have resulted from the actual performance of duty in the service of the City, the following benefits shall be paid:
- (a) His Accumulated Mandatory Employee Contributions standing to his credit in the Accumulated Mandatory Employee Contributions Fund at the time of his death shall be paid to such person or persons as he shall have nominated by written designation duly executed and filed with the Board. If no such designated person survives the Member, his said Accumulated Mandatory Employee Contributions shall be paid to his legal representative, subject to paragraph (e) of this Section 7.1(1).
  - (b) His surviving Spouse shall receive a pension of five-elevenths of the Member's Final Compensation payable for the Spouse's lifetime. If the Member's child or children under age eighteen years also survive the deceased Member, each such child shall receive a pension of one-tenth of such Final Compensation; provided, that if there are more than two such surviving children under age eighteen years, each such child's pension shall be an equal share of seven thirty-thirds of such Final Compensation. Upon the death, marriage, adoption, or attainment of age eighteen years of any such child, his pension shall terminate and there shall be a redistribution of the benefit by the Board to the deceased Member's remaining eligible children, if any; provided, that in no case shall any such child's pension exceed one-tenth of the Member's Final Compensation. In no case shall the total of the pensions provided for in this paragraph (b), payable on account of the death of a Member exceed two-thirds of the Member's Final Compensation.
  - (c) If no surviving Spouse survives the deceased Member or if the Member's surviving Spouse dies before his youngest unmarried surviving child attains age eighteen years, his unmarried child or children under age eighteen years shall each receive a pension of one-fourth of the Member's Final Compensation; provided that if there are more than two such surviving children under age eighteen years, each such child's pension shall be an equal share of one-half of such Final Compensation. Upon the death, marriage, adoption, or attainment of age eighteen years of any such child, his pension shall terminate and there shall be a redistribution by the Board to the deceased Member's remaining eligible children, if any; provided, that in no case shall any such child's pension exceed one-fourth of the Member's Final Compensation.
  - (d) If the Member has no surviving Spouse or surviving children under age eighteen years and if the Member leaves surviving him either or both a father and mother, whom the Board shall find to be actually dependent upon such Member for financial support, such dependent father and mother shall each receive a pension of one-sixth of the Member's Final Compensation.
  - (e) If a Member dies intestate, without having designated a person or persons, as provided in paragraph (a) of this Section 7.1(1), and without heirs, the amount of his Accumulated Mandatory Employee Contributions in the Accumulated Mandatory Employee Contribution Fund, not to exceed a reasonable sum, to be determined by the Board, shall be used to pay his burial expenses, provided he leaves no other estate sufficient for such

purpose. Any balance credited to such Member in the Accumulated Mandatory Employee Contribution Fund, and not used for burial expenses shall remain a part of the funds of the Retirement System and shall be transferred to the Pension Accumulation Fund.

#### **Sec. 7.2. Non-Duty Death Benefits**

The surviving Spouse of any Member who dies while in the employ of the City (other than in the performance of duty) after the date such Member has earned ten or more years of Credited Service, shall receive a Retirement Allowance computed in the same manner in all respects as if said Member had (i) retired effective the day preceding the Member's death, notwithstanding that the Member had not attained Normal Retirement Age, (ii) elected a Joint and One Hundred Percent Survivor Allowance as described in Section 8.1, and (iii) nominated the surviving Spouse as Beneficiary.

#### **Sec. 7.3. Refund of Accumulated Mandatory Contributions Upon Death of Member**

If a Member dies while employed by the City or following termination of employment but prior to commencement of a Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions to the Retirement System at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Mandatory Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Mandatory Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.



## ARTICLE 8 – FORMS OF PAYMENT

### Sec. 8.1. Retirement Allowance Options

- (1) Until the date the first Retirement Allowance payment check is issued, any Member may elect to receive a *Straight Life Retirement Allowance* payable throughout life, or the Member may elect to receive the Actuarial Equivalent of the *Straight Life Retirement Allowance* computed as of the effective date of retirement, in a reduced Retirement Allowance payable throughout life, and nominate a Beneficiary, in accordance with the options set forth below:
  - (a) *Option One. Cash Refund Annuity.* A Retiree will receive a reduced Retirement Allowance for as long as he lives, provided that if he dies before payment of the Accumulated Mandatory Employee Contributions made to the Retirement System on and after July 1, 2014 has been received in an aggregate amount equal to, but not exceeding the Retiree's Accumulated Mandatory Employee Contributions at the time of retirement, the difference between said Accumulated Mandatory Employee Contributions and the aggregate amount of annuity payments already received, shall be paid in a single lump sum to a Beneficiary nominated by written designation duly executed by the Member and filed with the Board. If there are no such designated Beneficiaries surviving said Retiree, any such difference shall be paid to the Retiree's estate.
  - (b) *Option Two. Joint and One Hundred Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and One Hundred Percent Survivor Allowance*, one hundred percent of the Member's reduced Retirement Allowance shall be paid to and continued throughout the life of the Beneficiary nominated by written designation duly executed and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (c) *Option "A". Joint and Seventy-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and Seventy-Five Percent Survivor Allowance*, seventy-five percent of the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (d) *Option Three. Joint and Fifty Percent Survivor Allowance.* Upon the death of a Retiree who elected a *Joint and Fifty Percent Survivor Allowance*, fifty percent of the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
- (2) *Joint and Survivor Optional Forms of Payment.* The *Joint and Survivor Optional Forms of Payment* provided under the Retirement System shall be made available in either the standard form or the pop-up form, as follows:
  - (a) *Standard Form.* Under the *Standard Form*, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree.
  - (b) *Pop-up Form.* Under the *Pop-up Form*, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree and the designated Beneficiary. In the event of the

death of the designated Beneficiary during the lifetime of the Retiree, the amount of the Retirement Allowance payable to the Retiree shall be changed to the amount that would have been payable had the Retiree elected the *Straight Life Retirement Allowance Form of Payment*.

#### **Sec. 8.2. Disposition of Surplus Benefits upon Death of Retiree and Beneficiary**

If under a Joint and One Hundred Percent Survivor allowance, a Joint and Seventy-Five Percent Survivor allowance, or a Joint and Fifty Percent Survivor allowance as provided for under Section 8.1, both a Retiree and Beneficiary die before they have received in Retirement Allowance payments an aggregate amount equal to the Retiree's Accumulated Mandatory Employee Contributions (and if the Retiree makes an election pursuant to Section 10.4(2), his Accumulated Voluntary Employee Contributions) at the time of retirement, the difference between the said Accumulated Mandatory Employee Contributions (and Accumulated Voluntary Employee Contributions, if applicable) and the aggregate amount of Retirement Allowances paid to the Retiree and Beneficiary, shall be paid in a single lump sum to such person or persons nominated by written designation of the Retiree duly executed and filed with the Board. If there are no such person or persons surviving the Retiree and the Beneficiary, any such difference shall be paid to the estate of the last survivor of the Retiree or the Beneficiary.

## **ARTICLE 9 – FUNDING AND RESERVES**

### **Sec. 9.1. Funding Objective of the Retirement System**

The funding objective of Component I of the Retirement System is to establish and receive City and Member contributions during each Plan Year that are sufficient to fully cover the actuarial cost of benefits anticipated to be paid on account of Credited Service rendered by Members during the Plan Year (the normal cost requirements of the Retirement System), and amortize the unfunded actuarial costs of benefits likely to be paid on account of Credited Service rendered on or after July 1, 2014 and before the first day of the Plan Year (the unfunded actuarial accrued liability of the Retirement System).

### **Sec. 9.2. Funds**

Component I of the Retirement System shall consist of the Accumulated Mandatory Employee Contribution Fund, the Accumulated Voluntary Contribution Fund, the Deferred Retirement Option Program Fund, the Pension Accumulation Fund, the Rate Stabilization Fund, the Expense Fund and the Income Fund, as follows:

- (1) The Accumulated Mandatory Employee Contribution Fund shall be the Fund in which shall be accumulated the contributions of Members to provide their Retirement Allowances. Upon the Retirement, termination, disability or death of a Member with a Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions shall be deemed to be part of the Pension Reserve which shall be used to pay the Member's Retirement Allowance.
- (2) The Accumulated Voluntary Employee Contribution Fund shall be the Fund in which shall be accumulated the voluntary after-tax contributions of Members, together with earnings thereon.
- (3) The Deferred Retirement Option Plan Fund shall be the fund in which shall be accumulated the amounts credited to the DROP Accounts of Members who have elected to participate in the DROP Program pursuant to Article 11, together with earnings thereon.
- (4) The Pension Accumulation Fund shall be the fund in which shall be accumulated reserves for the Retirement Allowances and other benefits payable from that portion of the City's annual contribution that is not credited to the Rate Stabilization Fund and from which shall be paid Retirement Allowances and other benefits on account of Members.
- (5) The Rate Stabilization Fund shall be the Fund to which shall be credited City contributions in excess of the amount of the City's contribution which is credited to the Pension Accumulation Fund.
- (6) The Expense Fund shall be the fund to which shall be credited any money provided by the City to pay the administrative expenses of the Retirement System, and from which shall be paid certain expenses incurred in connection with the administration and operation of the Retirement System.
- (7) The Income Fund shall be the Fund to which shall be credited all interest, dividends, and other income derived from the investments of the assets of Component I of the Retirement System, all gifts and bequests received by Component I of the Retirement System, and all other moneys credited to Component I of the Retirement System, the disposition of which is not specifically provided for in this Article 9. There shall be paid or transferred from the Income Fund, all amounts required to credit earnings and losses to the various Funds of the Retirement System in accordance with the provisions of Component I of this Combined Plan Document.

### **Sec. 9.3. Method of Financing Retirement System Benefits**

- (1) The pension liabilities for Members shall be determined by the Plan's Actuary using the entry-age normal cost method of actuarial valuation.
- (2) The City's annual contribution to finance the prospective pension liabilities for the nine Plan Year period commencing July 1, 2014 and ending June 30, 2023 shall be (a) eleven and two-tenths percent (11.2%) of the payroll of active employees who are members of the Detroit Fire Fighters Association and the Detroit Police Officers Association, and (b) twelve and one-quarter percent (12.25%) of the payroll of active employees who are members of the Detroit Police Command Officers Association and the Detroit Police Lieutenants and Sergeants Association, for the applicable Plan Year. A portion of the City's annual contribution for each Plan Year shall be credited to the Rate Stabilization Fund. The remainder of the City's annual contribution shall be allocated to the Pension Accumulation Fund.
- (3) Except as provided in Section 9.5, for each Plan Year, a Member who was an active employee as of June 30, 2014 ("current active") shall contribute to the Retirement System an amount equal to six percent (6%) of his or her Compensation for such Plan Year and a Member who is hired or rehired by the City on or after July 1, 2014 ("new employee") shall contribute to the Retirement System an amount equal to eight percent (8%) of his or her Compensation for such Plan Year. A Member's Mandatory Employee Contributions for the Plan Year beginning July 1, 2014 and ending June 30, 2015 shall commence as of July 14, 2014. The officer or officers responsible for processing the payroll shall cause a Member's Mandatory Employee Contributions to be deducted from the Member's Compensation on each and every payroll, for each and every payroll period, from the date of his participation in the Retirement System to the date he ceases to be a Member. The contribution shall be deducted from the Members' Compensation, notwithstanding that the minimum compensation provided by law for any Member shall be reduced thereby. Payment of compensation, less said Mandatory Employee Contributions, shall be a complete discharge of all claims and demands whatsoever for the services rendered by the said Member during the period covered by such payment. Member Mandatory Employee Contributions will be used for the purpose of funding the normal cost of the Retirement System.

### **Sec. 9.4. Member Contributions Picked-Up**

- (1) The City shall pick up Member Mandatory Employee Contributions required pursuant to Sections 9.3(3) and 9.5 in accordance with Code Section 414(h).
- (2) The picked-up contributions, although designated as employee contributions shall be treated as City contributions for the purpose of determining a Member's tax treatment under the Internal Revenue Code. The City shall pay the contributions picked-up on behalf of a Member from the same source of funds that are used for paying compensation to the Member.
- (3) The City shall pick up Member Mandatory Employee Contributions by a reduction in the Member's cash salary or an offset against a future salary increase, or both. The City shall designate the Mandatory Employee Contributions that are picked-up and paid to the Retirement System as employer contributions and not as employee contributions. No Member who participates in the Retirement System shall have the option of choosing to receive the contributed amounts directly instead of having those amounts paid by the City to the Retirement System.

### Sec. 9.5. Fiscal Responsibility: Benefit Reductions and Increased Funding Obligations

- (1) To safeguard the long-term actuarial and financial integrity of the Retirement System, in the event the funding level of Component I of the Retirement System projected over a five year period falls below one hundred percent (100%), the Trustee may not award the variable pension improvement factor (escalator) described in Section 6.2 to any individual beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than one hundred percent (100%).
- (2) In the event the funding level of the Retirement System projected over a five year period falls below ninety percent (90%), the following remedial action shall be required in the order set forth below, beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than ninety percent (90%):
  - (a) the remedial action required in Section 9.5(1) shall be implemented or continued;
  - (b) all amounts credited to the Rate Stabilization Fund shall be transferred to the Pension Accumulation Fund for the purposes of funding benefits payable under the Retirement System;
  - (c) Mandatory Employee Contributions for active and new employees shall be increased by one percent (1%) for up to the next following five Plan Years;
  - (d) Mandatory Employee Contributions for active and new employees shall be increased by an additional one percent (1%) per year;
  - (e) Mandatory Employee Contributions for active and new employees shall be increased by an additional one percent (1%) per year;
  - (f) the Retirement Allowance payable to a Retiree shall not include the variable pension improvement factor (escalator) that was most recently paid to the Retiree on the date the funding level is projected to fall below ninety percent (90%);
  - (g) the Retirement Allowance payable to a Retiree shall not include the variable pension improvement factor (escalator) that was most recently added to the Member's Retirement Allowance for the Plan Year preceding the Plan Year referenced in paragraph (f) above;
  - (h) Mandatory Employee Contributions for active and new employees shall be increased by an additional one percent (1%) per year; and
  - (i) contributions made to the Retirement System by the City shall be increased, consistent with applicable actuarial principles and the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.*
- (3) For purposes of this Section 9.5, the "funding level" shall mean the ratio of the market value of the assets of Component I of the Retirement System to the actuarial accrued liability of Component I of the Retirement System. The actuarial accrued liability shall be calculated by the Plan's Actuary utilizing an interest rate assumption of six and three-quarters percent (6.75%) and other reasonable assumptions as directed by the Board upon the recommendation of the Investment Committee. The market value of assets shall be determined on the basis of a three-year look back period of smoothed investment returns.

## **ARTICLE 10 – VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec. 10.1. Voluntary Employee Contributions; Amount; Vesting**

Subject to procedures established by the Board, a Member who is covered by a collective bargaining agreement with the City that permits the Member to make voluntary employee contributions to Component I of the Retirement System may elect to reduce his Compensation for any Plan Year by a whole percentage not less than one percent (1%) nor more than ten percent (10%) and have such amount contributed by the City to a Voluntary Employee Contribution Account maintained on his behalf under Component I of the Retirement System. Voluntary Employee Contributions shall be made to the Retirement System on an after-tax basis. Amounts credited to a Member's Voluntary Employee Contribution Account shall be one hundred percent (100%) vested at all times.

### **Sec. 10.2. Changing an Election to Contribute**

A Member may change or revoke an election to make Voluntary Employee Contributions to the Retirement System pursuant to this Article 10 in such manner and with such advance notice as the Board shall determine. Notwithstanding the foregoing, a Member shall be permitted to change such election not less frequently than annually.

### **Sec. 10.3. Individual Member Accounting; Crediting of Earnings**

The Board shall maintain a Voluntary Employee Contribution Account on behalf of each Member who elects to make Voluntary Employee Contributions to the Retirement System. Each Plan Year, a Member's Voluntary Employee Contribution Account shall be credited with earnings at a rate equal to the actual net investment rate of return on the assets of the Retirement System for the second fiscal year immediately preceding the fiscal year in which the earnings are credited; in no event, however, shall the earnings rate credited to a Member's Voluntary Employee Contribution Account for any Plan Year be less than zero percent (0%) nor greater than five and one-quarter percent (5.25%).

### **Sec. 10.4. Distribution of Accumulated Voluntary Employee Contributions**

- (1) If a Member ceases to be an Employee other than by reason of death, the Member may elect to receive distribution of the Accumulated Voluntary Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Voluntary Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.
- (2) In lieu of receiving distribution of his Accumulated Voluntary Employee Contributions as provided in Section 10.4(1), a Member may elect to have the actuarial equivalent value of his Accumulated Voluntary Employee Contributions added to his Retirement Allowance and paid in the form of an annuity described in Section 8.1.
- (3) If a Member dies while employed by the City or following termination of employment but prior to receiving distribution of the Member's Accumulated Voluntary Employee Contributions, the amounts credited to the Member's Accumulated Voluntary Employee Contribution Account at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Voluntary Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a

Beneficiary, the Member's Accumulated Voluntary Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.



## **ARTICLE 11 – LOAN PROGRAM FOR VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec. 11.1. The Loan Program**

A loan program shall be available to members of the Detroit Police Lieutenants and Sergeants Association and the Detroit Police Command Officers Association who have amounts credited to a Voluntary Employee Contributions Account. The Board is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of the loan program. Copies of the rules shall be made available to eligible Members in the offices of the Retirement System. Any loans granted or renewed under the Retirement System shall be made and administered pursuant to and in compliance with Section 72(p) of the Internal Revenue Code and regulations thereunder.

### **Sec. 11.2. Eligibility for Loan**

Subject to the rules and procedures established by the Board, loans may be made to eligible Members from such Member's Voluntary Employee Contribution Account. An eligible Member is any Member who has participated in the Retirement System for twelve (12) months or more. Former Members, Spouses and Beneficiaries are not eligible to receive any loans from the Retirement System. No Member shall have more than two (2) outstanding loans from the Retirement System (Component I and/or Component II) at any time. A Member who has previously defaulted on a loan shall not be eligible for a loan from the Retirement System.

### **Sec. 11.3. Amount of Loan**

An eligible Member who has satisfied applicable rules and procedures established by the Board may borrow from his Voluntary Employee Contribution Account an amount, which does not exceed the lesser of (i) fifty percent (50%) of the Member's Voluntary Employee Contribution Account balance, and (ii) Fifteen Thousand Dollars (\$15,000.00), in each case reduced by the excess, if any, of: (1) the Member's highest outstanding loan balance under the Retirement System during the one (1) year period ending on the day before the date on which the loan is made, or (2) the outstanding loan balance under the Retirement System on the date on which the loan is made, whichever is less. The minimum loan amount shall be One Thousand Dollars (\$1,000.00).

### **Sec. 11.4. Terms and Conditions**

In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:

- (a) Each loan application shall be made in writing.
- (b) All loans shall be memorialized by a collateral promissory note for the amount of the loan, including interest, payable to the order of the Retirement System and properly executed by the Member.
- (c) Each loan shall be repaid by substantially equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than Twenty Dollars (\$20.00) for any two-week pay period. A Member receiving a loan will be required to authorize payroll deductions from his compensation in an amount sufficient to repay the loan over its term.



- (d) An amount equal to the principal amount of the loan to a Member (but not more than one half of the Member's vested interest in the Retirement System) will be designated as collateral for guaranteeing the loan.
- (e) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among Members in its determination of interest rates on loans. However, loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the Retirement System's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the Retirement System of administering the loan. The loan interest rate shall be calculated in a manner that will not negatively affect either the City's costs with respect to the Retirement System or the investment return allocated to Members.
- (f) Loan repayments shall be suspended during a period of military service, as permitted by Section 414(u)(4) of the Internal Revenue Code. A Member who has an outstanding loan balance from the Retirement System who is absent from employment with the City, and who has satisfied the requirements of Section 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the Retirement System during said periods of absence.

#### **Sec. 11.5. Loan Balance**

A Member's outstanding loan balance shall be considered a directed investment by the Member and interest payments shall be credited to the Member's Voluntary Employee Contribution Account (provided that the interest credited to the Member's Voluntary Employee Contribution Account shall be reduced appropriately to cover the administrative costs of the loan program and avoid negatively affecting the City's costs or the Retirement System's investment returns), and shall not be part of the Retirement System's net investment income or part of the Member's Voluntary Employee Contribution Account balance for the purpose of allocation of net investment income under the Retirement System.

#### **Sec. 11.6. Default**

In the event a Member defaults on a loan before the loan is repaid in full, the unpaid balance thereof will become due and payable and, to the extent that the outstanding amount is not repaid by the end of the calendar quarter which follows the calendar quarter in which the last payment was received, such amount shall be deemed to have been distributed to the Member for tax purposes, consistent with Section 72(p) of the Internal Revenue Code.

#### **Sec. 11.7. Distribution**

No distribution shall be made to a Member, former Member, Spouse or Beneficiary from the Retirement System until all outstanding loan balances and applicable accrued interest have been repaid or offset against amounts distributable to the Member from the Retirement System.

## **ARTICLE 12 DEFERRED RETIREMENT OPTION PLAN ("DROP") PROGRAM**

### **Sec. 12.1. General Provisions**

The following provisions are hereby established as the Deferred Retirement Option Plan ("DROP") Program, which shall be available to members of the Detroit Police Lieutenants and Sergeants Association and the Detroit Police Command Officers Association.

- (1) In lieu of terminating employment and accepting a Retirement Allowance under the Retirement System, any Member of the Retirement System who is eligible for the DROP Program and who is eligible to immediately retire and receive an unreduced Retirement Allowance under Section 5.1 may elect to participate in the DROP Program and defer the receipt of his Retirement Allowance in accordance with the provisions of this Article 12. Any such election shall be irrevocable.
- (2) Upon the effective date of a Member's participation in the DROP Program, the Member shall cease to accrue a Retirement Allowance pursuant to Section 6.1 and shall elect a form of payment for his Retirement Allowance pursuant to Section 8.1. Seventy-five percent (75%) of the monthly Retirement Allowance (including applicable variable pension improvement factor (escalator) increases) that would have been payable, had a Member elected to terminate employment with the City on the effective date of his or her DROP election and receive an immediate Retirement Allowance, shall be paid into a DROP Account established on behalf of the Member under the Retirement System or in an entity selected by the City.
- (3) If amounts credited to a DROP Account are invested under the Retirement System, such amounts shall be comingled with the assets of the Retirement System for investment purposes and shall be invested by the Trustees. The Member's DROP Account shall be credited with annual earnings at a rate equal to seventy-five percent (75%) of the actual net earnings rate of the assets of the Retirement System; however, in no event shall the earnings rate applied to a Member's DROP Account for any Plan Year be less than zero percent (0%) nor greater than seven and three-quarters percent (7.75%).
- (4) If amounts credited to a DROP Account are paid into an entity managed outside of the Retirement System, amounts credited to a Member's DROP Account shall be invested as directed by the Member within the investment choices provided by such entity.
- (5) Any fees associated with the maintenance of DROP Accounts outside of the Retirement System shall be paid by the Members by means of deduction from the DROP Account.

### **Sec. 12.2. Conversion to Retirement Allowance**

- (1) A Member shall be entitled to participate in the DROP Program for a maximum of five years. At the end of such five year period of participation in the DROP Program, the Member shall be retired from employment with the City.
- (2) A Member shall not receive a distribution of amounts credited to his DROP Account prior to his termination of employment with the City. Upon termination of employment, Member who is a participant in the DROP Program shall receive, at his option either a lump sum payment from the DROP Account equal to the amount credited to the DROP Account or an annuity based upon the amount credited to his DROP Account. In addition, the Member's full monthly Retirement Allowance that otherwise would have been paid upon the Member's retirement had he or she not elected to participate in the DROP Program shall commence to the Member in accordance with

the form of payment selected by the Member at the commencement of his or her participation in the DROP Program. Termination of employment includes termination of any kind, such as, resignation, retirement, discharge or disability.

#### **Sec. 12.3. Death of Member While Participating in the DROP Program**

- (1) If a Member dies while participating in the DROP Program, a lump sum payment equal to the Member's DROP Account balance shall be paid to the Beneficiary named by the Member, or if no Beneficiary has been designated, to the Member's estate. In addition, the Member's Retirement Allowance, together with any applicable variable pension improvement factor (escalator) increases, will be restored to one hundred percent (100%) of the amount that would have been paid to the Member but for the Member's decision to participate in the DROP Program. Survivor benefits, if any, shall be paid in accordance with the payment Option elected by the deceased Member.

#### **Sec. 12.4. Disability of Member While Participating in the DROP Program**

- (1) If a Member becomes Totally Disabled due to a duty disability while participating in the DROP Program and while still an Employee and his employment with the City is terminated because he is Totally Disabled, he shall be immediately retired with one hundred percent (100%) of his Retirement Allowance payable in the form of payment selected by the Member at the commencement of the DROP Program, plus any applicable variable pension improvement factor (escalator) increases.
- (2) If a Member becomes Totally Disabled due to a non-duty disability while participating in the DROP Program and while still an Employee of the City and his employment with the City is terminated because he is Totally Disabled, the Member (a) shall be immediately retired and his full Retirement Allowance, together with any applicable variable pension improvement factor (escalator) increases, will commence in accordance with the form of payment selected by the Member at the commencement of the Member's participation in the DROP Program, and (b) shall be entitled to receive payment of the funds in his DROP Account (as a lump sum or other form of payment described in Section 8.1). Such Member shall not be entitled to disability retirement benefits under Section 5.3 or Section 5.4 hereof.

#### **Sec. 12.5. Cost Neutrality**

- (1) The DROP Program shall be effective only for as long as it is cost-neutral to the City, provided however, that the DROP Program shall continue during the pendency of proceedings, described in paragraph (2) below, designed to restore the Retirement System to cost neutrality.
- (2) If the City contends that the DROP Program is costing it money, including, but not limited to, making the City's annual contribution to the Retirement System higher than it would be if the DROP Program was not in effect, the Retirement System's actuary as well as an actuary appointed by the City, shall meet and confer in good faith regarding the cost. If the actuaries are unable to reach an agreement as to cost, the matter shall be submitted to a third, independent, actuary, chosen or agreed upon by the Retirement System's actuary and the City's actuary who will be an associate or a fellow of the Society of Actuaries and a member of the American Academy of Actuaries. This actuary, when rendering a decision, will be limited to ordering implementation of changes necessary to make the DROP Program cost neutral. Upon the implementation of changes necessary to make the DROP Program cost neutral, Members shall have thirty days to elect to either (a) retire from active employment with the City or (b) withdraw

from the DROP Program and resume active participation in the Retirement System. The Board shall notify the Member of these changes prior to implementation. Those Members resuming participation in the Retirement System shall not accumulate Credited Service for any time that they were participating in the DROP Program. Those not making either election shall resume active participation in the Retirement System.

## ARTICLE 13 – LIMITATION ON BENEFITS AND CONTRIBUTIONS

### Sec. 13.1. Compliance With Code Section 415(b) And Regulations

- (1) Notwithstanding any other provision of this Combined Plan Document, the defined benefit component of the Retirement System shall be administered in compliance with the provisions of Code Section 415(b) and regulations thereunder that are applicable to governmental plans.
- (2) The maximum annual benefit accrued by a Member during a limitation year (which shall be the Plan Year) and the maximum annual benefit payable under the Retirement System to a Member at any time within a Plan Year, when expressed as an annual benefit in the form of a straight life annuity (with no ancillary benefits), shall be equal to \$160,000 (as such amount is adjusted pursuant to Code Section 415(d) for such Plan Year).
- (3) Notwithstanding the foregoing:
  - (a) if the benefit under the Retirement System is payable in any form other than a straight life annuity, the determination as to whether the limitation described in Section 13.1(2) has been satisfied shall be made, in accordance with the regulations prescribed by the Secretary of the Treasury, by adjusting such benefit to the Actuarially Equivalent straight life annuity beginning at the same time, in accordance with Section 13.1(8) or (9);
  - (b) if the benefit under the Retirement System commences before Age sixty-two, the determination of whether the limitation set forth in Section 13.1(2) (the “Dollar Limit”) has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by reducing the Dollar Limit so that the Dollar Limit (as so reduced) is equal to an annual benefit payable in the form of a straight life annuity, commencing when such benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-two; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-two and the age of benefit commencement, then the Dollar Limit (as so reduced) shall equal the lesser of (i) the amount determined under this Section 13.1(3)(b) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the straight life annuity under the Retirement System, commencing at Age sixty-two; and
  - (c) if the benefit under the Retirement System commences after Age sixty-five, the determination of whether the Dollar Limit has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by increasing the Dollar Limit so that the Dollar Limit (as so increased) is equal to an annual benefit payable in the form of a straight life annuity, commencing when the benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-five; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-five and the Age of benefit commencement, the Dollar Limit (as so increased) shall equal the lesser of (i) the amount determined under this Section 13.1(3)(c) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the immediately

commencing straight life annuity under the Retirement System, commencing at Age sixty-five.

- (4) Notwithstanding the foregoing provisions of this Section 13.1, except as provided in Section 13.1(5), the maximum annual benefit specified in Section 13.1(2) above shall not apply to a particular Retirement System benefit if (a) the annual amount of such Retirement System benefit, together with the aggregate annual amount of any other pensions payable with respect to such Member under all other defined benefit plans maintained by the City, does not exceed \$10,000 for the Plan Year or any prior Plan Year, and (b) the Member was not at any time a participant in a defined contribution plan maintained by the City.
- (5) In the case of a Member who has less than ten years of participation in the Retirement System, the limitation set forth in Section 13.1(2) shall be such limitation (without regard to this Section 13.1(5)), multiplied by a fraction, the numerator of which is the number of years of participation in the Retirement System (or parts thereof) credited to the Member and the denominator of which is ten. In the case of a Member who has less than ten years of Vesting Service, the limitations set forth in Paragraph (b) of Section 13.1(2) and in Section 13.1(4) shall be such limitations (determined without regard to this Section 13.1(5)) multiplied by a fraction, the numerator of which is the number of years of Vesting Service, or parts thereof, credited to the Member and the denominator of which is ten.
- (6) Notwithstanding anything in this Section 13.1 to the contrary, if the annual benefit of a Member who has terminated employment with the City is limited pursuant to the limitations set forth in Section 13.1(2), such annual benefit shall be increased in accordance with the cost-of-living adjustments of Code Section 415(d).
- (7) For purposes of determining actuarial equivalence under Paragraph (b) or (c) of Section 13.1(3), the interest rate assumption shall be five percent (5%) and the mortality table used shall be the applicable mortality table specified by the Board.
- (8) The actuarially equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) does not apply, as required by Paragraph (a) of Section 13.1(3), is equal to the greater of (a) the annual amount of the straight life annuity payable under the Retirement System commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the interest rate and mortality assumptions set forth in Section 13.1(7).
- (9) The actuarially equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) applies, as required by Paragraph (a) of Section 13.1(3), is equal to the greatest of (a) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same Actuarial Equivalent present value as the form of benefit payable to the Member, (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table specified by the Board, or (c) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the applicable interest rate and the applicable mortality table, both as specified by the Board, divided by 1.05.



- (10) For purposes of applying the limitations set forth in this Section 13.1, all qualified defined benefit plans (whether or not terminated) ever maintained by the City shall be treated as one defined benefit plan.
- (11) For purposes of this Section 13.1, the term “compensation” shall include those items of remuneration specified in Treasury Regulation § 1.415(c)-2(b) and shall exclude those items of remuneration specified in Treasury Regulation § 1.415(c)-2(c), taking into account the timing rules specified in Treasury Regulation § 1.415(c)-2(e), but shall not include any amount in excess of the limitation under Code Section 401(a)(17) in effect for the year. The term “compensation” as defined in the preceding sentence shall include any payments made to a Member by the later of (a) two and one-half months after the date of the Member’s severance from employment with the City or (b) the end of the limitation year that includes the date of the Member’s severance from employment with the City, provided that, absent a severance from employment, such payments would have been paid to the Member while the Member continued in employment with the City and are regular compensation for services performed during the Member’s regular working hours, compensation for services outside the Member’s regular working hours (such as overtime or shift differential pay), commissions, bonuses or other similar compensation.
- (12) This Section 13.1 shall be administered in conformity with the regulations issued by the Secretary of the Treasury interpreting Code Section 415 including, but not limited to, any regulation providing for the “grandfathering” of any benefit accrued prior to the effective date of such regulations or statutory provision.

#### **Sec. 13.2. Compliance with Code Section 415(c) and Regulations**

- (1) The “annual addition” with respect to a Member for a limitation year shall in no event exceed the lesser of:
  - (a) \$40,000 (adjusted as provided in Code Section 415(d)); or
  - (b) One hundred percent (100%) of the Member’s compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder, for the limitation year.
- (2) The “annual addition” with respect to a Member for a limitation year means the sum of his Voluntary Employee Contributions made to the Retirement System, and the employer contributions, employee contributions and forfeitures allocated to his accounts under any other qualified defined contribution plan (whether or not terminated) maintained by the City, and the amounts described in Code Sections 415(l)(2) and 419A(d)(2) allocated to his account.
- (3) In the event the “annual addition” to the Retirement System on behalf of a Member would otherwise exceed the amount that may be applied for his benefit under the limitation contained in this Section 13.2, the limitation shall be satisfied by reducing the Member’s Voluntary Employee Contributions to the extent necessary and distributing such amounts to the Member.

## **ARTICLE 14 – RETIREMENT SYSTEM ADMINISTRATION**

### **Sec. 14.1. Board of Trustees as Retirement System Administrator**

- (1) The Retirement Board shall have the power and authority to manage and administer the Retirement System in accordance with the provisions of this Combined Plan Document.
- (2) The Retirement Board shall provide procedures for the processing and review of benefit claims, corrections of errors, and similar matters, as further described in Section 14.2.
- (3) The Retirement Board and the Retirement System shall not make any payment to active or retired Members or Beneficiaries other than payments that are required by the Retirement System as established by this Combined Plan Document. This prohibition applies to all payments that are not authorized by this Combined Plan Document, whether such payments are those commonly referred to as a “thirteenth check” or payments by any other name.

### **Sec. 14.2. Powers and Duties of Board**

- (1) The Board shall have the following powers and duties:
  - (a) exclusive authority regarding the administration, management and operation of the Retirement System, including, but not limited to, the right to contract for office space, computer hardware and software, and human resource services (any or all of which may be obtained from the City), and to make rules and regulations with respect to the operation of the Retirement System not inconsistent with the terms of the Combined Plan Document and applicable law, and to amend or rescind such rules and regulations;
  - (b) to determine questions of law or fact that may arise as to the rights of any person claiming rights under the Retirement System;
  - (c) to determine the contributions to the Retirement System required of the City and Members pursuant to the documents governing operation of the Retirement System, including the Plan of Adjustment;
  - (d) to construe and interpret the provisions of the Retirement System and to reconcile any inconsistencies;
  - (e) to perform ministerial functions, whether or not expressly authorized, which the Board may deem necessary or desirable in carrying out its duties under the Retirement System;
  - (f) except to the extent authority is vested in the Investment Committee, authority to employ, contract and pay for professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation of the Retirement System;
  - (g) except to the extent authority or responsibility is vested in the Investment Committee, to arrange for annual audits of the records and accounts of the Retirement System by a certified public accountant or by a firm of certified public accountants pursuant to generally accepted auditing standards;



- (h) to prepare an annual report for the Retirement System for each fiscal year in compliance with generally accepted accounting principles. The report shall contain information regarding the financial, actuarial, and other activities of the Retirement System during the fiscal year. The Board shall furnish a copy of the annual report to the mayor and finance director of the City, to the chair of the City Council and the Investment Committee. The report shall also contain a review of the latest actuarial valuation of the Retirement System;
- (i) to maintain or cause to be maintained such separate funds and accounts as are required to be maintained under the provisions of Components I and II of the Combined Plan Document and such additional accounts as the Board deems necessary or expedient for the proper administration of the Retirement System and the administration and investment of the assets of the Retirement System. The Board shall maintain suitable records, data and information in connection with the performance of its functions, including, but not limited to, accurate and detailed accounts of all investments, receipts, disbursements, and other actions, including the proportionate interest therein and accumulated contributions of each Member who has made contributions to the Retirement System;
- (j) to correct any error in the records of the Retirement System that results in overpayment or underpayment of contributions to the Retirement System by the City or a Member, or overpayment or underpayment of benefits to a Member, former Member, or Beneficiary by the Retirement System. In the event of overpayment to a Member, former Member or Beneficiary, the Board may, as far as practicable, adjust future payments to such individual in such a manner that the Actuarial Equivalent of the benefit to which such individual was entitled shall be paid;
- (k) to the extent permissible under Michigan law (and consistent with the Retirement System's favorable tax qualified status under Code Section 401(a)), purchase one or more insurance policies to indemnify any person and such person's heirs and legal representatives who is made a party to (or threatened to be made a party to) any action, suit or proceeding whether brought by or in the right of the Board, the Investment Committee or the Retirement System or otherwise, by reason of the fact that such person is or was a Board member, Investment Committee member, director, officer, employee or agent of the Board (or an advisory body or committee of the Board) or the Retirement System. The insurance policies purchased by the Board shall not indemnify any person who is judicially determined to have incurred liability due to fraud, gross negligence or malfeasance in the performance of his duties; and
- (l) except to the extent authority or responsibility is vested in the Investment Committee, to perform any other function that is required for the proper administration of the Retirement System.

#### **Sec. 14.3. Executive Director; Employees**

The Board shall employ on behalf of the Retirement System an executive director and any other employees for which the Board establishes positions. The executive director shall do all of the following:

- (a) manage and administer the Retirement System under the supervision and direction of the Board;

- (b) annually prepare and submit to the Board for review, amendment, and adoption an itemized budget projecting the amount required to pay the Retirement System's expenses for the following fiscal year; and
- (c) perform such other duties as the Board shall delegate to the executive director.

The executive director, unless such power is retained by the Board, shall determine the compensation of all employees of the Retirement System (except the executive director, whose compensation shall be determined by the Board and the chief investment officer, whose compensation shall be determined by the Investment Committee) and such compensation shall be payable from the Retirement System. Any person employed by the Retirement System may but need not be an employee of the City.

#### **Sec. 14.4. Discretionary Authority**

The Board shall have sole and absolute discretion to:

- (a) interpret the provisions of the Retirement System;
- (b) make factual findings with respect to any and all issues arising under the Retirement System;
- (c) determine the rights and status of Members, Retirees, Beneficiaries and other persons under the Retirement System;
- (d) decide benefit disputes arising under the Retirement System; and
- (e) make determinations and findings (including factual findings) with respect to the benefits payable hereunder and the persons entitled thereto as may be required for the purposes of the Retirement System.

#### **Sec. 14.5. Administrator's Decision Binding**

The Board's decision on any matter arising in connection with administration and interpretation of the Retirement System shall be final and binding on Members, Retirees and Beneficiaries.

## ARTICLE 15 – MANAGEMENT OF FUNDS

### Sec. 15.1. Board as Trustee of Retirement System Assets

The Board of Trustees shall be the trustee of the funds held under the Retirement System, shall receive and accept all sums of money and other property paid or transferred to it by or at the direction of the City, and subject to the terms of Article 16, shall have the power to hold, invest, reinvest, manage, administer and distribute such money and other property subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq.* of the Michigan Compiled Laws, as amended.

### Sec. 15.2. Maintenance of Segregated Funds

The Board of Trustees shall maintain separate funds as required for the proper administration of the Retirement System and shall not commingle the assets held under the Retirement System for the purpose of funding benefits accrued by Members prior to July 1, 2014, together with earnings and losses on such assets (or replacement assets), as more fully described in Component II of this Combined Plan Document, with the assets of the Retirement System held for the purpose of paying benefits accrued by Members on and after July 1, 2014 as described in this Component I of the Combined Plan Document. Notwithstanding the foregoing, the assets held under Components I and II of this Combined Plan Document may be commingled for investment purposes.

### Sec. 15.3. Custodian of Funds

The Board of Trustees shall appoint or employ custodians of the assets of the Retirement System. The custodians shall perform all duties necessary and incidental to the custodial responsibility and shall make disbursements as authorized by the Board.

### Sec. 15.4. Exclusive Purpose

All money and other assets of the Retirement System shall be held by the Trustees and invested for the sole purpose of paying benefits to Members and Beneficiaries and shall be used for no other purpose. In exercising its discretionary authority with respect to the management of the money and other assets of the Retirement System, the Trustees shall exercise the care, skill, prudence and diligence under the circumstances then prevailing, that a person acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character with like aims.

### Sec. 15.5. Prohibited Conduct

Members of the Board and employees of the Retirement System are prohibited from:

- (1) Having any beneficial interest, direct or indirect, in any investment of the Retirement System;
- (2) Being an obligor or providing surety for any money loaned to or borrowed from the Retirement System;
- (3) Except as provided in Article 11, borrowing any money or other assets of the Retirement System; and

- (4) Receiving any pay or other compensation from any person, other than compensation paid by the Retirement System, with respect to investments of the Retirement System.

## ARTICLE 16 - INVESTMENT OF RETIREMENT SYSTEM ASSETS

### Sec. 16.1. Investment Powers of the Board and the Investment Committee

Subject to the requirements set forth in this Article 16, the Board shall have the power and authority to manage, control, invest and reinvest money and other assets of the Retirement System subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965*, being sections 38.1132 *et seq. of the Michigan Compiled Laws*, as amended. Notwithstanding anything in this Combined Plan Document to the contrary, for the twenty year period following the effective date of the Plan of Adjustment, the Investment Committee shall make recommendations to the Board with respect to investment management matters as provided in this Article 16.

All investment management decisions made by the Board, as more fully described in Section 16.2, shall require a recommendation by an affirmative vote of the Investment Committee as provided in this Combined Plan Document. The Board shall take no action with respect to any matter for which the Investment Committee has advisory responsibility and authority, unless and until such action has been approved by affirmative vote of the Investment Committee. All actions and recommendations of the Investment Committee shall be forwarded to the Board for consideration and are subject to Board approval. If the Board (a) fails to approve or disapprove an Investment Management decision that has been recommended by an affirmative vote of the Investment Committee, and such failure continues for forty-five days after the date that the recommendation was made to the Board, or (b) the Board disapproves an Investment Management decision within such forty-five day period but fails to provide to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee and the Chief Investment Officer are authorized to implement the decision.

If the Board disapproves an Investment Committee recommendation within such forty-five day period and provides to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee shall have forty-five days after the receipt of the Board response to either (a) withdraw the recommended Investment Management decision, or (b) request, in writing, a conference with the Board to be held within ten days, but not sooner than five business days, of the request to discuss the alternative proposal from the Board, unless a later date is agreed to in writing by the Board and the Investment Committee to discuss the disapproval as set forth in the Board's written response. Any such conference shall be conducted with at least three independent Investment Committee members present in person or by phone. Within ten days of the commencement of the conference or twenty days following the Investment Committee's request for a conference if no conference is held, the Investment Committee shall either withdraw the recommended Investment Management decision or provide the Board with a written explanation of the Investment Committee's decision to proceed with the recommended Investment Management decision. After delivery of such written explanation by the Investment Committee, the Investment Committee and the chief investment officer are authorized to implement the decision. Any action taken by the Board or the Investment Committee in violation of the terms of this Article 16 shall constitute an ultra vires act and the Investment Committee or the Board is granted the express right to seek to preliminarily enjoin such violation without the need to show irreparable harm.

### Sec. 16.2. Investment Management

(1) For purposes of this Combined Plan, investment management decisions shall include:

- (a) development of an investment policy statement with sound and consistent investment goals, objectives, asset allocation and rebalancing guidelines, performance benchmarks for strategic asset allocation and such other aspects of investment policy as are consistent with the needs of the Retirement System;
- (b) within 120 days after the effective date of the Plan of Adjustment, placement of all of the assets of the Retirement System not already under qualified management with qualified investment managers selected by the Investment Committee;
- (c) evaluation, retention, termination and selection of qualified managers to invest and manage the Retirement System's assets;
- (d) review and affirmation or rejection of the correctness of any and all calculations, actuarial assumptions and/or assessments used by the Retirement System actuary including, but not limited to (i) those underlying the restoration of pension benefits, funding levels and amortization thereof, all in accordance with the pension restoration program attached to the Plan of Adjustment (as more fully described in Component II of this Combined Plan Document), (ii) those underlying the determination of annual funding levels and amortization thereof, and (iii) on or after fiscal year 2024, the recommended annual contributions to the Retirement System in accordance with applicable law;
- (e) in accordance with approved actuarial work as provided in paragraph (d) above and based on the annual actuarial valuation reports and any other projections or reports as applicable from the Retirement System's actuary or other professional advisors, the determination of the extent of restoration of pension benefits, including but not limited to the payment of lost COLA payments, all in conformance with the pension restoration program attached to the Plan of Adjustment;
- (f) communication of the Retirement System's investment goals, objectives, and standards to the investment managers, including any material changes that may subsequently occur;
- (g) determination and approval of the Retirement System's investment and asset allocation guidelines, taking into account the appropriate liquidity needs of the Retirement System;
- (h) periodic review and evaluation of the performance of the investment managers in context with established standards of performance, including restoration of benefits pursuant to Component II of the Retirement System;
- (i) the taking of corrective action deemed prudent and appropriate when an investment manager fails to perform as expected;
- (j) interpretation of Retirement System governing documents, existing law, the Plan of Adjustment and other financial information that could affect funding or benefit levels;
- (k) review and approval, prior to final issuance, the annual audit and all financial reports prepared on behalf of the Retirement System and meet and confer with the Retirement System's auditor or other professional advisors as necessary prior to approval of the annual audit or other financial reports;
- (l) determination of the funding status of the Retirement System and any remedial action to be taken pursuant to Section 9.5; and

- (m) causing an asset/liability valuation study to be performed for the Retirement System every three years or, more often, as deemed necessary or prudent by the Investment Committee or as requested by the Board.

All actions of the Investment Committee shall comply with the provisions of pertinent federal, state, and local laws and regulations, specifically *Public Act 314 and Plan Investment Guidelines*.

### **Sec. 16.3. Best Practices**

Prior to adopting an investment policy and asset allocation policy, selecting investment managers or adopting investment return assumptions, the Investment Committee shall give appropriate consideration to the following:

- (a) the fiduciary best practices and institutional standards for the investment of public employee retirement system plan assets;
- (b) the objective to obtain investment returns above the established actuarial investment return assumption to support the restoration of benefits under the Plan of Adjustment, to the extent that it is prudent and consistent with the overall funding, liquidity needs and actuarial assumptions governing the Retirement System; and
- (c) the liquidity needs of the Retirement System.

### **Sec. 16.4. Chief Investment Officer**

The Investment Committee shall have the exclusive power to select, retain and terminate the services of a chief investment officer for the Retirement System. The Investment Committee shall determine any and all compensation and other terms of employment of any chief investment officer hired by it. The chief investment officer shall report directly to the Investment Committee and the Executive Director of the Board. The chief investment officer shall be responsible for assisting the Investment Committee and the Board with respect to oversight of the Retirement System's investment portfolio. The chief investment officer shall provide such periodic reports relating to the Retirement System's assets to the Investment Committee and the Board as it or they shall request.

### **Sec. 16.5. Investment Consultants**

The Board and/or Investment Committee may retain the services of one or more investment consultants who shall be responsible for assisting the Investment Committee and the Board with oversight of the Retirement System's investment portfolio. Any such investment consultant shall be a registered advisor with the United States Securities and Exchange Commission and shall be a nationally recognized institutional investment consultant with expertise in the investment of public pension plan assets. Any such investment consultant shall acknowledge in writing its role as investment fiduciary with respect to the Retirement System as defined in the *Public Employee Retirement System Investment Act*, as amended, MCL 38.1132 *et seq.* The Board or the Investment Committee, as appropriate, shall determine the compensation and other terms of employment of any investment consultant hired by it. The duties of an investment consultant may include, but shall not be limited to:

- (a) providing an asset/liability valuation study for the Retirement System;
- (b) reviewing the Retirement System's asset allocation based on current market assumptions;



- (c) identifying and recommending to the Investment Committee and the Board appropriate investment strategies based on the financial condition of the Retirement System;
- (d) implementing the approved investment strategies, such as recommending to the Investment Committee, for Board approval, an asset allocation strategy, building an investment structure for the Retirement System, and identifying qualified investment managers (through an organized search process) to execute and implement investment strategies;
- (e) monitoring and evaluating the ongoing progress of the investment managers toward stated investment goals and objectives;
- (f) recommending to the Investment Committee and the Board any necessary corrective actions, including adjustments to the investment structure or investment management organizations in the event of a deviation from expectations;
- (g) communicating the investment policies of the Retirement System to the investment managers;
- (h) reviewing the investment policies with the appropriate employees of the Retirement System;
- (i) aiding the Investment Committee in providing recommendations on issues relating to rebalancing and cash flow management, securities lending, transition management, cash equalization and other investment related topics;
- (j) attending Investment Committee and Board meetings in person, or telephonically, as needed or as requested;
- (k) meeting with the Investment Committee to provide detailed quarterly performance reports and executive summaries of performance;
- (l) meeting with the Investment Committee and the Board to review capital markets and inform the Board and Retirement System employees on the current investment environment; and
- (m) meeting with the Investment Committee and the Board to provide recommendations on asset allocation, investment structure, and manager selections.

#### **Sec. 16.6. Consistency With Plan of Adjustment**

Nothing herein shall be interpreted as permitting the Investment Committee or the Board to alter or depart from the requirements set forth in the Plan of Adjustment.



## **ARTICLE 17 MISCELLANEOUS**

### **Sec. 17.1. Nonduplication of Benefits**

If any Member is a participant in another defined benefit pension plan, retirement system or annuity plan sponsored by the City (including Component II of this Retirement System) and the Member is or becomes entitled to accrue pension benefits under such plan or retirement system (including Component II of this Retirement System) with respect to any period of service for which he is entitled to accrue a benefit under Component I of this Retirement System, such Member shall not be eligible to accrue or receive payment of a benefit under Component I with respect to such period of service.

### **Sec. 17.2. Assignments Prohibited**

The right of a person to a pension, annuity, the return of Accumulated Voluntary Employee Contributions and/or the return of Accumulated Mandatory Employee Contributions, the Retirement Allowance itself, to any optional form of benefit, to any other right accrued or accruing to any person under the provisions of this Retirement System, and the monies in the various funds of the Retirement System shall not be assignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, except as specifically provided in this Combined Plan Document or by an eligible domestic relations order of a lawful court.

### **Sec. 17.3. Protection Against Fraud**

A person who, with intent to deceive, makes any statements or reports required under this Retirement System that are untrue, or who falsifies or permits to be falsified any record or records of this Retirement System, or who otherwise violates, with intent to deceive, any terms or provisions of the Retirement System, shall be subject to prosecution under applicable law.

### **Sec. 17.4. Conviction of Felony; Forfeiture of Rights**

If a Member or Beneficiary shall be convicted by a court of competent jurisdiction of a felony or high misdemeanor involving moral turpitude committed during active Service, the Board shall have the power to order the forfeiture of all rights of the Member or Beneficiary to benefits hereunder, except the return of the Member's Accumulated Mandatory Employee Contributions and Accumulated Voluntary Employee Contributions.

### **Sec. 17.5. Amendment; Termination; Exclusive Benefit**

The City reserves the right to amend the Combined Plan Document created hereunder at any time; such amendments may include termination of the Retirement System; provided, however, that following the effective date of the Plan of Adjustment, no amendment other than amendments required to comply with applicable federal law or the Plan of Adjustment may be made effective prior to July 1, 2023, nor may any amendment or termination deprive any Member, former Member or Beneficiary of any then vested benefit under the Retirement System, except as provided in a Plan of Adjustment. Notwithstanding the foregoing, the City and the Board have the authority to amend the Combined Plan Document as necessary to retain the tax qualified status of the Retirement System under the Internal Revenue Code. The City shall make no amendment or amendments to the Retirement System which causes any part of the assets of the Retirement System to be used for, or diverted to, any purpose other than the exclusive benefit of Members, former Members or their Beneficiaries; provided, that the City may make any amendment necessary, with or without retroactive effect, to comply with applicable federal law. Any amendment of the Retirement System by the City must be approved by the Council or a person

standing in the stead of the Council.

Upon termination of the Retirement System or upon complete discontinuance of contributions to the Retirement System, the rights of all Members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

#### **Sec. 17.6. Forfeitures Not to Increase Benefits**

Any forfeitures arising under the Retirement System due to a Member's termination of employment or death, or for any other reason, shall be used to pay expenses of the Retirement System and shall not be applied to increase the benefits any Member would otherwise receive under the Retirement System at any time prior to termination of the Retirement System.

#### **Sec. 17.7. Required Distributions - Compliance with Code Section 401(a)(9) and Regulations**

The Retirement System will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the final regulations issued thereunder, notwithstanding any provision in the Combined Plan Document to the contrary. Pursuant to Code Section 401(a)(9)(A)(ii), a Member's interest must begin to be distributed by the later of (i) the April 1 of the calendar year following the calendar year that he attains the Age of seventy and one-half (70-1/2), or (ii) April 1 of the calendar year following the year in which he retires. Distributions will be made in accordance with Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9. The provisions of this Section 17.7 and the regulations cited herein and incorporated by reference override any inconsistent plan distribution options.

#### **Sec. 17.8. Direct Rollovers**

- (1) For purposes of compliance with Code Section 401(a)(31), a distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (2) For purposes of this Section 17.8, the following terms shall have the following meanings:
  - (a) "Direct rollover" means a payment by the retirement system to an eligible retirement plan specified by a distributee.
  - (b) "Distributee" means a Member or former Member. It also includes the Member's or former Member's surviving spouse, a spouse or former spouse who is the alternate payee under an eligible domestic relations order, or a nonspouse beneficiary who is a designated beneficiary as defined by Code Section 401(a)(9)(E). However, a nonspouse beneficiary may only make a direct rollover to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.
  - (c) "Eligible retirement plan" means any of the following that accepts a distributee's eligible rollover distribution:
    - (i) a qualified trust described in Code Section 401(a);
    - (ii) an annuity plan described in Code Section 403(a);

- (iii) an annuity contract described in Code Section 403(b);
  - (iv) an individual retirement account described in Code Section 408(a);
  - (v) an individual retirement annuity described in Code Section 408(b);
  - (vi) a Roth IRA described in Code Section 408A; or
  - (vii) a plan eligible under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan from the retirement system.
- (d) “Eligible rollover distribution” means any distribution of all or any portion of the balance to the credit of a distributee under the retirement system, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or the life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income; and any other distribution which the Internal Revenue Service does not consider eligible for rollover treatment, such as any distribution that is reasonably expected to total less than \$200 during the year. Notwithstanding the foregoing, a portion of a distribution will not fail to be an “eligible rollover distribution” merely because the portion consists of after-tax contributions that are not includible in Member’s gross income upon distribution from the retirement system. However, such portion may be transferred only (i) to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; (ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or (iii) to a Roth IRA described in Code Section 408A.

## **Sec. 17.9. Construction**

Words in the singular should be read and construed as though used in the plural, and words in the plural should be read and construed as though used in the singular, where appropriate. The words “hereof”, “herein”, and “hereunder” and other similar compounds of the word “here”, shall mean and refer to Component I of this Combined Plan Document and not to any particular provision or section thereof. The table of contents, article and section headings are included for convenience of reference, and are not intended to add to, or subtract from, the terms of the Combined Plan Document or the Retirement System created hereunder.

## **Sec. 17.10. Severability**

If any section or part of a section of this Combined Plan Document or provision relating to the

Retirement System is for any reason held to be invalid or unconstitutional, such holding shall not be construed as affecting the validity of the remaining sections of the Combined Plan Document or Retirement System or of the Combined Plan Document or Retirement System in its entirety.

CLI-2205395v6

EXHIBIT I.A.248.b

PRINCIPAL TERMS OF NEW PFRS ACTIVE PENSION PLAN

## **NEW PFRS ACTIVE PENSION PLAN -- MATERIAL TERMS**

1. Benefit Formula:
  - a. Detroit Fire Fighters Association Employees
    - i.  $FAC \text{ (average base compensation over last 10 consecutive years of employment)} \times \text{Years of Service earned after June 30, 2014} \times 2.0\%$ .  
Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus – just employee's base salary.
  - b. Detroit Police Command Officers Association Employees
    - i.  $FAC \text{ (average base compensation over last 5 consecutive years of employment)} \times \text{Years of Service earned after June 30, 2014} \times 2.0\%$ .  
Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus – just employee's base salary.
  - c. Detroit Police Officers Association Employees
    - i.  $FAC \text{ (average base compensation over last 5 consecutive years of employment)} \times \text{Years of Service earned after June 30, 2014} \times 2.0\%$ .  
Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus – just employee's base salary.
  - d. Detroit Police Lieutenants and Sergeants Association Employees
    - i.  $FAC \text{ (average base compensation over last 5 consecutive years of employment)} \times \text{Years of Service earned after June 30, 2014} \times 2.0\%$ .  
Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus – just employee's base salary.
2. Actual time for benefit accrual is actual time served. For vesting service, 1,000 hours in a 12 month period to earn a year of service.
3. Normal Retirement Age
  - a. Detroit Fire Fighters Association Employees
    - i. age 52 with 25 years of service
  - b. Detroit Police Command Officers Association Employees
    - i. age 50 with 25 years of service, with the following 7 year transition period:

<u>Fiscal Year</u>	<u>Age and Service</u>
2015	Age 43 and 20 years
2016	Age 43 and 20 years
2017	Age 44 and 21 years
2018	Age 45 and 22 years
2019	Age 46 and 23 years
2020	Age 47 and 24 years
2021 and thereafter	Age 50 and 25 years

- c. Detroit Police Officers Association Employees
    - i. age 50 with 25 years of service with the 7 year transition period described in paragraph 3b
  - d. Detroit Police Lieutenants and Sergeants Association Employees
    - age 50 with 25 years of service, with the 7 year transition period described in paragraph 3b
- 4. 10 Years of Service for vesting.
- 5. Deferred vested pension -- 10 years of service and age 55.
- 6. Duty Disability - consistent with current PFRS
- 7. Non-Duty Disability – consistent with current PFRS
- 8. Non-Duty Death Benefit for Surviving Spouse – consistent with current PFRS
- 9. Duty Death Benefit for Surviving Spouse – consistent with current PFRS
- 10. COLA
  - a. Detroit Fire Fighters Association Employees
    - i. no COLA
  - b. Detroit Police Command Officers Association Employees
    - i. 1% compounded, variable
  - c. Detroit Police Officers Association Employees
    - i. 1% compounded, variable
  - d. Detroit Police Lieutenants and Sergeants Association Employees
    - i. 1% compounded, variable
- 11. DROP Accounts
  - a. Detroit Fire Fighters Association Employees
    - i. no future payments into DROP.
  - b. Detroit Police Command Officers Association Employees
    - i. available for existing and future accrued benefits for employees who are eligible to retire under concurrent eligibility requirements. No more than 5 years of DROP participation for employees not already in DROP. DROP accounts will be managed by the PFRS instead of ING, if administratively and legally feasible. If managed by PFRS, interest will be credited to DROP accounts at a rate equal to 75% of the actual net investment return of PFRS, but in no event lower than 0% or higher than 7.75%.

- c. Detroit Police Officers Association Employees
      - i. available for existing and future accrued benefits for employees who are eligible to retire under concurrent eligibility requirements. No more than 5 years of DROP participation for employees not already in DROP. DROP accounts will be managed by the PFRS instead of ING, if administratively and legally feasible. If managed by PFRS, interest will be credited to DROP accounts at a rate equal to 75% of the actual net investment return of PFRS, but in no event lower than 0% or higher than 7.75%.
    - d. Detroit Police Lieutenants and Sergeants Association Employees
      - i. available for existing and future accrued benefits for employees who are eligible to retire under concurrent eligibility requirements. No more than 5 years of DROP participation for employees not already in DROP. DROP accounts will be managed by the PFRS instead of ING, if administratively and legally feasible. If managed by PFRS, interest will be credited to DROP accounts at a rate equal to 75% of the actual net investment return of PFRS, but in no event lower than 0% or higher than 7.75%.
- 12. Annuity Savings Fund
  - a. Detroit Fire Fighters Association Employees
    - i. no future Annuity Savings Fund contributions.
  - b. Detroit Police Command Officers Association Employees
    - i. voluntary Annuity Savings Fund contributions up to 10% of after-tax pay. Interest will be credited at the actual net investment rate of return for PFRS, but will in no event be lower than 0% or higher than 5.25%. No in-service withdrawals permitted.
  - c. Detroit Police Officers Association Employees
    - i. voluntary Annuity Savings Fund contributions up to 10% of after-tax pay. Interest will be credited at the actual net investment rate of return for PFRS, but will in no event be lower than 0% or higher than 5.25%. No in-service withdrawals permitted.
  - d. Detroit Police Lieutenants and Sergeants Association Employees
    - i. voluntary Annuity Savings Fund contributions up to 10% of after-tax pay. Interest will be credited at the actual net investment rate of return for PFRS, but will in no event be lower than 0% or higher than 5.25%. No in-service withdrawals permitted.
- 13. Investment Return/Discount rate – 6.75%
- 14. City Contributions
  - a. Detroit Fire Fighters Association Employees



- i. 11.2% of the base compensation of eligible employees. A portion of such contribution (not less than 1% of base compensation) will be credited to a rate stabilization fund.
  - b. Detroit Police Command Officers Association Employees
    - i. 12.25% of the base compensation of eligible employees. A portion of such contribution will be credited to a rate stabilization fund.
  - c. Detroit Police Officers Association Employees
    - i. 11.2% of the base compensation of eligible employees for payroll periods beginning prior to the effective date of the collective bargaining agreement. 12.25% of the base compensation of eligible employees for payroll periods beginning after the effective date of the collective bargaining agreement. A portion of such contribution will be credited to a rate stabilization fund.
  - d. Detroit Police Lieutenants and Sergeants Association Employees
    - i. 12.25% of the base compensation of eligible employees. A portion of such contribution will be credited to a rate stabilization fund.
- 15. Employee Contributions – Employees hired before July 1, 2014 (current actives) will contribute 6% of base compensation (pre-risk shifting); employees hired on or after July 1, 2014 (new employees) will contribute 8% of base compensation (pre-risk shifting). Maximum employee contributions of 10% (current actives) and 12% (new employees).
- 16. Risk Shifting:
  - a. If the funding level is less than 90% (using the fair market value of assets), COLAs will be eliminated (to the extent applicable).
  - b. If the funding level is 90% or lower (using the fair market value of assets and a 3-year look back period), the following corrective actions will be taken in the order listed below, until the actuary can state that by virtue of the use of corrective action, and a 6.75% discount rate and return assumption, the funding level is projected to be 100% on a market value basis within the next 5 years:
    - i. eliminate COLAs (if applicable);
    - ii. use amounts credited to the rate stabilization fund to fund accrued benefits;
    - iii. increase employee contributions by 1% per year (6% to 7% for current actives and 8% to 9% for new employees) for up to 5 years;
    - iv. increase employee contributions (active and new employees) by an additional 1% per year;
    - v. increase employee contributions (active and new employees) by an additional 1% per year;
    - vi. implement a 1 year COLA fallback;
    - vii. implement a second 1 year COLA fallback;
    - viii. increase employee contributions by an additional 1% per year; and

- ix. increase City contributions consistent with applicable actuarial principles and PERSIA.

**EXHIBIT I.A.252**

NOTICE OF COP SETTLEMENT ACCEPTANCE

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

-----X	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
-----X	:	

**NOTICE OF COP SETTLEMENT ACCEPTANCE**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. On September 15, 2014, the City of Detroit (the "City"), filed the Seventh Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. \_\_\_\_ ) (the "Seventh Amended Plan").<sup>1</sup>

2. Section II.B.3.p.iii.A of the Seventh Amended Plan provides as follows: "Each holder of a COP Claim may settle issues related to the allowance and treatment thereof and become a Settling COP Claimant as to all of the COP Claims held by such holder and its Affiliates by submitting to the City a Notice of COP Settlement Acceptance prior to the Effective Date." Seventh Amended Plan, at § II.B.3.p.iii.A (the "Plan COP Settlement").

---

<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings given to them in the Seventh Amended Plan.

3. The undersigned Holder of the COP Claim(s) identified below hereby accepts the terms of the Plan COP Settlement as set forth in the Seventh Amended Plan and elects, by this notice, to become a Settling COP Claimant. This notice shall constitute a Notice of COP Settlement Acceptance as such term is defined in the Seventh Amended Plan.

4. To submit this notice to the City, you must deliver it by overnight delivery service, facsimile transmission, courier service or messenger to:

David G. Heiman, Esq.  
Heather Lennox, Esq.  
Thomas A. Wilson, Esq.  
JONES DAY  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
Telephone: (216) 586-3939  
Facsimile: (216) 579-0212

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Claim Number(s) of COP Claim(s): \_\_\_\_\_

Become a Settling COP Claimant with respect to \$\_\_\_\_\_ in principal amount of COPs.

**EXHIBIT I.A.275**

PRIOR GRS PENSION PLAN

**COMBINED PLAN  
FOR THE  
GENERAL RETIREMENT SYSTEM  
OF THE  
CITY OF DETROIT, MICHIGAN**

**Effective July 1, 2014**

## **COMPONENT II**

**This Component II of the Combined Plan For the General Retirement System of the City of Detroit, Michigan is intended to memorialize the documentation for the General Retirement System of the City of Detroit as it existed on June 30, 2014.**



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**ARTICLE A. [FORMERLY ARTICLE I. COMMON PROVISIONS OF THE GENERAL RETIREMENT SYSTEM. [\*]]**

**Sec. A-1. [Formerly Sec. 47-1-1. Certain ordinances and Charter provisions saved from repeal.]**

Nothing in this Code or in Ordinance No. 593-H<sup>1</sup> shall be deemed to repeal the General Retirement System of the City of Detroit as provided by ordinance or Charter, or to contradict the provisions of Article IX, Section 24 of the 1963 Michigan Constitution.<sup>2</sup> All existing sections of the 1918, 1974 and 1997 Detroit City Charters and the 1964 Detroit City Code, as amended, relating to the General Retirement System shall remain in full force and effect, until specifically amended or repealed by ordinance.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-2. [Formerly Sec. 47-1-2. General Retirement System Established.<sup>3</sup>]**

A General Retirement System for the employees of the City of Detroit is hereby established for the purpose of providing retirement and survivor benefits for eligible City employees and their beneficiaries. The effective date of this system is July 1, 1938.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-3. [Formerly Sec. 47-1-3. Board of trustees; created.<sup>4</sup>]**

A Board of Trustees of the General Retirement System is hereby created. The Board is vested with the general administration, management and responsibility for the proper operation of the System, and for making effective the provisions of chapter.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-4. [Formerly Sec. 47-1-4. Board of Trustees; Membership; Appointment; Election.<sup>5</sup>]**

The Board of the General Retirement System shall consist of ten Trustees, as follows:

- (1) The Mayor, *ex officio*, or the Mayor's alternate;
- (2) One City Council Member, *ex officio*, who is selected by that body<sup>6</sup>;
- (3) The City Treasurer, *ex officio*;
- (4) Five members of the Retirement System to be elected by the members of the Retirement System in accordance with such rules and regulations as may be adopted by the Board. No more than one Trustee shall be elected from any one City Department;
- (5) One Detroit resident, appointed by the Mayor subject to the approval of the Board, who is neither an employee of the City nor is eligible to receive benefits under the Retirement System; and
- (6) One retiree who is receiving benefits under the Retirement System and who is elected by retired City employees in accordance with procedures established by Section 47-1-5

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 28-06, § 1, 9-13-06)

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**By Agreement**

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The membership of the Board of Trustees of the General Retirement System (GRS) shall be changed to consist of 11 trustees as follows:

- (1) The Mayor, ex-officio or designee.
- (2) The President of the City Council, ex-officio.
- (3) The City Treasurer, ex-officio.
- (4) The Budget Director, ex-officio.
- (5) The Finance Director, ex-officio.
- (6) The Human Resources Director, ex-officio.
- (7) Three members of the retirement system to be elected by the members of the retirement system, under such rules and regulations as may be from time to time adopted by City Council; except that no more than one trustee shall be from any one department.
- (8) The Mayor shall appoint, subject to the approval of City Council, as a trustee, an individual with a background in investment and/or municipal finance.
- (9) The Mayor shall appoint, subject to the approval of City Council, a retiree who is receiving benefits under the retirement system.

The City reserves the right to change the composition, structure and decision making procedures of the Board.<sup>a</sup>

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Effective August 1, 1999, or the earliest date thereafter when all required agreements are reached between the City and other parties **[or Effective July 1, 2003<sup>b</sup>**, the membership of the General Retirement System, Board of Trustees (Article II, Section 2, Subjection (1)) shall be modified to provide that one of the trustees is: "The Mayor of the City or his/her designated representative, ex-officio. Such designated person shall be a full time appointive or classified City employee."<sup>c</sup> **[or "The Mayor of the City or his/her designated representative, ex-officio."<sup>d</sup>**]

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DWSD and the Union acknowledge that they do not control the Retirement Board composition.<sup>e</sup>

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**Sec. A-5. [Formerly Sec. 47-1-5. Board of Trustees; Retiree Member Election.<sup>7</sup>**

The procedures for the election of the Retiree Member of the Board of Trustees shall be as follows:

- 
- <sup>a</sup> CBA-1 (§ 43.Q.), CBA-2 (§ 35.S.), CET-1 (§ 49), CET-2 (§ 47.Q.), CET-3 (§40).
- <sup>b</sup> CBA-11 (§ 39.S.).
- <sup>c</sup> CBA-3 (§ 46.P.), CBA-4 (§ 15.Q.), CBA-5 (§ 20.R.), CBA-6 (§ 26.R.), CBA-7 (§ 26.Q.), CBA-8 (§ 25.P.), CBA-10 (§ 33.Q.), CBA-11 (§ 39.S.), Reopener-2 (§ 25.P.), Reopener-3 (§ 39.R.), Reopener-4 (§ 20.R.).
- <sup>d</sup> CBA-9 (§ 31.S.), Reopener-1 (§ 31.S.).
- <sup>e</sup> CBA-10 (§ 33.V.).

- (1) *Notice.* Notice of a primary election shall be sent to each retiree of the System by United States Mail.
- (2) *Nominating petitions.* No candidate's name shall be placed on the primary election ballot unless a nominating petition containing the signatures of at least one hundred and twenty-five retirees of the Retirement System is filed with the Secretary of the Board. The form of the nominating petition, the filing of the petition, and the procedure for verification of signatures shall be in accordance with rules and regulations adopted by the Board.
- (3) *Ballot.* Each candidate whose name appears on the ballot at any election held for the office of Retiree Trustee shall be identified by the title of the position held at the time of retirement and the word "incumbent" if the candidate is a current trustee seeking re-election. No ballot shall contain any organizational or political designation or mark. Rotation and arrangement of names on the ballot shall be in accordance with the rules and regulations of the Board.
- (4) *Voting.* Procedures regarding mailing of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, handling of return envelopes received, and sealed ballot boxes shall be the same procedures as adopted and followed by the Board in the immediately preceding election of an Active Employee Trustee.
- (5) *Procedures.* Procedures regarding the selection and certification of successful candidates for nomination, the selection of Trustees from nominees, tie votes, and the destruction of ballots shall be the same procedures as adopted and followed by the Board in the immediately preceding election of an Active Employee Trustee.
- (6) Any matters relative to the election of the Retiree Member of the Board not covered by this Section shall be according to such rules and regulations as the Board may adopt.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. A-6. [Formerly Sec. 47-1-6. Board of Trustees; term.<sup>8</sup>]**

The regular term of office for the Elected Member Trustees and the Appointed Detroit Resident Trustee shall be for a period of six years, one such Trustee to be elected or appointed, as the case may be, each year. The term of office for the Retiree Trustee shall be two years.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. A-7. [Formerly Sec. 47-1-7. Board of Trustees; vacancies.<sup>9</sup>]**

If a Trustee leaves the employ of the City, or if an elected or appointed Trustee fails to attend four consecutive scheduled Board meetings without being excused for cause by the Trustees attending such meetings, the Trustee shall be considered to have resigned from the Board. By resolution, the Board shall declare the office vacated as of the date of adoption of such resolution. If a vacancy occurs in the office of Trustee, the vacancy shall be filled at the next regular election held by the Board, or at any special election ordered by resolution adopted by the Board.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. A-8. [Formerly Sec. 47-1-8. Board of Trustees; meeting attendance; compensation.<sup>10</sup>]**

- (a) *Attendance at a Board meeting* shall include conducting Board business on a meeting date or being otherwise available to attend a Board meeting canceled for lack of a quorum.
- (b) *Elected and Appointed Citizen Trustees.* Effective July 1, 2000, elected and Appointed Citizen Trustees are eligible for a weekly meeting stipend, provided the Trustee attends one or more regular or special Board meetings during a week. The stipend amount shall be a minimum of sixty-seven dollars (\$67.00) per week

multiplied by the Trustee's years of service. Eligibility rules and the amount of the stipend shall be set by Board resolution. However, the amount of the weekly meeting stipend shall not exceed two hundred dollars (\$200.00).

- (c) *Elected Active Employee Trustees.* Effective July 1, 2000, elected active employee Trustees are eligible for a quarterly service stipend if such Trustee attends a minimum of nine meetings in a quarter. The stipend amount shall be a minimum of eight hundred and thirty-three dollars (\$833.00) per quarter multiplied by the Trustee's years of service. Eligibility rules and the amount of the stipend shall be set by Board resolution. However, the amount of the quarterly service stipend shall not exceed twenty-five hundred dollars (\$2,500.00) per quarter.
- (d) Stipends paid under this Section 47-1-8 of this Code shall be considered as ordinary income for tax and pension purposes.
- (e) *Ex Officio Trustees* are not eligible for a stipend payment.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-9. [Formerly Sec. 47-1-9. Board of Trustees; Oath of Office.<sup>11</sup>]**

Within ten days after appointment or election, each Trustee shall take an oath of office to be administered by the Detroit City Clerk.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-10. [Formerly Sec. 47-1-10. Board of Trustees; Meetings; Rules of Procedure; Votes; Quorum.<sup>12</sup>]**

- (a) The Board shall hold regular weekly meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. All meetings of the Board shall be public and are subject to the *Michigan Open Meetings Act*, MCL 15.261 *et seq.*
- (b) Each Trustee shall be entitled to one vote on each question before the Board. Five Trustees shall constitute a quorum. A majority vote of the Trustees present shall be necessary for a decision by the Trustees at any meeting of the Board.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-11. [Formerly Sec. 47-1-11. Board of Trustees; Rules for Administration of the Pension System.<sup>13</sup>]**

In accordance with the provisions of this Article, the Board shall establish rules and regulations for the administration of the system and for the transaction of its business.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-12. [Formerly Sec. 47-1-12. Board of Trustees; Officers and Employees.<sup>14</sup>]**

The Board shall elect a chair and vice-chair from its members. The finance director or the director's designee shall be the *ex officio* secretary of the Board. The Board may employ such special actuarial, medical and other employees as shall be required, subject to the *Public Employee Retirement System Investment Act*, as amended, being MCL 38.1132 *et seq.*

(Ord. No. 29-01, § 1, 11-30-01)



**Sec. A-13. [Formerly Sec. 47-1-13. Board of Trustees; certain data to be kept.<sup>15</sup>]**

The Board shall keep or cause to be kept such data as is necessary for an actuarial valuation of the System and for checking and compiling the experience of the System.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-14. [Formerly Sec. 47-1-14. Board of Trustees; Record of Proceedings; Annual Report.<sup>16</sup>]**

The Board shall keep a record of its proceedings which shall be open to public inspection. On or before January fifteenth of each year, the Board shall send a report to the mayor and to the council showing the system's fiscal transactions for the year ending the preceding June thirtieth, and the balances in the various funds of the System. The Board shall produce or cause to be produced an annual actuarial valuation of the System's assets and liabilities.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-15. [Formerly Sec. 47-1-15. Board of Trustees; Legal Counsel.<sup>17</sup>]**

- (a) The Board shall appoint a Legal Counsel who shall be directly responsible to and hold office at the pleasure of the Board. The Legal Counsel to the Board shall be an attorney licensed to practice in Michigan who is experienced in matters relating to pension systems.
- (b) The Legal Counsel to the Board shall have such duties relative to pension matters as are assigned by the Board.
- (c) Costs and expenses relative to the position of Legal Counsel to the Board shall be payable out of the earnings of the system, subject to the provisions of the *Public Employee Retirement System Investment Act*, as amended, being MCL 38.1132 *et seq.*

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-16. [Formerly Sec. 47-1-16. Board of Trustees; Medical Director.<sup>18</sup>]**

- (a) The Board shall appoint a Medical Director who is directly responsible to and shall hold office at the pleasure of the Board. The Medical Director shall be a physician who has not at any time been regularly or permanently employed by any department, board, or commission of the City, county, or state, has not held an elective, appointive, or salaried office in any city, county, or state government at any time, and is not eligible to participate in the City Pension System. However, service as an intern in any city, county, or state hospital or sanitarium and service in any state military body shall not disqualify a physician for appointment as Medical Director.
- (b) The Medical Director shall arrange for and pass upon all medical examinations required under the provisions of this article, and shall report in writing to the Board of Trustees his or her conclusions and recommendations on medical matters referred.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-17. [Formerly Sec. 47-1-17. Board of Trustees; Designation of Actuary.<sup>19</sup>]**

The Board shall designate an actuary who shall be the technical advisor to the Board on matters regarding the operation of the system, and who shall perform such other duties as are required.

(Ord. No. 29-01, § 1, 11-30-01)



**Sec. A-18. [Formerly Sec. 47-1-18. Board of Trustees; Adoption of Mortality and Other Tables of Experience and Rates of Interest; Limitations on Payments By Retirement System.<sup>20</sup>]**

- (a) The Board shall adopt such mortality and other tables of experience, and a rate or rates of regular interest, as shall be necessary for the operation of the System on an actuarial basis, provided that the authority granted by this section shall not permit or be used to provide for an interest rate which would violate the prohibitions of Subsections (b) and (c) of this section or the plan for the adjustment of debts of the City of Detroit, as confirmed by an order of the United States Bankruptcy Court for the Eastern District of Michigan in the City's chapter 9 bankruptcy case (*In re City of Detroit, Michigan*, Case No. 13-53846).
- (b) The Retirement System and the trustees charged with management of the System shall not make any payment to active or retired participants other than payments that are required by the Retirement System plan as established by this Code to govern the System or the plan for the adjustment of debts of the City of Detroit, as confirmed by an order of the United States Bankruptcy Court for the Eastern District of Michigan in the City's chapter 9 bankruptcy case (*In re City of Detroit, Michigan*, Case No. 13-53846). This prohibition applies to all payments that are not authorized by this Code, whether such payments be those commonly referred to as a "thirteenth check" or by any other name.
- (c) The Retirement System and the trustees charged with management of the System shall not provide any savings plan, annuity plan, or other participant investment or savings vehicle that provides an annual return to investing participants which in any year is greater than the actual investment return net of expenses of the Retirement System invested reserves for the year in which the return is earned and accrued, *provided that* such return shall neither be greater than the assumed annual return as expressed in the Retirement System's valuation for that year nor less than zero. This prohibition shall apply to all annual returns credited to accounts of investing members in the Annuity Savings Fund of the Defined Contribution Plan of 1973 from the effective date of Ordinance 37-11 to June 30, 2014. Notwithstanding anything in this section to the contrary, effective for plan years beginning on and after July 1, 2014, the annual rate of return credited to a member's account in the Annuity Savings Fund of the 1973 Defined Contribution Plan shall be no less than zero and no greater than the lesser of (i) 5.25% or (ii) the actual investment return net of expenses of the Retirement System's invested reserves for the second fiscal year immediately preceding the fiscal year in which the annual return is credited.

(Ord. No. 18-14, Sec. 47-1-18; Ord. No. 29-01, § 1, 11-30-01; Ord. No. 37-11, § 1, 11-29-11)

**Sec. A-19. [Formerly Sec. 47-1-19. Board of Trustees; Periodic Actuarial Experience Study.<sup>21</sup>]**

At least once every five years, the Board shall cause an actuarial experience study to be made of the mortality, service, and compensation experience of the System's members, retirees and beneficiaries.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-20. [Formerly Sec. 47-1-20. Board of Trustees; Annual Actuarial Valuation of Assets and Liabilities.<sup>22</sup>]**

Each year, on the basis of such mortality and other tables of experience, and such rate or rates of regular interest as the Board shall adopt, the Board shall cause to be made an actuarial valuation of the assets and liabilities of the System.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-21. [Formerly Sec. 47-1-21. Definitions.<sup>23</sup>]**

Unless a different definition is contained within Section 47-3-2 of this Code, or a different meaning is plainly required by context, for purposes of this Chapter the following words and phrases have the meanings respectively ascribed to them by this section:

*Accrued Service*<sup>24</sup> means a member's credited service for employment rendered before the date of an actuarial valuation of the Retirement System.

*Accumulated Contributions*<sup>25</sup> means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the Annuity's Savings Fund, together with regular interest thereon.

*Administrative Board of Trustees*<sup>26</sup> means the Board of Trustees of the General Retirement System.

*Administrative Rules and Regulations*<sup>27</sup> means rules and regulations promulgated by the Administrative Board of Trustees pursuant to Section 47-1-11<sup>28</sup> of this Code for the administration of the System and for the transaction of its business.

*Age, Attainment of*<sup>29</sup> means the age an individual reaches on the day of his or her birthday.

*Annuity*<sup>30</sup> means the portion of the retirement allowance which is paid for by a member's accumulated contributions.

*Annuity Reserve*<sup>31</sup> means the present value of all payments to be made on account of any annuity or benefit in lieu of any annuity. Such annuity reserve shall be computed upon the basis of such mortality table and regular interest as shall be adopted by the Board.

*Average Final Compensation*<sup>32</sup> means:

- (1) *On or before June 30, 1992.* For those members who retired or separated from active service with vested pension rights on or before June 30, 1992, the highest average compensation received by a member during any period of five consecutive years of credited service selected by the member from the ten years of credited service which immediately precede the date of the member's last termination of City employment. If a member has less than five years of credited service, the Average Final Compensation shall be the average of the annual compensation received during the members total years of credited service.
- (2) *On or after July 1, 1992 but before July 1, 1998.* For those members who retired or separated from active service with vested pension rights on or after July 1, 1992 but before July 1, 1998, the highest average compensation received by a member during any period of four consecutive years of credited service selected by the member from the ten years of credited service which immediately precede the date of the member's last termination of City employment. If a member has less than four years of credited service, the Average Final Compensation shall be the average of the annual compensation received during the member's total years of credited service.
- (3) *On or after July 1, 1998.* For those members who retire or separate from active service with vested pension rights on or after July 1, 1998, the highest average compensation received by a member during any period of three consecutive years of credited service selected by the member from the ten years of credited service which immediately precede the date of the member's last termination of City employment. If a member has less than three years of credited service, the Average Final Compensation shall be the average of the annual compensation received during the member's total years of credited service.
- (4) *On or after July 1, 1999.* For those members with a regular or early service retirement who retire on or after July 1, 1999, in computing the highest average compensation received by a member, the member shall have the option of adding the value of twenty-five percent (25%) of the member's unused accrued sick leave at the time of retirement to the earnings used in computing the Average Final Compensation. Any member choosing to exercise this option shall be entitled to receive a lump sum payment of the value of twenty-five percent (25%) of the member's unused accrued sick leave at the time of retirement.

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**By Agreement**

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Effective for bargaining unit members who retire on or after July 1, 1999, they shall have the option to (1) select the Unused Sick Leave On Retirement payment benefit provided for in the bargaining agreement, or (2) choose to receive payment of one-quarter (1/4) of their unused sick time and have that sum included in the average final compensation calculation used to compute the membership service pension portion of their retirement allowance.<sup>f</sup> **[For any member choosing to exercise this option the lump sum payment the member will receive will be the remaining value of the unused accrued sick leave bank as provided in the bargaining agreement.<sup>g</sup>]**

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Effective for bargaining unit members who retire on or after July 1, 2012 **[or July 1, 1999<sup>h</sup>]**, they shall have the Unused Sick Leave On Retirement payment benefit provided for in the bargaining agreement.<sup>i</sup>

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*Beneficiary*<sup>33</sup> means any person who is entitled to receive a retirement allowance or pension payable from funds of the General Retirement System.<sup>34</sup>

*Board of Trustees or Board*<sup>35</sup> means the Board of Trustees of the General Retirement System as provided in Section 47-1-4<sup>36</sup> of this Code.

*City*<sup>37</sup> means the City of Detroit, Michigan, a municipal corporation.

*City Council or Council*<sup>38</sup> means the legislative body of the City.

*Compensation*<sup>39</sup> means:

- (1) *On or before June 30, 1992.* For those members retired or separated from active service with vested pension rights, on or before June 30, 1992, all remuneration, *excluding* longevity payments, paid to a member because of personal services rendered by the member to the employer. Compensation in excess of the limitations set forth in Section 401(a)(17)<sup>40</sup> of the Internal Revenue Code shall be disregarded.
- (2) *On or after July 1, 1992.* For those members who retire on or after July 1, 1992, all remuneration, *including* longevity payments, paid to a member because of personal services rendered by the member to the employer. Compensation in excess of the limitations set forth in Section 401(a)(17)<sup>41</sup> of the Internal Revenue Code shall be disregarded.

*Conversion* means that date on which a member's benefits change from disability retirement benefits to normal retirement benefits.

*Credited Service*<sup>42</sup> means membership service credited to a member to the extent provided in this Article.

*1998 Defined Contribution Plan Implementation Date*<sup>43</sup> means that date after the Plan is established on which it is open for participation by eligible members.

*Detroit General Retirement System or DGRS*<sup>44</sup> means the General Retirement System of the City of Detroit established under Section 47-1-2 of this Code which consists of:

- (1) The *Defined Benefit Plan*, which plan is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code;

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<sup>f</sup> CBA-3 (§ 46.G.), CBA-4 (§ 15.I.), CBA-5 (§ 20.I.), CBA-6 (§ 26.I.), CBA-7 (§ 26.H.), CBA-8 (§ 25.G.), CBA-9 (§ 31.I.), CBA-10 (§ 33.I.), CBA-11 (§ 39.I.), Reopener-1 (§ 31.I.), Reopener-2 (§ 25.G.), Reopener-3 (§ 39.I.), Reopener-4 (§ 20.I.).

<sup>g</sup> CBA-4 (§ 15.I.), CBA-5 (§ 20.I.), CBA-6 (§ 26.I.), CBA-7 (§ 26.H.), CBA-9 (§ 31.I.), CBA-10 (§ 33.I.), Reopener-1 (§ 31.I.), Reopener-3 (§ 39.I.), Reopener-4 (§ 20.I.).

<sup>h</sup> CET-1 (§ 48.I.).

<sup>i</sup> CBA-1 (§ 43.H.), CBA-2 (§ 35.J.), CET-1 (§ 48.I.), CET-2 (§ 47.H.).

- (2) The 1973 *Defined Contribution Plan*, which Plan is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code; and
- (3) The 1998 Defined Contribution Plan. A Defined Contribution Plan, which is hereby designated the 1998 Defined Contribution Plan, the components of which are the

- a. Employee Contribution Account,
- b. The Employee Rollover Account,
- c. The Employer Contribution Account, and
- d. The Annuity Savings Account,

all of which constitute the 1998 Defined Contribution Plan Retirement Trust, which Plan is intended to be a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code.

*Employee*<sup>45</sup> means any regular and/or permanent officer, agent, or person in the employ of the employer, as defined in this section, but does not include:

- (1) Individuals whose City services are compensated on a contractual or fee basis;
- (2) Persons who are employed in positions normally requiring less than six hundred hours of work per annum; or
- (3) The medical director of the pension system.

*Employer*<sup>46</sup> means the City, or any board, commission, or court serving the City, to the extent that both the City, through the action of City Council, and the governing authority of such board, commission or court, shall mutually agree to include the employees of such board, commission, or court, as City employees under the provisions of this Chapter at such time as they are eligible. To the extent that any employees of a board, commission, or court are considered City employees for this purpose, all employees of such board, commission, or court, shall be so included. However, only City board members and commissioners who are also employees of the City are eligible to be included, unless otherwise specifically provided for by an ordinance passed or a resolution adopted by the Council. In all cases of doubt, the Board of Trustees shall decide who is an employee within the meaning of the provisions of this Article.

*Final Compensation*<sup>47</sup> means a member's annual rate of compensation at the time City employment is last terminated.

*Member*<sup>48</sup> means any employee who has not retired.

*Notice to Members, Beneficiaries, and Retirees*<sup>49</sup> means a mailing using First Class United States Mail to the members, beneficiaries, and retirees at their last known address.

*Pension*<sup>50</sup> means the portion of a retirement allowance which is paid for by appropriations made by the City into the appropriate funds.

*Pension Reserve*<sup>51</sup> means the present value of all payments to be made on account of any pension, or benefit in lieu of any pension. Such pension reserve shall be computed upon the basis of such mortality and other tables of experience, and regular interest, as shall be adopted by the Board.

*Regular Interest*<sup>52</sup> means such rate or rates per annum, compounded annually, as the Board of Trustees shall determine in accordance with the limitations contained in Section 47-1-18 of this Code.

*Retiree*<sup>53</sup> means a former member who is receiving a retirement allowance from the *DGRS Article II* plan or is eligible to receive fringe benefits from the *DGRS Article III* Plan.

*Retirement*<sup>54</sup> means a member's withdrawal from the employ of the City with a retirement allowance or pension paid by the system.

*Retirement Allowance*<sup>55</sup> means the sum of the annuity and the pension.

*Retirement System or System*<sup>56</sup> means the general employees retirement system of the City created and established by Title IX, Chapter VI, of the 1918 Detroit City Charter, as amended,<sup>57</sup> continued in effect through the 1974 and 1997 Detroit City Charters and codified in this Article. *See DGRS.*

*Service*<sup>58</sup> means personal services rendered to the City by a person as an employee of the City as defined in Section 47-1-21 of this Code, who is compensated by the City.

*Service credit for purposes of the 1973 Defined Benefit/Defined Contribution (Annuity) Plan*<sup>59</sup> means that in accordance with such rules and regulations as the Board shall adopt, each member shall be credited with service as follows: (1) One month of service credit is earned when the member is paid for eighty hours of work during the month; (2) A full year of credit is earned for nine months of credit in any calendar year, except the member's last year of work. Less than nine months of service rendered in a calendar year shall neither be credited as a full year of service, nor shall more than one year of service be credited to any member for service rendered in any one calendar year. Service credit is used to determine eligibility for service retirement, vesting, non-duty disability and survivor benefits. Service credit is also earned by a member retired on a duty disability or while receiving Workers' Compensation benefits.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 37-11, § 1, 11-29-11)

#### **Sec. A-22. [Formerly Sec. 47-1-22. Service Credit.<sup>60</sup>]**

The Board shall keep an accurate record of each employee's Accumulated Service credit<sup>61</sup> from the date of commencement of employment with the employer.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. A-23. [Formerly Sec. 47-1-23. Service Credit; Former Employees of the Founder's Society—Detroit Institute of Arts.<sup>62</sup>]**

Pursuant to Section 6-519<sup>63</sup> of the 1974 Detroit City Charter, and for the sole purpose of computing service credit to determine eligibility for a retirement allowance from the General Retirement System, a person who was inducted into the classified service of the City of Detroit during the calendar year 1984 as a result of the transfer of certain functions at the Detroit Institute of Arts from *The Founder's Society/Detroit Institute of Arts* to the City of Detroit, shall be credited with service credit equivalent to continuous time worked as a full time employee of the *Founder's Society/Detroit Institute of Arts* retroactive to January 1, 1984. Such *Founder's Society/Detroit Institute of Arts* service credit shall have no effect upon the amount of retirement benefits paid by the General Retirement System. Such *Founder's Society/Detroit Institute of Arts* service credit shall be added to the service credit earned as a City of Detroit employee only for purposes of meeting service credit eligibility requirements under the General Retirement System. The Board of Trustees of the General Retirement System shall make all determinations of crediting of such *Founder's Society/Detroit Institute of Arts* service credit in accordance with the pension plan provisions.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. A-24. [Formerly Sec. 47-1-24. Service Credit; Transfer to Other Governmental Service.<sup>64</sup>]**

A member transferred from the City payroll by his or her department head to the payroll of any City, county, state, or federal government to serve the Interests of the City during peace time shall continue to be a member of the retirement system for purposes of service credit in accordance with the ordinance or resolution passed to implement such transfer.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-25. [Formerly Sec. 47-1-25. Service Credit; Military Service.<sup>65</sup>]**

An employee of the employer who enters the military service of the United States while so employed shall have such service credited as City service in the same manner as if the employee had served the employer without interruption, provided that 1) the employee's entry into such service and re-employment thereafter shall be in accordance with applicable laws, ordinances, and regulations of the State of Michigan and the City, and 2) he or she is re-employed by the employer upon completion of such service. During the period of service and until return to City employment, his or her contributions to the fund shall be suspended and the fund balance shall be accumulated at regular interest.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. A-26. [Formerly Sec. 47-1-26. Service Credit; Qualified Military Service (Pre-Employment Service).<sup>66</sup>]**

- (a) Notwithstanding any provision of this Chapter to the contrary, contributions, benefits, and service credit with respect to qualified military service, shall be provided in accordance with Section 414(u)<sup>67</sup> of the Internal Revenue Code. Up to three years of pre-employment service credit may be purchased for the following periods: service for a period of not less than ninety days between (1) the date of declaration of war by Congress and the recognized date of cessation of military hostilities; (2) the onset of World War II on December 8, 1941 to its conclusion on July 1, 1946; (3) the onset of the Korean Conflict on June 27, 1950 to its conclusion on December 31, 1953; (4) the onset of the Vietnam Conflict on February 28, 1961 to its conclusion on May 7, 1975, or (5) beginning on the date of the recognition of an emergency condition by the issuance of a presidential proclamation or a presidential executive order, during which emergency condition the member received the Armed Forces Expeditionary or other Campaign Service Medal authorized by the Federal Government for the Expedition or Campaign.<sup>68</sup>
- (b) This time may be applied toward a member's credited service and may be used in meeting the minimum time needed for an automatic Option Two or automatic Option Three pension.<sup>69</sup>
- (c) This time shall not apply toward meeting the minimum service and age requirements for vesting, for a non-duty disability pension, or for a service pension.

(Ord. No. 29-01, 11-30-01)

**Sec. A-27. [Formerly Sec. 47-1-27. Freeze of General Retirement System as of June 30, 2014.]**

Notwithstanding anything in Articles I, II, III, or IV of Chapter 47 of the 1984 Detroit City Code to the contrary, effective as of June 30, 2014 (the "Freeze Date") –

- (a) No new employee hired by an Employer on or after July 1, 2014 shall become a member who is eligible to accrue a benefit under the terms of the General Retirement System in effect as of the Freeze Date;
- (b) No employee who is rehired by an Employer on or after July 1, 2014 shall become a member who is eligible to accrue either a benefit or service credit for any purpose under the terms of the General Retirement System in effect as of the Freeze Date; *provided, however*, that a member who is entitled to a Frozen Accrued Benefit as defined in subsection (c) of this Section 47-1-27 and who is rehired by an Employer on or after July 1, 2014 but prior to the date the member incurs a six-year break in service shall be eligible to accrue service credit following rehire solely for the purpose of determining the member's eligibility for payment of his Frozen Accrued Benefit;



- (c) Benefit accruals for members with respect to service rendered prior to July 1, 2014 will be frozen based on a member's years of service, Average Final Compensation, and the pension multiplier formulae as of such Freeze Date ("Frozen Accrued Benefit");
- (d) Except as otherwise provided in subsection (e) of this Section 47-1-27, compensation of a member shall be frozen effective as of the Freeze Date for purposes of determining the member's Frozen Accrued Benefit. No compensation of any type earned by a member after the Freeze Date shall be taken into consideration for purposes of determining the member's Frozen Accrued Benefit under the General Retirement System;
- (e) Any member who, as of June 30, 2014, would have been eligible to elect to use a portion of his unused accrued sick leave to increase his Average Final Compensation ("Sick Leave Rollover") if the member had been eligible to retire and had elected to retire as of June 30, 2014, shall have a one-time election as of June 30, 2014 ("Special Election") to add the value of twenty-five percent (25%) of the member's unused sick leave accrued for purposes of the Sick Leave Rollover in accordance with the terms of the applicable collective bargaining agreement, City Employment Terms or Detroit Code of Ordinance to the earnings used in computing Average Final Compensation for purposes of determining the member's Frozen Accrued Benefit; *provided, however*, that at least twenty-five percent (25%) of the member's sick leave accrued for purposes of the Sick Leave Rollover in accordance with the terms of the applicable collective bargaining agreement, City Employment Terms or Detroit Code of Ordinance remains in the member's sick leave bank at the time the completed Special Election form is received by the Retirement System and, *provided further* that the completed Special Election form is received by the Retirement System no later than August 15, 2014. A member's Special Election shall be made in the manner set forth by the Board of Trustees and the Retirement System. Notwithstanding anything in this subsection (e) to the contrary, a member's Special Election will be void and the determination of the member's Average Final Compensation for purposes of calculating the member's Frozen Accrued Benefit will not take into account any of the member's unused sick leave, if (i) the electing member would not have been eligible to receive an immediate service retirement if he retired as of June 30, 2014, and (ii) the electing member's employment with an Employer is terminated before the electing member becomes eligible for an immediate service retirement under the Retirement System;
- (f) Service earned after the Freeze Date shall be credited to a member solely for purposes of determining the member's vesting in and eligibility for payment of his or her Frozen Accrued Benefits. Service credit for all members for benefit accrual purposes under the terms of the General Retirement System in effect as of the Freeze Date shall be frozen effective as of the Freeze Date and no member shall earn service credit with respect to benefits payable under the terms of the General Retirement System in effect as of the Freeze Date (except for vesting and benefit payment eligibility purposes) after the Freeze Date;
- (g) No member shall make contributions to the Annuity Savings Fund under the General Retirement System in effect as of June 30, 2014 with respect to wages earned on or after July 14, 2014, and all Annuity Savings Fund contributions made on or after July 14, 2014 shall be made to and in accordance with the terms of the Combined Plan for the General Retirement System of the City of Detroit, Michigan; and
- (h) The 1998 Defined Contribution Plan will be closed to all employees hired or rehired by an Employer on or after July 1, 2014. On or after July 1, 2014, no person may make an election to participate in the 1998 Defined Contribution Plan, and no future contributions will be made to or accepted by the 1998 Defined Contribution Plan with respect to wages earned on or after July 1, 2014.

The foregoing terms of Section 47-1-27 shall be referred to as the "Freeze" of the provisions of the General Retirement System as in effect on the Freeze Date and the provisions of Articles I, II, III, or IV of Chapter 47 of the 1984 Detroit City Code shall be interpreted and construed by the Board of Trustees and the Retirement System to give full effect to the Freeze. To the extent that a conflict arises between this Section 47-1-27 and other provisions in Chapter 47, or any collective bargaining agreement or other document governing the terms of employment of any employee, the Board of Trustees and the Retirement System are directed to interpret any inconsistency or ambiguity to give full effect to the Freeze.

(Ord. No. 17-14, Sec. 47-1-27.)

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<b><u>By Agreement</u></b>
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Effective July 1, 1995, all members of the bargaining unit have the option of purchasing pre-employment military time for pension purposes in accordance with the 1995-1998 arbitration award.<sup>j</sup>

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**[Secs. 47-1-28—47-1-30. Reserved.]**

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<sup>j</sup> CBA-1 (§ 43.P.), CBA-2 (§ 35.R.), CET-2 (§ 47.O.).



**ARTICLE B. [FORMERLY ARTICLE II. DEFINED BENEFIT/DEFINED CONTRIBUTION (ANNUITY) PLAN OF THE GENERAL RETIREMENT SYSTEM.]**

**Sec. B-1. [Formerly Sec. 47-2-1. Membership.<sup>70</sup>]**

The membership of the General Retirement System *1973 Defined Benefit/Defined Contribution (Annuity) Plan* shall consist of all persons who are full time employees of the employer as defined in Section 47-1-21 of this Code, except:

- (a) persons who are members of the *Policemen and Firemen Retirement System*, established under Title IX, Chapter VII of the 1918 Detroit City Charter and continued in the 1974 and 1997 Detroit City Charters;
- (b) persons who make an election to become a participant in the Retirement System *1998 Defined Contribution Plan* pursuant to Section 47-3-3 of this Code; and
- (c) Any person who is a member of any other public employee pension or retirement plan adopted by the State of Michigan, other than the Michigan National Guard, or by any other political subdivision of this state.

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**By Agreement**

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Special Service employees who work more than fourteen hundred forty (1440) hours per fiscal year will be eligible for Pension Plan (General Retirement System).<sup>k</sup>

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**Sec. B-2. [Formerly Sec. 47-2-2. Cessation of Membership; Re-Employment by the Employer.<sup>71</sup>]**

- (a) Any member who retires under Section 47-2-4(a), (b), or (c),<sup>72</sup> or dies, shall have a non-forfeitable right to a benefit.
- (b) With respect to persons not on the active payroll prior to October 1, 2005, the following provisions of this subsection shall apply:
  - (1) Except as otherwise provided for in this Article II, if any non-vested member leaves City employment for any reason other than retirement or death, such person shall thereupon cease to be a member and his or her credited service at that time shall be forfeited. In the event of re-employment by the City, such person shall again become a member of the Retirement System. If re-employment occurs within a period of six (6) years<sup>73</sup> from and after the date City employment last terminated, credited service last forfeited shall be restored to his or her credit for purposes of accruing a benefit after re-employment.
  - (2) With respect to persons on the active payroll on or after October 1, 2005, re-employment shall restore any previously forfeited service credit notwithstanding the time of re-employment.
- (c) Vested former employees rehired prior to receiving pension benefits.<sup>74</sup>
  - (1) Former employees who are vested but have not yet begun to receive pension benefits who are rehired prior to being separated for six (6) years shall have their pension calculated in accordance with the rules in effect at the time of their last termination of active service or retirement.
  - (2) Former employees who are vested but have not begun to receive pension benefits and are rehired after July 1, 1992 after being separated for more than six (6) years who accumulate enough service credit to be

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<sup>k</sup> CET-3 (§ 39.C.).

eligible for a second pension shall be entitled to two (2) separate and distinct pensions, each to be calculated in accordance with the rules in effect at the time of each separation from service.

- (3) An employee who becomes eligible to collect his or her previously vested pension while still working, shall not be eligible to receive his or her vested pension but will be entitled to have the pension improvement factor added to the vested amount of the original pension for payment when the employee eventually retires. The basic pension amount of twelve dollars (\$12.00) per year for up to ten (10) years will only be included on the employee's original pension.
  - (4) Members who have separated from city service with vested rights under Article II and return to work after a separation of more than six (6) years, prior to the receipt of a vested pension benefit, may elect to be a member of either the Article II or Article III Fund during their new period of service. Such election must be made within ninety (90) days of re-employment with the city. If the member elects the Article III Fund for the new period of service and becomes eligible to collect their previously vested pension while still working, they may begin to collect their vested pension on their eligibility date.
- (d) Retirement benefits for retirees who return to active full time employment.<sup>75</sup>
- (1) Retirees who return to work will have their Defined Benefit Plan pension benefit amount suspended upon re-employment. However, retirees who have not withdrawn their defined contribution amounts shall be entitled to continue to receive the monthly annuity from the 1973 Defined Contribution Plan. The pension improvement factor shall continue to be added to the vested amount of the original pension but not be paid on the defined benefit amount until the employee again separates from service.
  - (2) Retirees who return to work will be entitled to receive a second pension benefit in accordance with the rules in effect at the time of their final separation with respect to service credit earned after the retiree returns to active employment. Previous service credit will be used to determine what retirement factors will be credited to service time earned after return to active employment and used to calculate the new pension amount.<sup>76</sup>
  - (3) Average final compensation will be based upon the amounts earned after the retiree returns to work.<sup>77</sup>
  - (4) Employees who retire under this Section 47-2-2(d) for a second time will not be allowed to change the original option selection with respect to the original pension benefit. However, employees may make a separate option selection on their second pension benefit amount.
  - (5) The basic pension amount of twelve dollars (\$12.00) per year for up to ten (10) years will be included only on the employee's original pension.
  - (6) The coordination of benefits (equated Social Security) option will not be available on a second pension amount.
  - (7) If a retiree who returns to work and dies while working, had an accumulated combined total service time of at least twenty years, the employee's spouse will be eligible for automatic *Option Two* benefits,<sup>78</sup> Notwithstanding the option form of retirement originally elected.
  - (8) If a retiree who returns to work and dies while working had an accumulated combined total service time of at least fifteen years but less than twenty years, the employee's spouse will be eligible for automatic *Option Three* benefits, notwithstanding the option form of retirement originally elected.
  - (9) If the employee returns to work and dies prior to accumulating a combined total of fifteen years of service credit, the original pension and benefit option chosen shall resume unless the employee had chosen the Straight Life Option which would result in no survivor pension benefits.

- (10) The Board of Trustees will determine all entitlements for re-employed individuals on a case by case basis consistent with this section and will resolve all issues based upon special circumstances or unique situations.]

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 08-03, § 1, 4-9-03; Ord. No. 29-01, § 1, 11-30-01; Ord. No. 38-05, § 1, 12-14-05)

**Sec. B-3. [Formerly Sec. 47-2-3. Election to Transfer to 1998 Defined Contribution Plan.<sup>79</sup>]**

Any employee member who is also a member of the Coverage Group as defined in Section 47-3-2 of this Code who makes an election to transfer to the *1998 Defined Contribution Plan* pursuant to Section 47-3-3 of this Code, shall transfer to the Trust of that Plan both the *1973 Defined Contribution Plan* (Annuity Savings Fund) balance and the actuarial present value of the *1973 Defined Benefit Plan* credited benefits of such individual under the *DGRS* in accordance with Section 47-3-3 of this Code and the rules and procedures established by the Board.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. B-4. [Formerly Sec. 47-2-4. Service Retirement.<sup>80</sup>]**

- (a) *Retirement after thirty years service.*<sup>81</sup> Any member who has accumulated at least thirty or more years of credited service regardless of age, or, for any members hired under a collective bargaining agreement, any member who was hired on or after the date specified in the applicable collective bargaining agreement who has accumulated at least thirty or more years of credited service and has attained age fifty-five, may retire upon written application filed with the Board setting forth the date on which the member desires to be retired. The date of retirement shall be effective not less than thirty, nor more than ninety, days subsequent to the execution and filing of the application for retirement. On the specified date, the member shall be retired notwithstanding age or the fact that during such period of notification the member may have separated from City service. Upon retirement, the member shall receive a retirement allowance as provided in Section 47-2-5 of this Code.

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**By Agreement**

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Any Employee who is covered by the provisions of this Agreement and who is a member of the General Retirement System of the City of Detroit who on July 1, 1995, or later has twenty-five (25) or more years of credited service may retire upon his/her written application filed with the Board of Trustees setting forth the date, which shall not be less than thirty (30) nor more than ninety (90) days, subsequent to the execution and filing of said written application, he/she desires to be retired. On the date so specified for his/her retirement he/she shall be retired notwithstanding that pending such period of notification he/she may have separated from City service. Upon his/her retirement he/she shall receive a Retirement Allowance as provided by the City Charter and Municipal Code.<sup>1</sup>

**[Retirees who began receiving a Duty Disability Pension after July 1, 1995 may choose to convert to a service retirement at the time they would have had twenty five (25) years with the City.<sup>m</sup>]**

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- (b) Retirement at age sixty-five with eight years of service; at age sixty with ten years of service.
- (1) *Sixty-five and eight.* Any member who has attained sixty-five years of age and has at least eight years of credited service may retire upon written application filed with the Board setting forth an anticipated retirement date.

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<sup>1</sup> CBA-1 (§ 43.A.), CBA-2 (§ 35.A.), CET-2 (§ 47.A.).

<sup>m</sup> CBA-2 (§ 35.A.), CET-2 (§ 47.A.).

- (2) *Sixty and ten.* Any member who has attained sixty years of age and has at least ten years of credited service may retire upon written application filed with the Board setting forth an anticipated retirement date.
  - (3) Any such anticipated retirement date shall not be less than thirty nor more than ninety days subsequent to the filing of the application. On the specified date, the member shall be retired, notwithstanding that during such period of notification he or she may have separated from City service. Upon retirement, the former member shall receive the retirement allowance provided for in Section 47-2-5<sup>82</sup> of this Code.
- (c) Retirement after twenty-five years of service without attaining age sixty years; reduced pension.
- (1) *Early retirement.* Any member of the Retirement System who is on the payroll on or after July 1, 1992, and who has twenty-five years of credited service and has not attained sixty years of age<sup>n</sup>, shall have the option of early retirement by accepting an actuarially reduced retirement allowance as determined by the Board of Trustees after consultation with the Board's Actuary, notwithstanding the age of the member who elects early retirement. Said election shall be made within ninety days of separation from City service. Actuarial tables provided by the Board's Actuary shall always provide this actuarially reduced retirement allowance at no cost to the employee.

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**By Agreement**

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Employees who have resigned with 25 or more years of service since July 1, 1992, shall have ninety (90) days to submit an application for this option from the date they are officially notified by the Pension Bureau that said application can be processed.

After the initial enrollment of applicants by the Pension Bureau, employees who subsequently leave City employment shall have ninety (90) days from their last paid date on the City payroll to select this option.

Retirees who began receiving a Duty or Non-Duty Disability Pension after July 1, 1992, may convert to this option no later than (90) days after they would have had twenty-five (25) years with the City and have been notified by the Pension Bureau of the availability of this option.

Employees who began receiving Income Protection Benefits after July 1, 1992 may convert to this option anytime after they have had twenty-five (25) years of service with the City.

The above paragraphs notwithstanding, employees hired after January 1, 1996, shall not be eligible for a Service Retirement until they shall have attained fifty-five (55) years of age. This requirement shall apply to both the regular service retirement with thirty (30) years of service and for pension calculation purposes to the early service retirement (actuarially reduced) with twenty-five (25) or more years of service.<sup>o</sup>

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- (2) Employees utilizing the early retirement provision in this Section 47-2-4(c)(1) will not be entitled to the fringe benefits, if any, accruing to employees who qualify for a normal service retirement until such time as they would have qualified for a normal service retirement under 47-2-4(a) or (b) of this Code. However, employees may maintain health care benefits, if any, through the City's *COBRA* program, or its equivalent, until that time.

- (d) Retirement allowance; age forty and eight years of service; ten years of service regardless of age.<sup>83</sup>

- (1) Eligibility.

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<sup>n</sup> Not limited to those under sixty in the following agreements: CBA-3 (§ 46.A.), CBA-4 (§ 15.A.), CBA-5 (§ 20.A.), CBA-6 (§ 26.A.), CBA-7 (§ 26.A.), CBA-8 (§ 25.A.), CBA-9 (§ 31.A.), CBA-10 (§ 33.A.), CBA-11 (§ 39.A.), CET-1 (§ 48.A.), Reopener-1 (§ 31.A.), Reopener-2 (§ 25.A.), Reopener-3 (§ 39.A.), Reopener-4 (§ 20.A.).

<sup>o</sup> CBA-3 (§ 46.A.), CBA-4 (§ 15.A.), CBA-5 (§ 20.A.), CBA-6 (§ 26.A.), CBA-7 (§ 26.A.), CBA-8 (§ 25.A.), CBA-9 (§ 31.A.), CBA-10 (§ 33.A.), CBA-11 (§ 39.A.), CET-1 (§ 48.A.), Reopener-1 (§ 31.A.), Reopener-2 (§ 25.A.), Reopener-3 (§ 39.A.), Reopener-4 (§ 20.A.).

- a. *Any member hired before July 1, 1980* who has reached forty years of age and has acquired eight or more years of credited service shall be eligible to receive benefits provided by Section 47-2-4(d)(2) of this Code.
- b. *Any member hired on or after July 1, 1980* who has acquired ten years of credited service shall be eligible to receive the benefits provided by Section 47-2-4(d)(2) of this Code regardless of age.
- c. *Any non-union member hired on or after July 1, 1980 but before March 31, 1992* who has acquired ten years of credited service regardless of age or has reached age forty with eight or more years of credited service, whichever is earlier, shall be eligible to receive benefits provided by Section 47-2-4(d)(2) of this Code.

(2) Benefits.

- a. *Any member described in Section 47-2-4(d)(1)<sup>84</sup> of this Code who leaves City employment on or before June 30, 1992* but prior to the date the member would have first become eligible to retire as provided in Section 47-2-4(a),<sup>85</sup> (b)<sup>86</sup> or (c)<sup>87</sup> of this Code, for any reason except discharge for reasons covered by the State Forfeiture Law,<sup>88</sup> retirement or death, shall be entitled to a retirement allowance based upon one point five percent (1.5%) of average final compensation for the first ten years of service and one point six three percent (1.63%) for service in excess of ten years. There shall be no change to the base pension upon which future increases are based.
  - b. *Any member described in Section 47-2-4(d)(1) of this Code who leaves City employment on or after July 1, 1992,* but prior to the date the member would have first become eligible to retire as provided in Section 47-2-4(a), (b) or (c) of this Code, for any reason except discharge for reasons covered by the State Forfeiture Law,<sup>89</sup> retirement or death, shall be entitled to a retirement allowance computed according to Section 47-2-5<sup>90</sup> of this Code.
  - c. The retirement allowance shall begin on the first day of the calendar month following the month in which the retirement application is filed with the Board, on or after that date on which the member would have been eligible to retire with an unreduced service retirement under Section 47-2-4(a) or (b) of this Code, had City employment continued or on the date when age sixty is reached, whichever is earlier. Unless otherwise provided in this Article, no service credit shall be earned for the period of absence from City employment and such person's beneficiary shall not be entitled to any other benefit afforded in this Article except those benefits afforded either in Section 47-2-4 or in Section 47-2-5 of this Code notwithstanding termination of membership.
- (3) *Withdrawal of accumulated contributions.* Upon separation from City employment, members who qualify for benefits pursuant to Section 47-2-4(d)(1) of this Code may withdraw their *1973 Defined Contribution Plan* accumulated contributions and all other funds standing to their credit in the Annuity Savings Fund at that time without affecting their benefits under Section 47-2-4(d)(2) or 47-2-5 of this Code.

(Ord. No. 29-01, § 1, 11-30-01)

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**By Agreement**

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For employees hired on or after July 1, 1980, the vesting provisions of the City Retirement Plan shall require ten (10) years of service regardless of age in lieu of the "40 and 8" age and service requirements.<sup>p</sup>

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In the event that any law, State or Federal, is passed during the term of the collective bargaining agreement or City Employment Terms agreement which permits Employees to vest their pension prior to meeting the vesting requirements set forth in this contract, any Employee who vests his/her pension in such a manner shall not be eligible for any pension benefits until his/her sixty-second (62nd) birthday. This provision will not affect the current practice governing disabled Employees.<sup>q</sup>

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**Sec. B-5. [Formerly Sec. 47-2-5. Service Retirement Allowance.<sup>91</sup>]**

Upon retirement, a member who meets the qualifications set forth in section 47-2-4(a), (b) or (c) of this Code, shall receive a *Straight Life Retirement Allowance*, and shall have the right to elect to receive in lieu of the *Straight Life Retirement Allowance*, a reduced retirement allowance under an option provided for in Section 47-2-9<sup>92</sup> of this Code.

The *Straight Life Retirement Allowance* shall consist of:

- (a) An Annuity which shall be the actuarial equivalent of the members accumulated contributions in the 1973 *Defined Contribution Annuity Savings Fund* at the time of retirement; and
- (b) (A *Basic Pension* of twelve dollars (\$12.00) per annum multiplied by the number of years, and fractions of years of credited service, not to exceed ten (10) years; and
- (c) A Membership Service Pension.
  - (1) *For members who retire on or before June 30, 1992*, a membership service pension of one point five percent (1.5%) of Average Final Compensation for the first ten (10) years of service and one point six three percent (1.63%) for service in excess of ten (10) years.
  - (2) *For members who retire on or after July 1, 1992 but prior to July 1, 1998*, a membership service pension of one point five percent (1.5%) of Average Final Compensation for each year of service for the first ten (10) years plus one point seven percent (1.7%) of Average Final Compensation for each year of service in excess of ten (10) years up to twenty (20) years of service, plus one point nine percent (1.9%) of Average Final Compensation for each year of service in excess of twenty years. In no event shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation.
  - (3) For members who retire on or after July 1, 1998 **[or July 1, 1992<sup>r</sup>], [using the highest paid 36 consecutive months out of the last 120 including longevity payments [received prior to July 1, 2012<sup>s</sup>] as Average Final Compensation<sup>t</sup>]** a membership service pension of one point six percent (1.6%)

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<sup>p</sup> CBA-1 (§ 43.D.), CBA-2 (§ 35.D.), CBA-3 (§ 46.C.), CBA-4 (§ 15.C.), CBA-5 (§ 20.C.), CBA-6 (§ 26.C.), CBA-7 (§ 26.C.), CBA-8 (§ 25.C.), CBA-9 (§ 31.C.), CBA-10 (§ 33.C.), CBA-11 (§ 39.C.), CET-1 (§ 48.C.), CET-2 (§ 47.D.), Reopener-1 (§ 31.C.), Reopener-2 (§ 25.C.), Reopener-3 (§ 39.C.), Reopener-4 (§ 20.C.).

<sup>q</sup> CBA-1 (§ 43.D.), CBA-2 (§ 35.D.), CBA-3 (§ 46.D.), CBA-4 (§ 15.D.), CBA-5 (§ 20.D.), CBA-6 (§ 26.D.), CBA-7 (§ 26.D.), CBA-8 (§ 25.D.), CBA-9 (§ 31.D.), CBA-10 (§ 33.D.), CBA-11 (§ 39.D.), CET-1 (§ 48.D.), CET-2 (§ 47.D.), Reopener-1 (§ 31.D.), Reopener-2 (§ 25.D.), Reopener-3 (§ 39.D.), Reopener-4 (§ 20.D.).

<sup>r</sup> CBA-9 (§ 31.H.), Reopener-1 (§ 31.H.).

<sup>s</sup> CBA-3 (§ 46.F.), CBA-8 (§ 25.F.), Reopener-2 (§ 25.F.).



of Average Final Compensation for each year of service for the first ten (10) years plus one point eight percent (1.8%) of Average Final Compensation for each year of service in excess of ten (10) years up to twenty (20) years of service, and plus two percent (2%) of Average Final Compensation for each year of service in excess of twenty (20) years up to twenty-five (25) years, plus two point two percent (2.2%) of Average Final Compensation for each year of service in excess of twenty-five (25) years. In no case shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation **[except in the case where a higher pension amount has been earned in accordance with the provisions in effect prior to July 1, 1992<sup>l</sup>]**.

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**By Agreement**

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Employees who retire on or after July 1, 2012 **[or after July 1, 1998 but before July 1, 2012<sup>v</sup>]**, shall have their pensions computed according to the following formula. Using the highest paid thirty-six (36) consecutive months out of the last one hundred twenty (120), including longevity payments, as Average Final Compensation; two percent (2%) **[or one and one-half percent (1.5%)<sup>w</sup>]** of Average Final Compensation for each year of service; plus twelve dollars (\$12) for each year of City service not to exceed one hundred twenty dollars (\$120). In no case shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation except in the case where a higher pension amount has been earned in accordance with the provisions in effect prior to July 1, 1992.<sup>x</sup>

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For all years of credited service accrued by bargaining unit members after July 1, 2012, the multiplier as set forth previously in this section shall be reduced to one and one-half percent (1.5%) of Average Final Compensation per year.<sup>y</sup>

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Effective April 1, 2013 **[or Effective on the first month after ratification<sup>z</sup>]**, the pension multiplier shall be 1.5% for all years of service after that date.<sup>aa</sup>

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- (d) With respect to regular service retirees under Section 47-2-4(a) and (b) <sup>93</sup> of this Code only and excluding persons who receive vested benefits under Section 47-2-4(c) and (d) of this Code, in no case shall the total of the annual Straight Life Pension be less than three hundred sixty dollars (\$360.00) times each of the first ten (10) years of service at retirement plus one hundred twenty dollars (\$120.00) for each year of service in excess of ten (10) years. Effective July 1, 2007, each year of service in excess of ten (10) shall be calculated using two hundred twenty-five dollars (\$225.00).
- (e) The recalculation of the pension benefit shall include previous pension improvement factors but shall not include special increases granted by prior separate ordinances.<sup>94</sup>
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<sup>l</sup> CBA-3 (§ 46.F.), CBA-4 (§ 15.H.), CBA-5 (§ 20.H.), CBA-6 (§ 26.H.), CBA-7 (§ 26.G.), CBA-8 (§ 25.F.), CBA-9 (§ 31.H.), CBA-10 (§ 33.H.), CBA-11 (§ 39.H.), CET-1 (§ 43.H.), Reopener-1 (§ 31.H.), Reopener-2 (§ 25.F.), Reopener-3 (§ 39.H.), Reopener-4 (§ 20.H.).

<sup>u</sup> CBA-3 (§ 46.F.), CBA-4 (§ 15.H.), CBA-5 (§ 20.H.), CBA-6 (§ 26.H.), CBA-7 (§ 26.G.), CBA-8 (§ 25.F.), CBA-9 (§ 31.H.), CBA-10 (§ 33.H.), CBA-11 (§ 39.H.), CET-1 (§ 43.H.), Reopener-1 (§ 31.H.), Reopener-2 (§ 25.F.), Reopener-3 (§ 39.H.), Reopener-4 (§ 20.H.).

<sup>v</sup> CBA-2 (§ 35.G.).

<sup>w</sup> CET-2 (§47.G.).

<sup>x</sup> CBA-1 (§ 43.G.), CBA-2 (§ 35.G.), CET-2 (§ 47.G.).

<sup>y</sup> CBA-1 (§ 43.G.), CBA-2 (§ 35.H.), CET-1 (§ 48.H.), CET-2 (§ 47.G.).

<sup>z</sup> CBA-10 (§ 33.U.).

<sup>aa</sup> CBA-3 (§ 46.V.), CBA-10 (§ 33.U.).

- (f) If a retiree dies before receipt of *Straight Life Retirement* allowance payments in an aggregate amount equal to, but not exceeding, the retirees accumulated contributions in the *Annuity Savings Fund* at the time of retirement, the difference between these accumulated contributions and the aggregate amount of *Straight Life Retirement* allowance payments received, shall be paid to such person or persons nominated by written designation duly executed by the retiree and filed with the Board. If there is no such designated person or persons surviving the retiree, such difference shall be paid to his or her estate. In no case shall any benefits be paid under this section because of the death of a retiree if the retiree had elected any of the Options provided for in Section 47-2-9 of this Code.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 02-08, § 1, 1-23-08)

#### **Sec. B-6. [Formerly Sec. 47-2-6. Disability Retirement.<sup>95</sup>]**

- (a) *Duty Disability; Eligibility.* Upon the application of a member or the member's department head, a member who becomes totally and permanently incapacitated for duty in the employ of the employer shall be retired by the Board; provided, such incapacity is found by the Board to be the natural and proximate result of the actual performance of duty, without willful negligence on the part of the member; provided further, that the Retirement System Medical Director shall certify to the Board after a medical examination, that such member is mentally or physically totally and permanently incapacitated for the further performance of duty to the employer, and that such member should be retired from City service.

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#### **By Agreement**

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Effective September 28, 2010 [or Effective February 11, 2010<sup>bb</sup> or upon approval of Board of Water Commissioners<sup>cc</sup> or Effective February 16, 2020 (Local 531) and effective March 9, 2010 (Local 488)<sup>dd</sup> or Effective March 30, 2010<sup>ee</sup>], any employee [or any employee covered by this agreement<sup>ff</sup>] who is seeking a duty disability retirement, shall have an examination conducted by an independent medical examiner (IME). If the IME concludes that the employee's physical or medical condition does not relate to his/her employment with the City of Detroit, the employee shall not be eligible for the duty disability retirement.<sup>gg</sup>

- (b) *Duty disability; Benefits.* <sup>96</sup> Upon retirement for disability as provided in Section 47-2-6(a) of this Code, a retiree shall receive the following benefits:
- (1) Any member who is eligible for a *Service Retirement* under Section 47-2-4(a) or (b) of this Code shall receive a *Service Retirement Allowance* as provided in Section 47-2-5 <sup>97</sup> of this Code and shall have the right to elect an option provided for in Section 47-2-9 <sup>98</sup> of this Code.
  - (2) Any member prior to eligibility for a *Service Retirement* under Section 47-2-4(a) or (b) of this Code shall receive a *Disability Retirement Allowance* to begin as of the date of disability. In no case shall the *Disability Retirement Allowance* be retroactive to more than six months before the date the application for Disability Retirement is filed with the Board, or prior to the date the member's name last appeared on a City payroll with pay, whichever is later. The *Disability Retirement Allowance* shall continue until the

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<sup>bb</sup> CBA-3 (§ 46.K.), CBA-8 (§ 25.K.), CBA-9 (§ 31.K.), Reopener-1 (§ 31.K.), Reopener-2 (§ 25.K.), Reopener-3 (§ 39.K.).

<sup>cc</sup> CBA-5 (§ 20.K.), Reopener-4 (§ 20.K.).

<sup>dd</sup> CBA-6 (§ 26.K.).

<sup>ee</sup> CBA-7 (§ 26.K.).

<sup>ff</sup> CBA-3 (§ 46.K.), CBA-5 (§ 20.K.), CBA-6 (§ 26.K.), CBA-7 (§ 26.K.), CBA-9 (§ 31.K.), CBA-11 (§ 39.K.), CET-1 (§ 48.K.), Reopener-1 (§ 31.K.), Reopener-2 (§ 25.K.), Reopener-3 (§ 39.K.), Reopener-4 (§ 20.K.).

<sup>gg</sup> CBA-3 (§ 46.K.), CBA-5 (§ 20.K.), CBA-6 (§ 26.K.), CBA-7 (§ 26.K.), CBA-9 (§ 31.K.), CBA-11 (§ 39.K.), CET-1 (§ 48.K.), Reopener-1 (§ 31.K.), Reopener-2 (§ 25.K.), Reopener-3 (§ 39.K.), Reopener-4 (§ 20.K.).



member reaches eligibility for *Service Retirement* or recovers prior to that event. Upon reaching eligibility for *Service Retirement*, he or she shall receive a pension as provided in Sections 47-2-5(b)—(e) of this Code, together with an annuity which shall be the equivalent of the annuity which would have been received had contributions to the *Annuity Savings Fund* continued. Said contributions are to be based on the final compensation at the date of disability and the annuity percentage in effect for the employee on the July first prior to the effective date the employee is added to the disability retirement payroll, provided said July first is at least six months prior to the effective date that the employee is added to the regular retirement payroll. In computing the pension, membership service credit shall be given for the period a *Duty Disability Retirement Allowance* is received. The *Disability Retirement Allowance* shall consist of:

- aa. *Cash Refund Annuity*<sup>99</sup> which shall be the actuarial equivalent of the member's accumulated contributions in the *Annuity Savings Fund* at the time of retirement. If a retiree dies before receipt of annuity payments in an aggregate amount equal to, but not exceeding, the retiree's accumulated contributions, the difference between the accumulated contributions and the aggregate amount of annuity payments received shall be paid in a single lump sum to such person or persons nominated by written designation duly executed and filed with the Board. If there is no such designated person surviving the retiree, such difference shall be paid to the retiree's estate.
- bb. In addition to the *Annuity*, a *Pension*<sup>100</sup> of sixty-six and two-thirds of the member's Average Final Compensation at the time of disability, subject to the provisions of Sections 47-2-13 and 47-2-14 of this Code. This *Pension* shall in no event exceed fifty-seven hundred dollars (\$5,700.00) per annum.
- cc. *For members who retired on disability on or after January 1, 1999, a pension*, in addition to the *Annuity*, of sixty-six and two-thirds of the member's average compensation at the time of disability subject to the provisions of Sections 47-2-13 and 47-2-14 of this Code. This *Pension* shall in no event exceed nine thousand dollars (\$9000.00) per annum.

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**By Agreement**

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Effective January 1, 1999 [or July 1, 2012<sup>hh</sup>], the maximum annual amount payable to an individual on a Duty Disability pension shall be increased to \$9,000 and for Non-Duty Disability pension to \$6,000.<sup>ii</sup>

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- (c) *Non-Duty Disability; Eligibility.*<sup>101</sup> Upon the application of a member or the member's department head, a member who has at least ten years of credited service who becomes totally and permanently incapacitated for duty as a result of causes which do not occur in the actual performance of duty to the employer, may be retired by the Board if the Medical Director certifies to the Board after examination that such member is mentally or physically totally incapacitated for the further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired.
  - (d) *Non-Duty Disability; Benefits.*<sup>102</sup> Upon retirement for disability as provided in Section 47-2-6(c) of this Code, a member shall receive the following benefits:
    - (1) After attaining sixty years of age, a member shall receive a *Service Retirement Allowance* as provided in Section 47-2-5 of this Code and shall have the right to elect an Option as provided in Section 47-2-9<sup>103</sup> of this Code.
    - (2) Prior to age sixty, a member shall receive benefits as provided in Section 47-2-6(d)(2)aa—dd<sup>104</sup> of this Code:

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<sup>hh</sup> CET-2 (§ 47.I.)

<sup>ii</sup> CBA-1 (§ 43.I.), CBA-2 (§ 35.K.), CBA-3 (§ 26.H.), CBA-4 (§ 15.J.), CBA-5 (§ 20.J.), CBA-6 (§ 26.J.), CBA-7 (§ 26.I.), CBA-8 (§ 25.H.), CBA-9 (§ 31.J.), CBA-10 (§ 33.J.), CBA-11 (§ 39.J.), CET-2 (§ 47.I.), Reopener-1 (§ 31.J.), Reopener-2 (§ 25.H.), Reopener-3 (§ 39.J.), Reopener-4 (§ 20.J.).

- aa. A *Cash Refund Annuity*<sup>105</sup> which shall be the actuarial equivalent of the member's accumulated contributions in the *Annuity Savings Fund* at the time of retirement. In the event a retiree dies before the total of the *Cash Refund Annuity* payments received equals or exceeds the amount of his or her accumulated contributions at the time of retirement, the remainder shall be paid in a single lump sum to such person or persons nominated by written designation duly executed by the member and filed with the Board. If there is no such designated person or persons surviving, any such remainder shall be paid to the retiree's estate.
- bb. In addition to the *Annuity*, a *Disability Pension*<sup>106</sup> which shall be based on the *Service Retirement* factors in effect on the effective date of disability. The service retirement factors shall be multiplied by the *Average Final Annual Compensation* multiplied by the number of years and fractions of years of service credited to the retiree. In addition, a basic pension of twelve dollars (\$12.00) per annum for a maximum of ten years of credited service shall be added for a total not to exceed one hundred twenty dollars (\$120.00) and adjustments thereto, as calculated pursuant to applicable provisions of the Detroit City Charter, as amended, and the Detroit City Code, as amended. Said *Disability Pension* shall begin as of the date of the disability. However, in no case shall the pension begin more than six months before the date the application for disability retirement was filed with the Board, or prior to the date his or her name last appeared on a City payroll with pay, whichever is later. Payment of the *Disability Pension* shall continue to age sixty. Said *Disability Pension* shall not exceed thirty-nine hundred dollars (\$3900.00) per annum, and shall be subject to the provisions of Sections 47-2-13 and 47-2-14 of this Code.
- cc. A member who retired on disability on or after January 1, 1999 shall receive a *Disability pension* as provided for in Section 47-2-6(d)(2)bb of this Code. Said *Disability Pension* shall not exceed six thousand dollars (\$6,000.00) per annum, and shall be subject to the provisions of Sections 47-2-13 and 47-2-14 of this Code.
- dd. Effective July 1, 1967, notwithstanding the limitations contained in Section 47-2-6(d)(2)bb of this Code, disability retirees under Section 47-2-6(c) of this Code, who retired (1) prior to August 13, 1953, shall receive a supplementary *Pension* of forty dollars (\$40.00) per month; or (2) after August 13, 1956 and prior to July 1, 1966, shall receive a supplementary pension of twenty dollars (\$20.00) per month.
- ee. *Upon Attaining Age Sixty*, the retiree shall receive a *Pension* computed according to the provisions of Section 47-2-5(b)-(e) of this Code; provided, that no service credit shall be given for the time a *Disability Pension* provided for in Section 47-2-6(d)(2)b of this Code was received. Upon attaining age sixty, the retiree shall have the right to make an election under Section 47-2-9 of this Code.

(Ord. No. 29-01, § 1, 11-30-01)

## **Sec. B-7. [Formerly Sec. 47-2-7. Accidental Death Benefit; Performance of Duty.<sup>107</sup>]**

If a member is killed in the performance of duty in the service of the employer, or dies as the result of illness contracted or injuries received while in the performance of duty in the service of the employer, and such death, illness, or injuries resulting in death, is found by the Board to have resulted from the actual performance of duty in the service of the employer, the following benefits shall be paid, subject to Section 47-2-13 of this Code:

- (a) *Annuity Savings Fund*.<sup>108</sup> accumulated savings in the members *Annuity Savings Fund* at the time of death shall be paid in a single lump sum to such person or persons as the member nominated in a writing duly executed and filed with the Board. In the event there is no designated person or persons surviving the member, the accumulated contributions shall be paid to the member's estate.
- (b) A *Pension*<sup>109</sup> of one-third of the final compensation of said member shall be paid to the surviving spouse to continue until remarriage. If an unmarried child, or children under age eighteen also survive the deceased member, each surviving child shall receive a pension of one-fourth of said final compensation, to be divided equally. Upon any such child's adoption, marriage, attainment of age eighteen, or death, whichever occurs first, such child's pension shall terminate and there shall be a redistribution by the Board to the surviving

eligible children under age eighteen. In no event shall any child receive a pension of more than one-fourth of said final compensation.

- (c) *No Surviving Spouse; Children.* <sup>110</sup> If there is no surviving spouse, or if such surviving spouse dies or remarries before the youngest surviving child of a deceased member shall have attained the age of eighteen, any unmarried child or children under age eighteen, if any, shall receive a *Pension* equal to one-fourth of the deceased member's final compensation; provided, that if there are more than two such surviving children, each shall receive a pension of an equal share of one-half of said final compensation. Upon any such child's adoption, marriage, attainment of age eighteen, or death, whichever occurs first, the child's *Pension* shall terminate and there shall be a redistribution by the Board to the surviving eligible children under age eighteen. In no case shall any such child's *Pension* be more than one-fourth of the deceased member's final compensation.
- (d) *Annual Limit.* <sup>111</sup> The total amount payable under Section 47-2-7(b) and (c) of this Code on account of the death of a member, shall not exceed nine thousand dollars (\$9,000.00) per annum.

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<b>By Agreement</b>
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The maximum amount of the Accidental Death Benefit as found in Chapter VI, Article VI, Part C, Section 1, Paragraphs B and C of the City Charter shall be increased from \$2,400 to \$5,700 [or \$9,000<sup>jj</sup>] per annum.<sup>kk</sup>

- (e) *Dependent Father and/or Mother.* <sup>112</sup> If the deceased member has no surviving spouse or children eligible for pensions under this section, a *Pension* equal to one-sixth of the deceased member's final compensation shall be paid to the member's surviving dependent father and/or mother; provided that in no case shall either parent's *Pension* exceed fifty dollars (\$50.00) per month. Payment to a dependent parent or parents shall be contingent upon a finding by the Board of Trustees after investigation that such parent or parents were actually dependent upon said deceased member through a lack of earning power resulting from physical or mental disability.
- (f) *Section 47-2-13 of this Code Applicable.* <sup>113</sup> The benefits provided in Section 47-2-7 of this Code shall be subject to Section 47-2-13 of this Code.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. B-8. [Formerly Sec. 47-2-8. Accumulated Contributions; Return of 1973 Defined Contribution Plan Amount.<sup>114</sup>]**

- (a) Cessation of Employment.
- (1) If a member ceases to be an employee of the employer before becoming eligible for a *Pension* paid out of City contributions to the Retirement System, such member shall be paid all or part of the member's *Annuity Savings Fund, being the 1973 Defined Contribution Plan* amount, as the member shall demand by written application filed with the Board.
- (2) Except as otherwise provided in this Article, upon death a member's *Annuity Savings Fund* shall be paid to such person or persons nominated in a written designation duly executed by the member and filed with

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<sup>jj</sup> CBA-2 (§ 35.L.), CBA-3 (§ 46.H.), CBA-6 (§ 26.J.), CBA-8 (§ 25.H.), CBA-9 (§ 31.L.), CBA-10 (§ 33.J.), CBA-11 (§ 39.J.), CET-2 (§ 47.J.), Reopener-1 (§ 31.L.), Reopener-2 (§ 25.H.).

<sup>kk</sup> CBA-2 (§ 35.L.), CBA-3 (§ 46.H.), CBA-4 (§ 15.J.), CBA-5 (§ 20.J.), CBA-6 (§ 26.J.), CBA-7 (§ 26.L.), CBA-8 (§ 25.H.), CBA-9 (§ 31.L.), CBA-10 (§ 33.J.), CBA-11 (§ 39.J.), CET-1 (§ 48.J.), CET-2 (§ 47.J.), Reopener-1 (§ 31.L.), Reopener-2 (§ 25.H.), Reopener-3 (§ 39.J.), Reopener-4 (§ 20.J.).

the Board. In the event there is no such designated person or persons surviving, the member's said accumulated contributions shall be paid to the member's estate.

- (3) If a member who dies without a legal will has not nominated a beneficiary as provided in Section 47-2-8(a)(2) of this Code, the member's accumulated Annuity Savings Fund contributions at the time of death may be used to pay burial expenses if the member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.
- (4) Accumulated contributions to be returned as provided in this section may be paid in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time. After a member ceases to be a member, any balance in the *Annuity Savings fund* which is unclaimed by the said member or the member's heirs, shall remain a part of the funds of the Retirement System and shall be transferred to the *Pension Accumulation Fund*.
- (b) *One Time Withdrawal; Twenty-Five Years.* Prior to the receipt of the first retirement benefit check, employees with twenty-five or more years of service shall be allowed to withdraw either a partial or full amount of their accumulated contributions, one time only.
- (c) *One Time Withdrawal; Duty and Non-Duty Disability Retirees.* Duty and non-duty disability retirees shall be allowed to withdraw either a partial or full amount of their accumulated contributions one time only.
- (d) *One Time Withdrawal.* Withdrawal by a member under either (b) or (c) of this Section 47-2-8 constitutes the one time withdrawal allowed.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. B-9. [Formerly Sec. 47-2-9. Retirement Allowance Options.<sup>115</sup>]**

- (a) *Election by Member.* Until the first retirement allowance payment check is cashed, or six months after the first payment check is issued but not thereafter, any member may elect to receive a straight life retirement allowance payable throughout life, or the member may elect to receive the actuarial equivalent of the *Straight Life Retirement Allowance* computed as of the effective date of retirement, in a reduced retirement allowance payable throughout life, with the exception that there will be no reduction in the benefits received pursuant to Section 47-2-5(e) of this Code; and nominate a beneficiary, in accordance with the options set forth below:

*Option One. Cash Refund Annuity.*<sup>116</sup> If a retiree who elected a Cash Refund Annuity dies before payment of the annuity portion of the reduced retirement allowance has been received in an aggregate amount equal to, but not exceeds the retiree's accumulated contributions in the *Annuity Savings Fund* at the time of retirement, the difference between said accumulated contributions and the aggregate amount of annuity payments already received, shall be paid in a single lump sum to such person or person nominated by written designation duly executed by the member and filed with the Board. If there are no such designated person or persons surviving said retiree, any such difference shall be paid to the retiree's estate.

*Option Two. Joint and One Hundred Percent Survivor Allowance.*<sup>117</sup> Upon the death of a retiree who elected a *Joint and One Hundred Percent Survivor Allowance*, one hundred percent of the reduced retirement allowance shall be paid to and continued throughout the life of the person nominated by written designation duly executed and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

*Option "A". Joint and Seventy-Five Percent Survivor Allowance.* Upon the death of a retiree who elected a *Joint and Seventy-Five Percent Survivor Allowance*, seventy-five percent of the reduced retirement allowance shall be continued throughout the life of and paid to the person nominated by written designation duly executed by the member and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

*Option Three. Joint and Fifty Percent Survivor Allowance.* Upon the death of a retiree who elected a *Joint and Fifty Percent Survivor Allowance*, fifty percent of the reduced retirement allowance shall be continued throughout the life of and paid to the person nominated by written designation duly executed by the member and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

*Option "B". Joint and Twenty-Five Percent Survivor Allowance.* Upon the death of a retiree who elected a *Joint and Twenty-Five Percent Survivor Allowance*, twenty-five percent of the reduced retirement allowance shall be paid throughout the life of the person nominated by written designation duly executed and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

- (b) *Joint and Survivor Optional Forms of Payment.* The *Joint and Survivor Optional Forms of Payment* provided under Section 47-2-9(a) of this Code shall be made available in either the standard form or the pop-up form, as follows:
- (1) *Standard Form.* Under the *Standard Form*, the reduced retirement allowance shall be paid throughout the lifetime of the retiree.
  - (2) *Pop-up Form.* Under the *Pop-up Form*, the reduced allowance shall be paid throughout the lifetime of the retiree and the designated beneficiary. In the event of the death of the designated beneficiary during the lifetime of the retiree, the amount of the allowance shall be changed to the amount that would have been payable had the retiree elected the *Straight Life Form of Payment*.
- (c) *Coordination of Benefits.* According to such rules and regulations as the Board shall adopt, until the first payment of a retirement allowance becomes due, but not thereafter, a member under age sixty-five may elect to have the member's *Straight Life Retirement Allowance* provided for in Section 47-2-5 of this Code equated on an actuarial equivalent basis to provide an increased retirement allowance payable to age sixty-two or age sixty-five, and to provide a decreased retirement allowance thereafter. The increased retirement allowance payable to such age shall approximate the total of the decreased retirement allowance payable thereafter and the estimated social security benefit. If a member elects to receive increased and then decreased retirement allowance payments provided for in this paragraph, he or she may also elect to have such payments reduced by electing one of the optional forms of payment provided for in paragraph (a) of this section. This coordination of benefits option shall not create any additional actuarial costs. **[This provision shall include all Employees who retire on or after July 1, 1974, and shall be retroactive to that date.]**<sup>11</sup>

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. B-10. [Formerly Sec. 47-2-10. Benefits for Surviving Spouses; Generally.]<sup>118</sup>**

- (a) The surviving spouse of any member who dies while in the employ of the City or in the employ of a second governmental unit as provided in Section 47-2-15 of this Code after the date such member either (1) has earned twenty years of credited service regardless of age, or (2) has earned eight years of credited service and has attained age sixty-five, or (3) has earned ten or more years of credited service and has attained age sixty, shall receive a retirement allowance. The spouse's retirement allowance shall be computed according to Section 47-2-5 of this Code in the same manner in all respects as if the said member had retired effective the day preceding the member's death, notwithstanding that the member had not attained age sixty, elected a *Joint and One Hundred Percent Survivor Allowance* as provided for in Section 47-2-9 of this Code, and nominated the surviving spouse as beneficiary. Prior to the date the first payment of the retirement allowance provided hereunder becomes due, the said beneficiary may elect to receive the deceased member's accumulated contributions in the Annuity Savings Fund. No payments shall be made under this section on account of the death of a member if any benefits are paid under Section 47-2-7<sup>119</sup> of this Code. If there is no eligible surviving spouse, dependent children shall be paid a total of nine thousand dollars (\$9,000.00) which shall be divided equally among all eligible dependents until the youngest child reaches age nineteen, or for life, if a child is permanently physically or mentally impaired.

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<sup>11</sup> CBA-1 (§ 43.B.), CBA-2 (§ 35.B.), CET-2 (§ 47.B.).



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## By Agreement

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Effective January 1, 1999, minor dependents under age nineteen (19) or permanently mentally or physically impaired dependent children who become impaired prior to age nineteen (19) of Employees who die with twenty (20) years of service without a surviving spouse shall receive a payment of nine thousand dollars (\$9,000) per year which shall be divided equally amongst all eligible dependents. The payment will cease when the last minor attains age nineteen (19) or for mentally or physically impaired children at death. There shall be no retirement escalator for this payment.<sup>mm</sup>

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- (b) In addition to in-service death benefits which existed prior to July 1, 1998 for members with twenty or more years of service, if a member dies on or after July 1, 1998 [or January 1, 1999<sup>nn</sup> or July 1, 1999<sup>oo</sup>], after having attained fifteen or more but less than twenty years of creditable service at any age below sixty, the surviving spouse will be paid a *Fifty Percent Joint and Survivor* election. If there is no eligible surviving spouse, dependent children shall be paid a total of six thousand dollars (\$6,000.00) which shall be divided equally among all eligible dependents until the youngest child reaches age nineteen, or for life if a child is permanently physically or mentally impaired.

(Ord. No. 29-01, § 1, 11-30-01)

### **Sec. B-11. [Formerly Sec. 47-2-11. Benefits for Surviving Spouses; Disability Retirees.<sup>120</sup>]**

The surviving spouse of a disability retiree who retired under the provisions of Section 47-2-6 of this Code and who died before the age of sixty shall receive a retirement allowance computed in the same manner as if the disability retiree had been a member who became eligible for benefits under Section 47-2-10 of this Code, provided the disability retiree had earned fifteen or more years of credited service. In the case of a non-duty disability retiree, credited service shall be determined on the effective date of the non-duty disability retirement. In the case of a duty disability retiree, credited service shall be determined on the date of death of the disability retiree assuming City employment had continued until the date of death.

(Ord. No. 29-01, § 1, 11-30-01)

### **Sec. B-12. [Formerly Sec. 47-2-12. Disposition of Surplus Benefits upon Death of Retiree and Beneficiary.<sup>121</sup>]**

If under a *Joint and One Hundred Percent Survivor allowance*, a *Joint and Seventy-Five Percent Survivor allowance*, a *Joint and Fifty Percent Survivor allowance*, or a *Joint Twenty-Five Percent Survivor allowance* as provided for under Section 47-2-9 of this Code, both a retiree and beneficiary die before they have received in retirement allowance payments, an aggregate amount equal to the retiree's accumulated contributions in the annuity savings fund at the time of retirement, the difference between the said accumulated contributions and the said aggregate amount of retirement allowances paid the retiree and beneficiary, shall be paid in a single lump sum to such person or persons nominated by written designation of the retiree duly executed and filed with the Board. If there are no person or persons surviving retiree and beneficiary, any such difference shall be paid to the retiree's estate.

(Ord. No. 29-01, § 1, 11-30-01)

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<sup>mm</sup> CBA-1 (§ 43.K.), CBA-2 (§ 35.M.), CBA-3 (§ 46.I.), CBA-4 (§ 15.K.), CBA-5 (§ 20.L.), CBA-6 (§ 26.L.), CBA-7 (§ 26.J.), CBA-8 (§ 25.I.), CBA-9 (§ 31.L.), CBA-10 (§ 33.K.), CBA-11 (§ 39.L.), CET-1 (§ 48.L.), CET-2 (§ 47.K.), Reopener-1 (§ 31.L.), Reopener-2 (§ 25.I.), Reopener-3 (§ 39.L.), Reopener-4 (§ 20.L.).

<sup>nn</sup> CBA-1 (§ 43.L.), CBA-2 (§ 35.N.), CBA-3 (§ 46.J.), CBA-8 (§ 25.J.), CET-2 (§ 47.L.), Reopener-2 (§ 25.J.).

<sup>oo</sup> CBA-6 (§ 26.M.).

**Sec. B-13. [Formerly Sec. 47-2-13. Pensions Offset by Compensation Benefits; Subrogation.<sup>122</sup>]**

- (a) *Generally.* Any amounts which may be paid or payable to a member, retiree, or to the dependents of a member or retiree on account of any disability or death under the provisions of any Workers' Compensation, pension, or similar law, except federal Social Security old-age and survivors' and disability insurance benefits, shall be offset against any pensions payable from funds of the Retirement System on account of the same disability or death. If the present value of the benefits payable under said Workers' Compensation, pension, or similar law, is less than the pension reserve for said pension payable by the Retirement System, the present value of the said Workers' Compensation, pension, or similar legal benefit shall be deducted from the Pension Reserve, and such pensions as may be provided by the Pension Reserve so reduced shall be payable as provided in this Article.
- (b) *The City's right of subrogation.*<sup>123</sup> In the event a person becomes entitled to a pension payable by the Retirement System because of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of said person against such third party to the extent of the benefit which the City pays or becomes liable to pay.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. B-14. [Formerly Sec. 47-2-14. Disability Retirees; Reexamination; Authority of the Board.<sup>124</sup>]**

- (a) *Medical examination.* At least once each year during the first five years following the retirement of a member with a Disability Retirement Allowance or Disability Pension, and at least once in every three year period thereafter, the Board may, and upon the retiree's application shall require that any disability retiree who has not attained age sixty undergo a medical examination, to be made by, or under the direction of, the Medical Director. Should any such disability retiree who has not attained age sixty refuse to submit to at least one such medical examination in any such period, the retiree's retirement allowance or pension may be discontinued by the Board until withdrawal of such refusal. Should such refusal continue for one year, all of the disability retiree's rights in and to the Pension portion of the Retirement Allowance may be revoked by the Board. If upon such examination of a disability retiree, the Medical Director reports that the retiree is physically able and capable of resuming employment, and such report is concurred in by the Board, the retiree shall be restored to active service with the City and the Disability Retirement Allowance shall terminate.
- (b) *Other employment.* If such disability retiree is or becomes engaged in a gainful occupation, business, or employment paying more than the difference between the retiree's Disability Retirement Allowance and final compensation, the Pension portion of the Disability Retirement Allowance shall be reduced by the amount of such difference. If the amount of the earnings changes, the Pension may be adjusted accordingly.
- (c) *Reinstatement to active service.* A disability retiree who has been, or shall be, reinstated to active service in the employ of the City as provided in this Section, shall again become a member of the Retirement System. All credited service at the time of the retirement shall be restored to full force and effect and a duty disability retiree shall be given membership service credit for the period said retiree was out of service due to such duty disability.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. B-15. [Formerly Sec. 47-2-15. Transfer of department or department functions; Generally.<sup>125</sup>]**

In the event a function or functions of a City Department or the Department itself is transferred to the federal or state government, or to a political subdivision of the state (second governmental unit), a member of the Retirement System whose employment is transferred from the City to the second governmental unit shall be entitled to a retirement allowance payable by the Retirement System subject to the following conditions:

- (a) *Employment within sixty days of transfer.* The employee enters the employment of the second governmental unit within sixty days from and after the effective date of the transfer of the function or functions of a City Department or the Department itself to the second governmental unit.
- (b) *Credited service combined; ten year minimum.* The employee's credit service as a member of the Retirement System plus any credited service acquired in the employ of the second governmental unit totals at least ten years;
- (c) *Retirement; second governmental unit.* If the employee retires from the employment in the second governmental unit on account of age and service, the employee's Retirement Allowance shall be computed in accordance with Section 47-2-4(b) or Section 47-2-5 of this Code, whichever is applicable. If the employee retires from employment in the second governmental unit because of total and permanent disability arising from non-service connected causes, the Retirement Allowance shall be computed in accordance with Section 47-2-6(d) of this Code. In computing the Retirement Allowance, the basic pension shall not exceed twelve dollars (\$12.00) per year for a maximum of ten years for a total amount to not exceed one hundred twenty dollars (\$120.00), and the membership service pension shall be based only upon City-credited service existing at the time of transfer. In determining the Average Final Compensation defined in Section 47-1-21 of this Code, the compensation received as an employee of the second governmental unit shall be regarded as compensation paid by the City. If the employee leaves the employ of the second governmental unit with a deferred retirement allowance, no City retirement allowance shall be paid unless the employee has met the requirements of Section 47-2-4(d)(1) of this Code.
- (d) *Allowance starting date.* The retirement allowance shall begin upon retirement from the employment of the second governmental unit, but in no event prior to the date the employee would have become eligible for retirement had the employee continued in City employment. If retirement is because of total and permanent disability arising from non-service-connected causes, the retirement allowance shall begin upon the approval of retirement by the Board.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. B-16. [Formerly Sec. 47-2-16. Pension improvement factor.<sup>126</sup>]**

- (a) *Increase of pension.* <sup>127</sup> On or after July 1, 1992, and the first day of July of each year thereafter, the pension portion of any Retirement Allowance or Accidental Death Benefit which is paid or payable under this Article shall be increased by a factor of two point twenty-five percent (2.25%), computed on the basis of the amount of the original pension received at the time of retirement, including, if applicable, any supplemental pensions provided under this Article; provided, that the recipient of said pension shall have been on the retirement rolls at least one year prior to said July first date. If the recipient has been on the retirement payroll less than one year prior to said July first date, the amount of the increase shall be prorated accordingly.
- (b) *Payment.* <sup>128</sup> the pension improvement factor of two point twenty-five percent (2.25%) provided for in Section 47-2-16(a) of this Code, shall be payable notwithstanding any Retirement Allowance or pension amount limitation provisions in this Article to the contrary.

(Ord. No. 29-01, § 1, 11-30-01)



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**By Agreement**

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After the effective date of the City Employment Terms between the City of Detroit and Police Officers Association of Michigan presented to the Union on July 18, 2012, employees will no longer receive the two and one-quarter percent (2.25%) per annum escalation.<sup>pp</sup>

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Effective April 1, 2013, the post-retirement escalator factor for all service after that date shall be eliminated.<sup>qq</sup>

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Effective on the first month after ratification, the cost of living allowance for all service after that date shall be eliminated.<sup>rr</sup>

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**Sec. B-17. [Formerly Sec. 47-2-17. Funds.]**

The *1973 Defined Benefit/Defined Contribution (Annuity) Plan* shall consist of the *Annuity Savings Fund*, the *Annuity Reserve Fund*, the *Pension Accumulation Fund*, the *Pension Reserve Fund*, and the *Income Fund*.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. B-18. [Formerly Sec. 47-2-18. Method of financing.<sup>129</sup>]**

(a) Annuity Savings Fund of the 1973 Defined Contribution Plan.<sup>130</sup>

- (1) The *Annuity Savings Fund* of the *1973 Defined Contribution Plan* shall be the fund in which shall be accumulated at regular interest, in accordance with the limitations that are contained in Section 47-1-18 of this Code, the contributions of Members to provide their annuities. At the election of the Member, the amount of the basic contribution of a Member to the Retirement System may be zero percent (0%), three percent (3%), five percent (5%), or seven percent (7%) of annual compensation. If a Member elects three percent (3%), his or her contribution shall be that amount which is subject to taxation under the provisions of the *Federal Insurance Contribution Act*, 26 USC 3101 et seq. (Act), plus five percent (5%) of the portion of annual compensation, if any, which exceeds the amount subject to taxation under that Act.
- (2) The contribution rate elected by the Member under Section 47-2-18(a)(1) of this Code shall be deducted from the Members' compensation notwithstanding that the minimum compensation provided by law for any Member shall be reduced thereby. Payment of compensation, less said deductions, shall be a complete discharge of all claims and demands whatsoever for the services rendered by the said Member during the period covered by such payment, except as to benefits provided under this Article.
- (3) Upon retirement of a Member with a *Retirement Allowance*, the Member's accumulated contributions shall be transferred from the *Annuity Savings Fund* to the *Annuity Reserve Fund*, refunded to the Member, or a combination thereof.

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<sup>pp</sup> CBA-1 (§ 43.M.), CBA-2 (§ 35.O.), CET-1 (§ 48.N.)(referencing the effective date of their own CET), CET-2 (§ 47.P(1)(referencing the effective date of their own CET).

<sup>qq</sup> CBA-3 (§ 46.V.).

<sup>rr</sup> CBA-10 (§ 33.U.).

**Pension – Employer Contribution (414h Plan):**

Upon notification by the Union to the City of its desire to activate a 414(h) Plan, the City will take steps to implement the provisions contained in the following paragraphs. The Union initiated the discussions and proposed the provisions contained in the paragraphs and the parties recognize and agree that it will take some time before this program can become operational due to the necessity of making changes in the City's computerized payroll system.

It is hereby agreed that every member of this bargaining unit shall be required to make contributions in the amount of 5% of their annual compensation to the Annuity Savings Fund of the General Retirement System. The said 5% employee contribution to the Retirement system Annuity Fund, although designated as employee contributions, shall be paid by the City of Detroit in lieu of contributions by the employee. The employee shall not have the option of choosing to receive the contributed amount directly instead of having them paid by the employer to the annuity fund. There shall be no additional contribution expense to the City of Detroit, and the amounts so contributed by the employer on behalf of the employee shall be treated, for tax purposes, as employer contributions and thus shall not be taxable to the employee until these amounts are distributed or made available to the employee.

These provisions shall not affect the amount or benefits level of the retirement allowance, or the City of Detroit's obligation thereto.<sup>ss</sup>

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- (b) *Annuity Reserve Fund.* <sup>131</sup> The *Annuity Reserve Fund* shall be the fund, from which all annuities and benefits in lieu of annuities payable as provided in this Article, shall be paid. If a disability retiree is reinstated to active City service, the retiree's Annuity Reserve at that time shall be transferred from the *Annuity Reserve Fund* to the *Annuity Savings Fund* and credited to his or her individual account therein.
- (c) *Pension Accumulation Fund.* <sup>132</sup> The *Pension Accumulation Fund* shall be the fund in which shall be accumulated reserves for the pensions and other benefits payable from the contributions made by the City, and from which shall be paid pensions and other benefits on account of Members with prior service credit, and transfers as provided in this Section, Contributions to and payments from the *Pension Accumulation Fund* shall be made as follows:
- (1) Upon the basis of such mortality and other tables of experience and Regular Interest, as the Board shall adopt from time to time, the Actuary shall annually compute the amount of contributions, which, when made annually by the City during the entire prospective City service of Members without prior service credit, will be sufficient to provide the pension reserves required at the time the Members leave City employment, to cover the pensions to which they might be entitled or which might be payable because of their City employment. Upon the retirement of a Member without prior service credit, or upon a Member's death in the performance of duty, the *Pension Reserve Fund* for the pension or pensions to be paid on the Member's account shall be transferred from the *Pension Accumulation Fund* to the *Pension Reserve Fund*.
  - (2) Upon the basis of such mortality and other tables of experience and regular interest as the Board shall adopt from time to time, the Actuary shall compute annually the pension reserve liabilities for pensions being paid to Retirees and Beneficiaries.
  - (3) On an annual basis, the Board shall ascertain and report to the Mayor and the Council the amount of City contributions due to the System. The Council shall appropriate and the City shall pay such contributions during the ensuing Fiscal year. When paid, such contributions shall be credited to the *Pension Accumulation Fund*.

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<sup>ss</sup> CET-1 (§ 48.O.), CBA-11 (§ 39.S.).

- (4) If the amount appropriated by the City and paid to the System for any Fiscal year is insufficient to make the transfers and pay the pensions from the *Pension Accumulation Fund* as provided in this Section, the amount of such insufficiency shall be provided by the appropriating authorities of the City.
- (d) *Accrued Liability Fund.* Pursuant to Ordinance No. 5-05, which authorizes the creation of the *Detroit General Retirement Service Corporation*, the City has entered into a transaction (the "Pension Funding Transaction") to obtain funds as an alternative to those available through the traditional funding mechanism described above in Subsection (c). The proceeds generated by the Pension Funding Transaction (or any Additional Pension Funding Transactions, as described below) that will be deposited into the System will be termed the "Funding Proceeds." The Funding Proceeds will be deposited into a new fund in the System to be called the *Accrued Liability Fund*. The purpose of the Funding Proceeds will be to fund all or part of the heretofore unfunded actuarial accrued liability ("UAAL") of the System, as determined as of a date certain, that is, the "Determination Date," pursuant to the System's actuarial valuation as of that date. The Funding Proceeds will be assets of the System and will be applied, together with all other assets of the System, to fund the System's obligation to pay accrued benefits.

This *Accrued Liability Fund* shall contain only the Funding Proceeds of this Pension Funding Transaction, and any earnings thereon. Should the City, by future ordinance, choose to raise additional moneys by additional pension funding transactions ("Additional Pension Funding Transactions") in order to fund the then existing UAAL of the System as of a future date certain, a new and separate *Accrued Liability Fund* shall be created within the System to contain the proceeds, and any earnings thereon, of any Additional Pension Funding Transactions, and a new *Accrued Liability Fund* will be created for each successive Additional Pension Funding Transaction undertaken by the City, if any. The treatment of any Additional *Accrued Liability Fund* shall be the same as described below:

- (1) The Funding Proceeds deposited in the *Accrued Liability Fund* will be subject to the oversight and investment direction of the Board of Trustees of the General Retirement System, consistent with the Board's obligations under Section 47-2-20 (Management of Funds). The Board will invest the Funding Proceeds as part of the System's overall assets, and will not differentiate the Funding Proceeds from other System assets for investment purposes.
- (2) All interest, dividends and other income derived from the investment of the Funding Proceeds shall be credited annually to the applicable *Accrued Liability Fund* on a total System rate of return basis determined by crediting the applicable *Accrued Liability Fund* with the investment return experienced by the System in total for all of its investments for the year. This shall be done by first determining the rate of return for the total assets in the System for the fiscal year, and then crediting back to each *Accrued Liability Fund* an amount that is determined by multiplying that rate of return times the balance in the *Accrued Liability Fund* as of the beginning of the fiscal year, less an amount obtained by multiplying one-half of the System's rate of return times the amount transferred to the *Pension Accumulation Fund* for that year. As provided in Section 47-2-18(g) of this Code, the interest, dividends and other income derived from the investment of the Funding Proceeds deposited in any *Accrued Liability Fund* are "other moneys" the disposition of which is specifically provided for in this Article, and these moneys will not be credited to the *Income Fund*. The interest, dividends and other income derived from the investment of the Funding Proceeds deposited in any *Accrued Liability Fund* will not be credited to any Funds other than the *Pension Accumulation Fund*.
- (3) Upon the creation of the *Accrued Liability Fund* and the deposit of the Funding Proceeds into the applicable *Accrued Liability Fund*, there shall be established a schedule for transferring assets of the *Accrued Liability Fund* by crediting them to the *Pension Accumulation Fund* on a regular basis over the period required to fully amortize that portion of the System's UAAL determined as of the applicable Determination Date.

The System's UAAL determined as of the applicable Determination Date shall be the "Determined Accrued Liability." The period over which the Determined Accrued Liability is to be fully amortized, as specified in the System's actuarial valuation as of the applicable Determination Date, is the "Amortizing

Period.” The amount to be transferred each fiscal year (or monthly portion thereof) to the *Pension Accumulation Fund* from the *Accrued Liability Fund* is the “Scheduled Amortizing Amount.”

With respect to the Pension Funding Transaction and any Additional Pension Funding Transactions, the Scheduled Amortizing Amount will equal a level percentage of the City’s monthly payroll during the fiscal year, as determined by the City’s weekly payroll reports made available to the Board. The level percentage of the City’s monthly payroll that will be used to determine the Scheduled Amortizing Amount will be a level percentage that is equal to the level percentage that is specified in the actuarial valuation as of the applicable Determination Date as being the percentage of the City’s monthly payroll required to amortize the Determined Accrued Liability over the Amortizing Period multiplied by a fraction. The numerator of the fraction shall be the amount of the applicable Funding Proceeds up to the full amount of the Determined Accrued Liability as of the Determination Date. The denominator of the fraction shall be the System’s Determined Accrued Liability on that date.

**Commentary:** By way of example only, the Scheduled Amortizing Amount would be determined as follows: (1) the Determination Date is June 30, 2004, (2) the Funding Proceeds are deposited into the System during the 2004-2005 Fiscal Year, (3) the June 30, 2004 actuarial valuation produced a UAAL of \$800 million, (4) the City’s contribution required to amortize that UAAL is 16% of the City’s payroll, and (5) the Funding Proceeds are \$600 million, then the Scheduled Amortizing Amount for Fiscal Year 2005-06 would be 16% times (\$600 million/\$800 million) times the City’s payroll for 2005-2006. This would be 12% times the City’s payroll for that fiscal year.

With respect to the Pension Funding Transaction, or any Additional Pension Funding Transactions, where the applicable Determination Date occurs after the date of the actuarial valuation that determines the City’s contribution for the fiscal year during which the applicable Funding Proceeds are deposited into the System, for such fiscal year, there will be transferred from the applicable *Accrued Liability Fund* to the *Pension Accumulation Fund* an amount that is specified in such actuarial valuation as being the City’s required contribution needed to amortize the System’s UAAL as of the date of such actuarial valuation, multiplied by a fraction. The numerator of the fraction shall be the amount of the applicable Funding Proceeds up to the full amount of the UAAL specified in such actuarial valuation, and the denominator of the fraction shall be the System’s total UAAL as set forth in that same actuarial valuation.

**Commentary:** By way of example only, the Scheduled Amortizing Amount in this case would be determined as follows: (1) the Determination Date is June 30, 2004, (2) the Funding Proceeds had been deposited into the System during the 2004-2005 Fiscal Year, (3) the June 30, 2003 actuarial valuation produced a UAAL of \$733 million, (4) the City’s contribution required to amortize that UAAL is 13.9% of the City’s payroll, and (5) the Funding Proceeds are \$600 million, then the Scheduled Amortizing Amount for Fiscal Year 2004-05 would be 13.9% times (\$600 million/\$733 million) times the City’s payroll for 2004-2005. This would be 11.4% times the City’s payroll for that fiscal year.

Should the Board at some future time adopt a different period for amortizing the System’s UAAL (a “Revised Amortizing Period”), the Scheduled Amortizing Amount for ensuing years may change. If the Revised Amortizing Period provides for a longer period during which to amortize the System’s UAAL (that is, an “Extended Amortizing Period”), then the Amortizing Period initially used to amortize the applicable Determined Accrued Liability will also be revised. There will then be established a new schedule for amortizing the Determined Accrued Liability, and the Scheduled Amortizing Amount will be based on the level percentage of the City’s monthly payroll being equal to what it would be if the then unamortized balance of the Determined Accrued Liability were re-amortized over the Extended Amortizing Period. If the Revised Amortizing Period is changed so that the System’s UAAL is to be amortized over a shorter period than the one initially used to amortize the applicable Determined Accrued Liability, then that Scheduled Amortizing Amount will not be changed.

- (4) Each year (or monthly portion thereof), when the City is required to make its regular contribution to the System — the amount of which is to be determined pursuant to Subsection (c) and the timing of which is set forth in Section 47-2-19(b) — the Board will transfer the Scheduled Amortizing Amount from the

*Accrued Liability Fund* and credit it to the *Pension Accumulation Fund*; provided, however, that this transfer cannot occur unless and until the Board has been notified pursuant to the Pension Funding Transaction, or any Additional Pension Funding Transaction, if applicable, that the City is current on the service payments required under the applicable Pension Funding Transaction.

- (5) Should the Scheduled Amortizing Amount not be available for transfer because of the City's failure to make a timely service payment pursuant to the applicable Pension Funding Transaction, the Board will take any permitted action, including the filing of a civil action against the City, as contemplated in Section 47-4-3(3), to effectuate the transfer of the Scheduled Amortizing Amount.

Should the City's Finance Director certify to the Board by a duly attested notice that the City has no available funds to make the service payments required by the applicable Pension Funding Transaction, in that specific circumstance, the Board shall be authorized to transfer the Scheduled Amortizing Amount for that fiscal year (or monthly portion thereof) to the *Pension Accumulation Fund*, absent the notice requirement set forth in Section 47-2-18(d)(4).

- (6) Since the Funding Proceeds are to be considered assets of the System and are intended to fund the applicable Determined Accrued Liability, the City shall be required to make only a proportional contribution for any fiscal year (or monthly portion thereof) ending after the date the Funding Proceeds are deposited into the applicable Accrued Liability Fund, but prior to a fiscal year whose corresponding actuarial valuation includes the Funding Proceeds in the System's total assets. The proportional contribution to fund the System's then existing UAAL, if any, shall be the level percentage of the City's payroll specified in the actuarial valuation for the applicable fiscal year as the City's required contribution needed to amortize the System's then existing UAAL, multiplied by a fraction. The numerator of the fraction shall be the amount of the System's total UAAL as determined in such actuarial valuation minus the amount of the applicable Funding Proceeds, but not less than zero. The denominator of the fraction shall be the amount of the System's total UAAL in such valuation. Actuarial valuations following the deposit of the applicable Funding Proceeds into the System shall include the Funding Proceeds in the total assets of the System to determine any ensuing UAAL of the System, and the Funding Proceeds shall offset any such actuarial liability accordingly.

**Commentary:** By way of example only, the following indicates how the procedure described above would operate. Assume the following facts — (1) the Determination Date is June 30, 2004; (2) the June 30, 2004 actuarial valuation produced a UAAL of \$800 million and a contribution toward the UAAL of 16% of the City's payroll; (3) the Funding Proceeds were \$600 million and were deposited in the System during the 2004-2005 Fiscal Year; (4) the first actuarial valuation which included the Funding Proceeds in the System's assets was as of June 30, 2005 and (5) the June 30, 2003 valuation which determines the City's required contribution for fiscal 2004-05 produced a total UAAL of \$733 million and a contribution toward that UAAL of 13.9% of the City's payroll. Then:

- The fiscal year ending after the date of deposit would be the year ending June 30, 2005, or the 2004-2005 Fiscal Year.
  - The first fiscal year whose corresponding valuation reflected the Funding Proceeds in its assets would be the 2006-2007 year.
  - Thus, the City's required UAAL contribution for fiscal 2004-2005 would be 13.9% of the City's payroll times (\$733 million — \$600 million) divided by \$733 million, or 2.5% of payroll. The City's required UAAL contribution for fiscal 2005-06 would be 16% of the City's payroll times (\$800 million — \$600 million) divided by \$800 million, or 4% of the City's payroll.
  - Beginning with the Fiscal Year 2006-2007, whose contribution is determined by the June 30, 2005 actuarial valuation, the City's required UAAL contribution would be the percentage of its payroll developed in the corresponding actuarial valuation that included the Funding Proceeds as being part of the System's assets.
- (7) Any contribution the City has made to the System for any fiscal year during which the Funding Proceeds from any applicable Pension Funding Transaction have become assets of the System. Where the amount



of the contribution is equal to or less than the normal cost of that fiscal year, the City's contribution shall be deemed to have been made in satisfaction of its obligation to contribute an amount equal to the System's normal cost for that fiscal year, and not as payment towards any portion of its obligation to pay an amortized portion of the System's UAAL due in that fiscal year. The term "normal cost" as used in this Section 47-2-18(d)(6), shall be given its generally accepted actuarial meaning.

To the extent the City's contribution for that fiscal year exceeds its required contribution for normal cost owed in that fiscal year, its excess contributions shall be deemed as having been made for the immediately following fiscal year, and shall offset the City's normal cost contribution obligation for the immediately following fiscal year.

**Commentary:** By way of example only, the following indicates how the procedure described in the preceding paragraphs would operate. Assuming the same facts as in the prior *Commentary*, and the City contributed \$40 million for the 2004-2005 Fiscal Year and the total normal cost for that year was \$40 million:

- The entire \$40 million would be deemed as payment of the required normal cost for 2004-2005, and
- No part of the \$40 million contribution would be deemed payment toward UAAL.

Now assume that the facts remain the same, but that the City had contributed a total of \$45 million for 2004-2005:

- The City's total required contribution for 2004-2005 would be deemed paid in full, and
- \$5 million, that is, \$45 million minus \$40 million, would be deemed prepayment of the City's required normal cost for 2005-2006 and its required normal cost contribution for 2005-2006 would be reduced accordingly.

- (8) The System's auditor shall verify (a) the assets credited to the *Pension Accumulation Fund* and any *Accrued Liability Fund* at the beginning and end of each fiscal year, (b) that each Fund had been properly credited, and (c) that transfers from the *Accrued Liability Fund(s)* to the *Pension Accumulation Fund* had occurred as intended under this Section 47-2-18(d) of this Code.
  - (9) Should the System's auditor certify that the total assets then existing in the System, not including the assets in any *Accrued Liability Fund*, together are insufficient to pay the benefits then due under the System, the System's auditor will then determine and certify the minimum amount needed to fund the benefits then due and owing (the "Minimum Necessary Amount"). In this limited circumstance, the Board is authorized to transfer the Minimum Necessary Amount from the *Accrued Liability Fund* to the *Pension Accumulation Fund* absent the notification required pursuant to Section 47-2-18(d)(4) of this Code.
  - (10) At the end of the Amortizing Period, or the end of the Extended Amortizing Period, if applicable, should there be any moneys that remain credited to the *Accrued Liability Fund*, the Board may transfer, at its discretion, any such remaining moneys, in whole or in part, by crediting them to the *Pension Accumulation Fund*. The *Pension Accumulation Fund* is the only Fund into which the remaining moneys credited to any *Accrued Liability Fund* may be transferred.
- (e) *Pension Reserve Fund*.<sup>133</sup> The *Pension Reserve Fund* shall be the fund from which pensions shall be paid to beneficiaries. Should a Disability Retiree be reinstated to active service, the Retiree's pension reserve at that time, shall be transferred from the *Pension Reserve Fund* to the *Pension Accumulation Fund*.
  - (f) *Expense Fund*.<sup>134</sup> The *Expense Fund* shall be the fund to which shall be credited all money provided by the City to pay the administrative expenses of the Retirement System, and from which shall be paid all the expenses necessary in connection with the administration and operation of the System.
  - (g) *Income Fund*.<sup>135</sup> The *Income Fund* shall be the Fund to which shall be credited all interest, dividends, and other income derived from the investments of the System (other than those derived from the investments

credited to any *Accrued Liability Fund*), all gifts and bequests received by the System, and all other moneys the disposition of which is not specifically provided for in this Article. There shall be paid or transferred from the *Income Fund*, all amounts required to credit Regular Interest to the various Funds of the Retirement System, except for the *Accrued Liability Fund* which is to be credited with interest, dividends and other earnings pursuant to Section 47-2-18(d)(2) of this Code in accordance with the limitations that are contained in Section 47-1-18 of this Code.

(h) Maintenance of Reserves.<sup>136</sup>

- (1) The maintenance of proper reserves in the various Charter-based funds of the Retirement System within this *Article II* except the *Expense Fund* are hereby made obligations of the *Pension Accumulation Fund*.
- (2) City contributions to the Retirement System to the extent necessary to provide pensions on account of members who are employees of a revenue-supported division of the City shall be made from the revenues of the said division. Any City contribution to the Retirement System from any Fund by law with a certain and definite purpose shall at the direction of the Finance Director, be accounted for separately.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 03-05, § 1, 2-4-05; Ord. No. 37-11, § 1, 11-29-11)

**Sec. B-19. [Formerly Sec. 47-2-19. Determination of City's annual contribution.<sup>137</sup>]**

The annuity and pension reserve liabilities for members, retirees, and beneficiaries, shall be actuarially evaluated as set forth in this Article for each division as is accounted for separately pursuant to Section 47-2-18(g)(2) of this Code.

(a) Pension Liabilities.<sup>138</sup>

- (1) The pension liabilities for members shall be determined using the entry age-normal cost method of actuarial valuation.
- (2) The City's annual contribution, expressed as a percentage of active member compensation, to finance the prospective pension liabilities shall be determined by dividing the total cost of the individual annual normal costs of the active members by the active members' annual compensation used in the valuation.
- (3) The City's annual contribution to finance any unfunded accrued pension liabilities, expressed as a percentage of active member compensation, shall be determined by amortizing such unfunded accrued pension liabilities as a level percentage of covered payroll over a period or periods of future years as established by the Board.

- (b) *Pension Accumulation Fund*.<sup>139</sup> Based upon the provisions of this Article including any amendments, the Board of Trustees shall compute the City's annual contributions to the Retirement System, expressed as a percentage of active member compensation each fiscal year, using actuarial valuation data as of the June thirtieth date which date is a year and a day before the first day of such fiscal year. The Board shall report to the Mayor and Council the contribution percentages so computed. Such contribution percentages shall be used in determining the contribution dollars to be appropriated by Council and paid to the Retirement System. Such contribution dollars shall be determined by multiplying the applicable contribution percentage for such fiscal year by the member compensation paid for such fiscal year. Such contribution dollars for each fiscal year shall be paid to the Retirement System in such fiscal year in a manner to be agreed upon from time to time by the Board and the City, provided, for any fiscal year for which the agreement has not been reached before the first day of such fiscal year, such contribution dollars shall be paid in equal monthly installments at the end of each calendar month in such fiscal year.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 37-11, § 1, 11-29-11)

**Sec. B-20. [Formerly Sec. 47-2-20. Management of Funds.<sup>140</sup>]**

- (a) *Board Named Trustee for Various Funds.*<sup>141</sup> The Board shall be the Trustee of the funds of the *1973 Defined Benefit/Defined Contribution (Annuity) Plan* of the Retirement System, the Board shall have the full power to invest and reinvest such funds subject to all terms, conditions, limitations, fiduciary duties, and restrictions imposed by *The Public Employee Retirement System Investment Act*, as amended<sup>142</sup>, provided, that notes, bonds, or obligations of the City shall not be subject to said restrictions or limitations. The Board shall have the power to purchase notes, bonds, or obligations of the City before or after the same are offered to the public and with or without advertising for bids.
- (b) *Purchase, sale, etc., of securities and investments.*<sup>143</sup> The Board shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments of the Retirement System, as well as the proceeds of said investments and any moneys belonging to the System.
- (c) *Annual interest.*<sup>144</sup> The Board annually shall allow Regular Interest on the mean balance in each of the Funds of the Retirement System, except the *Income Fund* and the *Expense Fund*. The amounts so allowed shall be due and payable to said Funds, and shall be annually credited thereto from interest and other earnings on the moneys and investments of the System; provided, however, that moneys, including all investment earnings, credited to any *Accrued Liability Fund* shall not be credited to other Funds in the System, unless and until such moneys have been transferred from the applicable *Accrued Liability Fund* to the *Pension Accumulation Fund*.
- (d) *Custodian of Funds.*<sup>145</sup> The City Treasurer or other person or entity designated by the Board of Trustees of the General Retirement System shall be the custodian of the Funds of the Retirement System. All payments from such Funds shall be made by the Treasurer or other designated custodian. Payments made by the *General Retirement System* shall be based upon vouchers signed by two persons designated by the Board. A duly attested copy of a resolution of the Board designating such persons and bearing upon its face specimen signatures of such persons, shall be filed with the Finance Director and the custodian of the Funds as their authority for making payments upon such vouchers. No voucher shall be drawn unless it shall have been previously authorized by a specific or continuing resolution adopted by the Board.
- (e) *Available Funds shall be kept upon deposit.*<sup>146</sup> Available funds shall be kept on deposit for the purpose of meeting disbursements for pensions, annuities, and other payments.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 03-05, § 1, 2-4-05)

**Sec. B-21. [Formerly Sec. 47-2-21. Detroit Housing Commission Employees; Transfer of Pension Accumulation Funds to the Municipal Employees Retirement System.]**

- (a) Pursuant to MCL 125.651, and action by the City of Detroit as interpreted by the Michigan Courts,<sup>162</sup> the “City of Detroit Housing Commission” has been reconstituted as a separate and distinct legal entity, the “Detroit Housing Commission” (“new entity”);
- (b) City employees previously assigned to the “City of Detroit Housing Commission” (“old entity”) had a right to make an election whether to remain as a City of Detroit employee or leave City employment for employment with the separate and distinct legal entity “Detroit Housing Commission” (“new entity”);
- (c) Former City employees previously assigned to the “City of Detroit Housing Commission” (“old entity”) who have made an election to remain with the new entity “Detroit Housing Commission” terminated their employment with the City of Detroit upon becoming an employee of the new independent entity “Detroit Housing Commission.”



- (d) Those former City of Detroit Housing Commission employees were participants in the City of Detroit *1973 Defined Benefit Plan* and were eligible to participate in the *Defined Contribution (Annuity) Plan* of the *General Retirement System* (DGRS);
- (e) Each former City of Detroit Housing Commission employee as a participant in the City of Detroit *1973 Defined Benefit Plan* accrued certain potential rights to *Defined Benefit Plan* benefits;
- (f) The “Detroit Housing Commission” (“new entity”) has arranged for the Municipal Employees Retirement System (“MERS”) to be the provider of a pension system for its employees;
- (g) The current Detroit Housing Commission (“new entity”) employees, including former City employees, are now participants in the Municipal Employees Retirement System (“MERS”);
- (h) The City of Detroit, subject to certain conditions, has agreed to the transfer of the actuarial value of the accrued *Defined Benefit* of each such former City employee who elected to become an employee of the new independent “Detroit Housing Commission” to the Municipal Employees Retirement System.
- (i) The conditions of such transfer of funds contemplated in paragraph (h) above are:
  - (1) The benefits for such employees have been 100% funded in the *1973 Defined Benefit Plan* of the General Retirement System of the City of Detroit.
  - (2) Upon the transfer of said funds to the MERS from the *1973 Defined Benefit Plan* of the City of Detroit, such former City employees will have no claims whatsoever to pension benefits from the General Retirement System of the City of Detroit or the City of Detroit.
  - (3) Each such former employee must sign a Waiver and Acknowledgment (the content of which is subject to approval of the Board of Trustees of the General Retirement System of the City of Detroit) consistent with the terms of this ordinance.
  - (4) Present value calculations and methodology shall be approved by the Board of Trustees of the General Retirement System after consultation with its actuary.
  - (5) All questions/issues related to the implementation of this ordinance shall be determined by the Board of Trustees of the General Retirement System of the City of Detroit consistent with the terms of this ordinance.

(Ord. No. 06-06, § 1, 2-17-06)

**Sec. B-22. [Formerly Sec. 47-2-22. Participant loan program.]**

- (a) *Established.* Any loans granted or renewed shall be made pursuant to a Participant Loan Program which shall conform with the requirements of Section 72(p) of the Internal Revenue Code, 26 U.S.C. 1 et seq. Such loan program shall be established in writing by the Board of Trustees, and must include, but need not be limited to the following:
  - (1) The identity of the administrator of the Participant Loan Program;
  - (2) A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
  - (3) The procedures under the program for determining a reasonable rate of interest; and
  - (4) The events constituting default and the steps that will be taken to preserve plan assets.

(b) The Loan Program.

- (1) This Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the City of Detroit General Retirement System for prospective participants in the program. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective participating members of the system in the offices of the General Retirement System; and
  - (2) All collective bargaining agreements which accept the terms of this section are specifically agreeing to be subject to the Boards authority to modify or amend the Participant Loan Program from time to time, including during the effective terms of the applicable labor agreement and no such modification or amendment shall be deemed a violation of said labor agreement and no grievance or other form of action shall be effective to overturn or alter the Boards decision.
- (c) *Eligibility.* Subject to rules and procedures established by the Board, loans will initially be made only to non-union participants of the General Retirement System. Union employees will be eligible when their respective bargaining unit has accepted the program.<sup>11</sup> Former participants, spouses of participants, and beneficiaries are not eligible to receive any loans from the Plan. Subject to rules and procedures established by the Board, a participant who has been in the plan for twelve (12) months or more is eligible to apply for a loan from this plan.
- (d) *Amount of Loan.* A participant who has satisfied applicable rules and procedures may borrow from his or her account an amount, which does not exceed fifty percent (50%) of the participants vested accumulated balance, or ten thousand dollars (\$10,000.00) reduced by the excess, if any, of: 1) the highest outstanding balance of loans from the trust during the one (1) year period ending on the day before the date on which the loan is made, or 2) the outstanding balance of loans from the trust on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).
- (e) *Terms and Conditions.* In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:
- (1) Loan applications shall be in writing;
  - (2) Loans shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period;
  - (3) Each loan shall be made against the assignment of the participants entire right, title, and interest in and to the trust, supported by the participants collateral promissory note for the amount of the loan, including interest payable to the order of the trustee;
  - (4) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among participants in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the pension systems current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the pension trust of administering the trust. The loan interest rate shall be calculated in a manner that will not negatively affect the City's costs to the trust or the return to trust members;

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<sup>11</sup> The following bargaining units have accepted the annuity loan program: CBA-3 (§ 53.), CBA-6 (§ 44.), CBA-7 (§ 44.), CBA-8 (§ 40.), CBA-9 (§ 43.), CBA-10 (§ 48.).

- (5) Loan repayments shall be suspended under this plan as permitted by Section 414(u)(4) of the Internal Revenue Code, 26 U.S.C. 414(u)(4). A participant who has an outstanding loan balance from the plan who is absent from employment with the employer, and who has satisfied the requirements of 26 USC 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the fund during said periods of absence.
- (f) *Renewal of Loan.* Any loans granted or renewed shall be made pursuant to the participant loan program and Section 72(p) of the Internal Revenue Code, 26 U.S.C. 72(p) and the regulations thereunder.
- (g) *Loan Balance.* A participants outstanding loan balance shall be considered a directed investment by the participant and interest payments, shall be credited to the participants account balance, and shall not be part of net investment income or part of the participants account balance for the purpose of allocation of net investment income under Section 47-2-18 of this Code.
- (h) *Distributions.* No distributions shall be made to a participant, former participant, or beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been liquidated.
- (i) *Annual Report.* The General Retirement System shall include, in their annual report to all members, an accounting of the loan program established by this section, which contains the number and amount of loans made, the costs of administering the program, the amount of payments made including interest received by the trust, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in that fiscal year covered the costs of administering the program.

(Ord. No. 17-08, § 1, 7-29-08)

**[Formerly Secs. 47-2-23—47-2-30. Reserved.]**

**ARTICLE C. [FORMERLY ARTICLE III. 1998 DEFINED CONTRIBUTION PLAN OF THE GENERAL RETIREMENT SYSTEM.] [\*\*]**

**\*\* Note: The 1998 Defined Contribution Plan of the General Retirement System was never implemented by the City of Detroit.**

**Sec. C-1.[Formerly Sec. 47-3-1. Funds.]**

The Funds of the Retirement System *1998 Defined Contribution Plan* shall be the *Employee Contribution Account*, the *Employee Rollover Account*, the *Employer Contribution Account*, the *Annuity Savings Account*, and such other accounts as may become necessary from time to time.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. C-2. [Formerly Sec. 47-3-2. Definitions.]**

Definitions contained in this Article shall not be construed as amending or repealing existing definitions contained in Section 47-1-21 of this Code unless specified herein. For purposes of this *Article III* only, the following words and phrases shall have the meanings respectively ascribed to them by this Section 47-3-2 of this Code.

*Accumulated balance* means the total of all accounts maintained on behalf of a participant, former participant, or beneficiary.

*Actuarial present value of credited benefits* means the present value of pension benefits determined as if the member had terminated *DGRS* membership on the measurement date. The calculation of the actuarial present value of benefits shall be based solely on interest and mortality assumptions approved by the Board after consideration of the advice of the System's Actuary.

*Administrative Rules of the plan* means the rules and regulations established and adopted from time to time by the Board of Trustees to govern the administration and the operation of this plan and the trust.

*Annual additions* means for each limitation year, which is the calendar year, all employer or employee contributions to the plan (including after-tax employee contributions but excluding rollover contributions), forfeitures, contributions, allocated to an individual medical account described in Section 415(l)(2)<sup>147</sup> of the Internal Revenue Code and amounts described in Section 419A(d)(2)<sup>148</sup> of the Internal Revenue Code.

*Annuity Savings Account* means the account established for a participant with respect to such participant's interest, in the plan as a result of the participant's election to transfer his annuity savings fund balance from the *1973 Defined Benefit/Defined Contribution Plan* to this plan pursuant to Section 47-3-3 of this Code.

*Beneficiary* means a person or persons designated by a participant or former participant in a writing filed with the Board to receive distribution of the accumulated balance in the event of the death of the participant or former participant, subject to the terms and conditions of Section 47-3-9(b) of this Code.

*Coverage group* means all elected and appointed officials of the employer as defined in Section 47-3-21 of this Code, all non-union employees as defined in Section 47-1-21 of this Code, as well as any other employees who are members of a bargaining unit represented by a union or association if such union or association has agreed to offer its members the option of belonging to the current *Article II Plan* or the *1998 Defined Contribution Plan* established under this Article III.

*Defined Contribution Plan Implementation Date* means that date after the *1998 Defined Contribution Plan* is established on which the Plan is open for participation by eligible members.

*Designated Component Funds* means asset allocation funds set up by the trustee which invests participant funds, until the participant elects specific investment funds.

*Effective Date of the 1998 Defined Contribution Plan* means July 1, 1998, See, *Defined Contribution Plan Implementation Date*.

*Employee Contribution Account* means the account established for a participant with respect to such participant's interest in the Plan resulting from the participant's contributions made pursuant to Section 47-3-5 of this Code.

*Employee Contributions—"Picked Up" by the Employer.* Employee contributions are "picked up" by the employer if: (1) the employer specifies that the contributions, although designated as employee contributions, are being paid by the employer in lieu of contributions by the employee, and (2) the employee cannot be given the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the plan.

*Employee Rollover Account* means the account established for a participant with respect to such participant's interest in the Plan resulting from transfers from other qualified plans pursuant to Section 47-3-7 of this Code.

*Employer*, for the purposes of the provisions of this *Article III* Plan, means the City, or any board, commission, or court serving the City, to the extent that both the City through action of its council and the governing authority of such Board, commission, or court, shall mutually agree to include the employees of such Board, commission, or court, in the Coverage Group for this plan. To the extent that any employees of a Board, commission, or court, are included as members of the Coverage Group for this Plan, all employees of such board, commission, or court, shall be so included. However, only City board members and commissioners who are also employees of the City are eligible to be included in the coverage group of this plan, unless otherwise specifically provided for by ordinance or resolution adopted by the Council.

*Employer Contribution Account* means the account established for a participant with respect to such participant's interest in the Plan resulting from employer contributions made pursuant to Section 47-3-4 of this Code and from the participant's election to transfer the actuarial present value of credited benefits of such individual from the *1973 Defined Benefit/Defined Contribution Plan* to this Plan pursuant to Section 47-3-3 of this Code.

*Fiduciary* means the Board of Trustees or the Fund Financial Investment Trustee.

*Financial Investment Trustee* means the Trustee approved by the Board of Trustees, or such successor Trustee as selected by that Board, which shall be responsible for the investment, management and control of the assets of the trust.

*Former Participant* means an individual who is no longer eligible to be a participant.

*Measurement date* means the date of the member's termination or transfer from the *1973 Defined Benefit Plan* to the *1998 Defined Contribution Plan*.

*Participant* means an employee who is a member of the coverage group and who has satisfied the requirements of Section 47-3-3 of this Code.

*Plan* means the *1998 Defined Contribution Plan* of the City of Detroit General Retirement System.

*Plan Year* means the City's fiscal year.

*Resignation* means, for all purposes in this *Article III*, in the case of an elected or appointed official, resignation from office, or the expiration of the term of office or of the appointment.

*Termination of employment* means, for all purposes in this *Article III*, in the case of an elected or appointed official, any circumstance which results in separation of the official from the elected or appointed office, whether voluntary or involuntary, including voluntary resignation, expiration of the term of office or of the appointment, involuntary termination of employment or office or forfeiture of office.

*Trust* means the *City Defined Contribution Retirement Trust* maintained in accordance with the terms of the Trust Agreement, as amended, which constitutes part of this plan.

(Ord. No. 29-01, § 1, 11-30-01)

### **Sec. C-3. [Formerly Sec. 47-3-3. Participation.]**

- (a) Election of the Plan. Current DGRS members.

- (1) Any member of the *DGRS* who is also a member of the Coverage Group and who continues to be a member of the Coverage Group may become a participant in the *1998 Defined Contribution Plan* if such individual elects to transfer to the Trust of the Plan, both the *Annuity Savings Fund* balance and the actuarial present value of credited benefits of such individual under the *1973 Defined Benefit/Defined Contribution (Annuity) Plan*. Such irrevocable election must be made within twenty-four months of the implementation date of the *1998 Defined Contribution Plan*. The *Annuity Savings Fund* balance and the actuarial present value of credited benefits of an individual under the *1973 Defined Benefit/Defined Contribution Plan* who elects to make a transfer to this Plan shall be transferred to this Plan on a date which shall in no event be later than one hundred and twenty days after receipt of the individual's written election by the Board; provided, however, that such individual shall become a participant in this Plan as soon as administratively feasible following receipt of the Individual's written election by the Board.
- (2) The actuarial present value of credited benefits shall be calculated based upon the interest and mortality assumptions utilized at the date of such transfer upon the advice of the System's Actuary for purposes of determining the employer's annual contribution to the *1973 Defined Benefit/Defined Contribution Plan*. The actuarial present value of the participant's credited benefits under the *1973 Defined Benefit/Defined Contribution Plan* shall be transferred to the participant's Employer Contribution Account under this Plan and the participant's *Annuity Savings Fund* balance under the *1973 Defined Benefit/Defined Contribution Plan* shall be transferred to the participant's *Annuity Savings Account* under this Plan. After any such transfer to this Plan, the participant's account balances shall be subject to the vesting schedules set forth in Section 47-3-8
- (b) *Current DGRS Members; Annual election period.* Each calendar year following the implementation date of the *1998 Defined Contribution Plan*, the Board of Trustees shall establish at least one election period for that year during which any member of the *DGRS* who is also a member of the Coverage Group may elect to become a participant in the *1998 Defined Contribution Plan*; such election must be made within twenty-four (24) months of the implementation date.
- (c) Election of the Plan. Members who separated from City service on or after July 1, 1998 with vested Article II pension rights. Any person who separated from City service with vested Article II pension rights on or after July 1, 1998, but prior to the implementation of the Plan, may become a participant in this Plan if such individual elects to transfer to the Trust of this Plan, both the *Annuity Savings Fund Balance* on the date of transfer, and the actuarial present value of the *1973 Defined Benefit Plan* credited benefits as of the date of the member's transfer to this Plan, as if such individual were a member of the Coverage Group under (a) above. The Pension Board shall notify each former member of his or her eligibility for the Plan by certified mail. A former member's election to become a participant in the Plan must be made within six months after verification of the receipt of notice by the former member. Such election shall be irrevocable.
- (d) Election of the Plan. Members who separated from City service on or after July 1, 1998, but prior to the implementation of the Plan, without vested pension rights under Article II. Any person who separated from City service on or after July 1, 1998, but prior to the implementation of the Plan, without vested pension rights under Article II, may become a participant in this plan if such individual elects to transfer to the trust of this Plan, both the *Annuity Savings Fund* balance on the date of transfer and the actuarial present value of the *1973 Defined Benefit Plan* credited benefits, as of the date of the member's transfer to this Plan as if such individual were a member of the Coverage Group under (a) above. The Pension Board shall notify each former member of his or her eligibility for the Plan by certified mail. A former member's election to become a participant in the Plan must be made within six months after verification of the receipt of notice by the former member. Such election shall be irrevocable.
- (e) Employees hired on or after the date of implementation of the Plan.

*"Election period."* A person who becomes or again becomes a member of the Coverage Group on or after the date of the implementation of the *1998 Defined Contribution Plan* may elect to participate in the *1973 Defined Benefit/Defined Contribution (Annuity) Plan* or the *1998 Defined Contribution Plan*. Such election to participate in the *1998 Defined Contribution Plan* may be made at date of hire or during enrollment periods held during the participant's first two years of employment with the City ("Election Period"). Such election shall be irrevocable.



Participant shall be a member of the 1973 Defined Benefit/Defined Contribution (Annuity) Plan until or unless an election is made to participate in the 1998 Defined Contribution Plan during the enrollment period.

*Employer* and employee contributions made on the participant's behalf to the *1998 Defined Contribution Plan* shall be invested in the designated component fund(s) until such participant has chosen the investment vehicles in which his or her contributions will be invested. If no such choice is made within six months after the effective date of the participant's participation in the *1998 Defined Contribution Plan*, such contributions shall remain invested in the designated component fund(s) until an appropriate change is processed by the member.

(f) *Non-eligibility for participation in the Plan.* The following individuals shall not be eligible for participation in the Plan:

- (1) *Contractual services.* Individuals whose services are compensated pursuant to a personal services contract or on another contractual or fee basis, and who are not members of the Classified Service<sup>149</sup> or elected or appointed to City positions as provided for in the 1997 Detroit City Charter.
- (2) *Insufficient annual hours worked.* Individuals who are employed in positions normally requiring less than six hundred (600) hours of work per annum<sup>150</sup> or any other minimum hour requirement provided by collective bargaining agreements, as appropriate.
- (3) *Retirees.* Individuals who are retirees of the City of Detroit General Retirement *Article II* Pension Plan who return to employment with the City after a break in service of less than six years. However, vested *Article II* retirees returning to work after a break of more than six years of service, may enroll in this *Article III* Pension Plan with no loss of *Article II* Pension Plan benefits.
- (4) *Members of other public employee plans.* Individuals who are members of any other public employee pension or retirement plan adopted by the State of Michigan, other than the Michigan National Guard, or any of its political sub-divisions, unless there is a reciprocity agreement between the city and such entities.

(g) *Simultaneous participation in other plans prohibited.* On or after the date of implementation of the *1998 Defined Contribution Plan*, a participant shall not take part in any other retirement plan for simultaneous service rendered to the employer unless otherwise provided for in an applicable collective bargaining agreement. This prohibition does not apply to deferred compensation plans established pursuant to Section 457 of the Internal Revenue Code.

(h) *Termination of participation in Plan.*

- (1) *Retirement, death, or termination of employment.* A participant who retires from active service, is terminated from city employment, dies, or becomes ineligible to participate, shall become a former participant beginning on the day immediately following the event that caused the ineligibility.
- (2) *Termination for reasons other than duty disability; Re-employment.* Subject to the provisions hereinafter stated in this subpart, if an employee terminates employment and ceases to be a participant for any reason other than duty disability, any service previously credited to the employee for purposes of vesting shall be disregarded. In the event of re-employment by the City as a member of the coverage group, such person shall again become a participant. If such re-employment occurs within a period of six years from and after the date city employment was terminated, prior service shall be restored for vesting purposes during the period of such re-employment. However, such vesting service shall only apply to employer contributions made on behalf of such employee subsequent to the date of re-employment. Vesting service credited after the employee's re-employment shall not be applied to increase his or her vested percentage in his or her pre-break *Employer Contribution Account*.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 37-03, § 1, 11-7-03)

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**By Agreement**

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Members of the bargaining unit shall have the option of belonging to the City's current defined benefit/defined contribution retirement plan or a new defined contribution retirement plan in accordance with the rules the City will issue for a defined contribution plan. **[All employees hired on or after February 16, 2010 (Local 531) and March 9, 2010 (Local 488) shall be enrolled in the General City Retirement System Defined Contribution Plan (DCP).<sup>uu</sup>** The parties agree that the defined contribution plan the Executive Branch will propose for acceptance by the City Council, although not specifically detailed at this time, is intended to be primarily in accordance with the provisions which were last advocated by the Executive Branch in November-December, 1997.<sup>vv</sup>

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To the extent that employees in the bargaining unit participate in any supplemental retirement plans other than the General City Retirement System, the City reserves the right to withdraw from such supplemental plans at any time and in accordance with applicable law.<sup>ww</sup>

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Members of the bargaining unit shall have the option of belonging to the City's 1998 defined contribution retirement plan until such time as the City discontinues that option or establishes a replacement defined contribution plan in accordance with the rules of the City.<sup>xx</sup>

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Employees hired prior to July 1, 2012 may remain in the City's defined benefit program as described in the bargaining agreement. Effective July 1, 2012 **[or Effective the first payroll after ratification of this agreement<sup>yy</sup>**, the employee, if he/she elects to remain in the defined benefit program shall make a pre-tax contribution of five percent (5%) to the defined benefit plan.

The employee may elect a voluntary, irrevocable conversion to the defined contribution plan described in the collective bargaining agreement. Existing vested employer and employee contributions shall be converted to the employee's account in the defined contribution plan. The conversion shall be calculated based upon the actuarial standard described in the 1998 Ordinance.

DWSD's contribution shall be six percent (6%) of the employee's base salary. The employee's contribution shall be voluntary. If the employee elects to make a contribution, it shall be matched by DWSD dollar for dollar up to a maximum of three percent (3%) of the employee's base salary. This matching contribution by DWSD shall be in addition to its contribution of six percent (6%).<sup>zz</sup>

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Employees hired on or after July 1, 2012 shall not be enrolled in the City's defined benefit plan, but shall be enrolled in a defined contribution plan **[established by the 1998 ordinance<sup>aaa</sup>.<sup>bbb</sup> [DWSD's contribution and the employee's contribution shall each be five percent (5%) of the employee's base salary.<sup>ccc</sup>**

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<sup>uu</sup> CBA-6 (§ 26.Q).

<sup>vv</sup> CBA-3 (§ 26.O.), CBA-4 (§ 15.P.), CBA-5 (§ 20.Q.), CBA-6 (§ 26.Q.), CBA-7 (§ 26.P.), CBA-8 (§ 25.O.), CBA-9 (§ 31.Q.), CBA-10 (§ 33. P.), CBA-11 (§ 39.Q.), CET-1 (§ 48.R.), Reopener-1 (§ 31.Q.), Reopener-2 (§ 25.O.), Reopener-4 (§ 20.Q.).

<sup>ww</sup> CET-1 (§ 48.T.).

<sup>xx</sup> CBA-1 (§ 43.O.), CBA-2 (§ 35.Q.), CET-2 (§ 47.N.).

<sup>yy</sup> CBA-10 (§ 33.U.), Reopener-3 (§ 39.T.).

<sup>zz</sup> CBA-3 (§ 46.T.), CBA-4 (§ 15.S.), CBA-5 (§ 20.V.), CBA-6 (§ 26.U.), CBA-7 (§ 26.T.), CBA-8 (§ 25.T.), CBA-9 (§§ 31.W., 31.X., & 31.Y.), CBA-10 (§ 33.U.), Reopener-2 (§ 25.T.), Reopener-3 (§§ 39.T. & 39.Q.), Reopener-4 (§ 20.V.).

<sup>aaa</sup> CBA-4 (§ 15.T.), CBA-5 (§ 20.U.), CBA-6 (§ 26.T.), CBA-7 (§ 26.S.), CBA-8 (§ 25.S.), CBA-9 (§ 31.U), Reopener-2 (§ 25.S.), Reopener-3 (§ 39.X.), Reopener-4 (§ 20.U.).



[DWSD's contribution shall be six percent (6%) of the employee's base salary. The employee's contribution shall be voluntary. If the employee elects to make a contribution, it shall be matched by DWSD dollar for dollar up to a maximum of three percent (3%) of the employee's base salary. This matching contribution by DWSD shall be in addition to its contribution of six percent (6%).<sup>ddd</sup>]

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#### Sec. C-4. [Formerly Sec. 47-3-4. Employer Contribution Account.]

- (a) *Basic Employer Contributions.* The employer shall contribute an amount equal to six percent (6%) of the participant's compensation to each participant's *Employer Contribution Account* each pay period. For members on duty disability, the amount contributed shall be equal to six percent (6%) of the participant's final compensation on the date of disability. For members receiving Workers' Compensation who are not on an approved disability retirement, the amount contributed shall be equal to six percent (6%) of the participant's base pay. Such contributions shall continue until the participant would have been eligible to convert to normal retirement benefits under Section 47-2-4 of this Code. City contributions to participants who are employees of a revenue-supported division of the City shall be made from the revenues of such division.
- (b) *Matching contributions.* On behalf of each participant who makes a basic employee contribution as described in Section 47-3-5(a) of this Code, the employer shall make a matching contribution of one hundred percent of such participant's basic employee contribution to a maximum of three percent (3%) of compensation contributed to the plan by the participant. The matching contribution shall be made in accordance with the rules and procedures established by the Board.
- (c) *Periods of absence due to non-duty disability.* The employer shall not make any basic employee contributions for persons on non-duty disability.
- (d) *Forfeiture.* Except in the event of retirement under Section 47-3-10(A)(1) of this Code, duty disability or death, to the extent a participant, former participant or beneficiary is not vested in any part of his or her *Employer Contribution Account* under Section 47-3-8 of this Code, the right of a participant, former participant, or beneficiary to a distribution of some or all of the *Employer Contribution Account* balance is subject to forfeiture pursuant to the *Public Employee Retirement Benefits Forfeiture Act*, as amended, MCL 38.2701 *et seq.* In the event that any account balances are forfeited, the amounts so forfeited shall be used to offset past or future expenses of the Plan. To the extent that forfeitures exceed the expenses to be settled for a given Plan Year, such excess forfeitures shall be used to offset the City's contribution to the Plan for the Plan Year. To the extent excess forfeitures are available after offsetting the City's contribution for the Plan Year, the Board shall allocate such excess to the participant accounts in proportion to the compensation of each participant for that Plan Year.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 37-03, § 1, 11-7-03)

#### Sec. C-5. [Formerly Sec. 47-3-5. Employee Contribution Account.]

- (a) *Basic employee contributions which are matched by the employer.* At the time the Participant elects to participate in the 1998 Defined Contribution Plan pursuant to Section 47-3-3(a) or (d), a participant may elect to make a basic pre-tax contribution of zero, one, two or three percent (0%, 1%, 2%, 3%) of compensation. Such election shall be irrevocable and the basic employee contribution shall be made each year to such

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<sup>bbb</sup> CBA-4 (§ 15.T.), CBA-5 (§ 20.U.), CBA-6 (§ 26.T.), CBA-7 (§ 26.S.), CBA-8 (§ 25.S.), CBA-9 (§ 31.U.), CBA-10 (§ 33.T.), Reopener-2 (§ 25.S.), Reopener-3 (§ 39.X.), Reopener-4 (§ 20.U.).

<sup>ccc</sup> CBA-10 (§ 33.T.).

<sup>ddd</sup> CBA-4 (§ 15.T.), CBA-5 (§ 20.U.), CBA-6 (§ 26.T.), CBA-7 (§ 26.S.), CBA-8 (§ 25.S.), CBA-9 (§ 31.V.), Reopener-2 (§ 25.S.), Reopener-3 (§ 39.X.), Reopener-4 (§ 20.U.).

participant's *Employee Contribution Account* under the *1998 Defined Contribution Plan*. Subject to the approval of the Internal Revenue Service, basic employee contributions will be made on a pre-tax basis.

- (b) *Additional voluntary employee contributions which are not matched by the employer.* To the extent permitted by the Internal Revenue Service, the Plan will accept additional pre-tax voluntary contributions from the participants as follows: at the time the Participant elects to participate in the 1998 Defined Contribution Plan pursuant to Section 47-3-3(a) or (d), a participant may elect to make an additional voluntary employee contribution of zero, one, two or three percent (0%, 1%, 2%, 3%) of such participant's compensation. Such election shall be irrevocable and the additional voluntary employee contribution shall be made each year to such participant's *Employee Contribution Account* under the *1998 Defined Contribution Plan*. Such additional voluntary contributions shall not be matched by the employer, and are in addition to the basic employee contributions described in Section 47-3-5(a) of this Code.
- (c) Contributions "picked up" by the employer.
  - (1) Effective as of the adoption and approval of the *1998 Defined Contribution Plan* by City Council or the implementation date, if later, no participant may elect to receive such participant's basic employee contributions or additional voluntary employee contributions that have been "picked up" by the employer directly instead of having them paid by the employer to the participant's *Employee Contribution Account* under the *1998 Defined Contribution Plan*. If a participant irrevocably elects to have such participant's basic employee contributions and additional voluntary employee contributions "picked up" by the employer, such employee contributions shall be paid by the employer to the *1998 Defined Contribution Plan* and not paid to the participant.
  - (2) *Election to Make After-Tax Contributions.* A participant who does not utilize the maximum participant's contributions, as detailed in Section 47-3-5(a) and (b), "picked up" by the employer, may elect to make employee contributions on an after-tax basis and change his or her contribution percentage in accordance with procedures established by the Board, provided utilizing Sections 47-3-5(a), 47-3-5(b), and 47-3-5(c)(2) does not exceed the three percent (3%) maximums of Sections 47-3-5(a) and 47-3-5(b).
- (d) Conversion of unused leave; Post-tax basis.
  - (1) *Vacation time.* In accordance with the rules and procedures established by the Board, a participant who at the end of a Plan Year has accrued, but not used, an amount of vacation time, may make an irrevocable election to convert the value of some or all of such vacation time, in an amount not to exceed fifteen vacation days, as an additional contribution to such participant's *Annuity Savings Account* on an after-tax basis. The value of such additional contribution shall be one-half of the number of vacation hours converted multiplied by the hourly rate of pay applicable on each September thirtieth or such other date as approved by the Board.
  - (2) *Sick time.* In accordance with rules and procedures established by the Board, a participant who is one hundred percent (100%) vested in the *Employer Contribution Account* pursuant to Section 47-3-8(b) of this Code, who has accrued but not used an amount of sick time, and who ceases to be a participant on or after the effective date of the Plan due to retirement or resignation, may make an irrevocable election to convert the value of some or all of such employee's unused accrued sick time as an additional contribution to such participant's *Annuity Savings Account* on an after-tax basis. The value of such additional contribution shall be the value of one half the number of sick time hours converted, using both current and reserve banks, by the hourly rate of pay applicable on the effective date of retirement or resignation.

(Ord. No. 29-01, § 1, 11-30-01; Ord. No. 37-03, § 1, 11-7-03)

**Sec. C-6. [Formerly Sec. 47-3-6. Maximum additions.]**

- (a) Notwithstanding anything contained herein to the contrary, total annual additions for a participant in any calendar year, shall not exceed the limits set forth in Section 415 of the Internal Revenue Code and regulations thereunder, the terms of which are specifically incorporated herein by reference. For the purpose of complying with Section 415 of the Internal Revenue Code, compensation shall have the same meaning as set forth in Section 415(c)(3)<sup>151</sup> of that Code.
- (b) Notwithstanding the foregoing, otherwise permissible annual additions under this Plan may be reduced to the extent necessary as permitted by United States Department of Treasury Regulations, to prevent disqualification of the Plan under Section 415 of the Internal Revenue Code.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. C-7. [Formerly Sec. 47-3-7. 1998 Defined Contribution Plan; Employee Rollover Account.]**

A participant may transfer to his or her *Employee Rollover Account*, an “eligible rollover distribution,” as defined in Section 402(c)(4)<sup>152</sup> of the Internal Revenue Code, provided the transfer is made in accordance with Section 402(c)(5)(c)<sup>153</sup> of the Internal Revenue Code and applicable regulation. *Employee Rollover Accounts* are not considered “annual additions” within the meaning of Section 47-3-2(3) of this Code.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. C-8. [Formerly Sec. 47-3-8. 1998 Defined Contribution Plan; vesting.]**

All account balances are subject to the following vesting schedules:

- (a) *Employee Contribution Account*. A participant shall always be one hundred percent (100% vested in such participant’s *Employee Contribution Account*.
- (b) *Employer Contribution Account*. A participant shall be vested in the balance of such participant’s *Employer Contribution Account* as follows:

Years of Service	Percentage vested
Less than two	0%
At least two, but less than four	50%
Four or more	100%

Service for vesting purposes shall include prior service under the 1973 Defined Benefit/Defined Contribution (Annuity) Plan of the DGRS.

- (c) *Employee Rollover Account*. A participant shall always be one hundred percent vested in the balance of such participant’s *Employee Rollover Account*.
- (d) *Annuity Savings Account*. A participant shall always be one hundred percent (100%) vested in the balance of such participant’s *Annuity Savings Account*.

(Ord. No. 29-01, § 1, 11-30-01)

For employees who separate from City service with a vested pension prior to reaching eligibility for a regular service retirement, time earned after July 1, 1986 <sup>ccc</sup> [or July 1, 1988<sup>ccc</sup>], shall not be factored into the formula for determining their pension benefit until they shall have attained age 62. This provision will not affect the current practice governing disabled employees.<sup>fff</sup>

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**Sec. C-9. [Formerly Sec. 47-3-9. Participant-directed Investments.]**

- (a) *Participant-directed Investments; Type.* Each participant and former participant may direct the investment of such participant's or former participant's account balances in specific types of investments made available by the Board. Such investments shall include:

Short term securities, fixed income securities, equity securities, and any other investment category the Board considers appropriate.

- (b) *Participant-directed Investments; Annual Review.* Each participant, former participant, and, following the death of a participant or former participant, the beneficiary of such participant or former participant, to the extent allowed by law, shall be given the opportunity, at least annually, to:

- (1) Elect to direct the investment of such participants, former participant's, or beneficiary's account balances;
- (2) Change the investment allocation; or
- (3) Cease to direct the investments.

All such elections shall be in accordance with procedures promulgated by the Board. The account balances of any participant, former participant, or beneficiary who elects not to direct the investment of such account balances, shall be invested in the designated component fund(s). If the law does not allow a beneficiary, following the death of a participant or former participant, to direct the participant's or former participant's account balances, then the account balances shall be liquidated and paid to the beneficiary.

- (c) *Participant-directed investments; income.* The income earned on each participant's investments shall be credited directly to such participant's account or accounts, except as provided in Section 47-3-12(g) of this Code.
- (d) *Expenses; Forfeitures.* In the event that any account balances are forfeited under Section 47-3-4(d) of this Code, the amounts so forfeited shall be used to offset past or future expenses of the Plan incurred during that Plan Year. Such expenses shall be settled in the following order: administrative, investment, legal, accounting, actuarial, and then all others as determined by the Board. To the extent that forfeitures exceed the expenses to be settled for a given Plan Year, such excess forfeitures shall be used to offset the City's contribution to the Plan for that Plan Year. To the extent excess forfeitures are available after offsetting the City's contribution for that Plan Year, the Board shall allocate such excess to the participant accounts in proportion to the compensation of each participant for the Plan Year. The employer shall cover the cost of all expenditures which exceed forfeitures.

(Ord. No. 29-01, § 1, 11-30-01)

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<sup>ccc</sup> CBA-4 (§ 15.D.), CBA-5 (§ 20.D.), CBA-6 (§ 26.D.), CBA-7 (§ 26.D.), Reopener-4 (§ 20.D.).

<sup>fff</sup> CBA-3 (§ 46.D.), CBA-4 (§ 15.D.), CBA-5 (§ 20.D.), CBA-6 (§ 26.D.), CBA-7 (§ 26.D.), CBA-8 (§ 25.D.), CBA-9 (§ 31.D.), CBA-10 (§ 33.D.), CBA-11 (§ 39.D.), CET-1 (§ 48.D.), Reopener-1 (§ 31.D.), Reopener-2 (§ 25.D.), Reopener-3 (§ 39.D.), Reopener-4 (§ 20.D.).

## **Sec. C-10. [Formerly Sec. 47-3-10. Benefits.]**

### **(a) Eligibility for Benefits.**

- (1) *Retirement.* In the event of the participant's retirement under Section 47-2-4(a), (b), or (c) of this Code, the eligible former participant shall be paid the total balance of the participant's accounts in accordance with Section 47-3-10(c) of this Code.
- (2) *Death.* In the event of a participant's death, the beneficiary of the participant shall be paid the total balance of each of the participant's accounts in accordance with Section 47-3-10(c) of this Code. Designation of a participant's or former participant's beneficiary shall be made in accordance with Section 47-3-10(b) of this Code. Upon death, the deceased former participant shall be one hundred percent (100%) vested in the balance of all of his or her accounts.
- (3) *Duty disability; eligibility.* Upon the written application of a participant or of the participant's department head, a participant who becomes totally incapacitated for duty in the employe of the City, shall be retired by the Board; provided that such incapacity is found by the Board to be the natural and approximate result of the actual performance of duty, without willful negligence on the participant's part; and provided further, that the Board Medical Director, after a medical examination of such participant, certifies in writing to the Board that such participant is mentally or physically totally incapacitated from further performance of duty to the City, and that such participant should be retired. Upon such duty disability retirement, such former participant shall be one hundred percent (100%) vested in the balance of all of the former participant's accounts.
- (4) *Duty Disability; Benefits.* In the event of the duty disability of a participant, the eligible former participant shall be paid the total balance of each of his or her accounts in accordance with Section 47-3-10(c) of this Code.
- (5) *Non-duty Disability; Eligibility.* Upon the written application of a participant or of the participant's department head, a participant who becomes totally and permanently incapacitated, as the result of causes not occurring in the actual performance of duty to the City, may be retired by the Board, provided that the Medical Director, after a medical examination of such participant, certifies in writing that such participant is mentally or physically incapacitated for further performance of duty to the City, and such incapacity is likely to be permanent and that such participant should be retired.
- (6) *Non-duty Disability; Benefits.* In the event of the non-duty disability of a participant, the eligible former participant shall be paid the vested portion of each of his or her accounts in accordance with Section 47-3-10(c) of this Code.
- (7) *Other termination.* If a participant's employment is terminated for any reason other than the participant's retirement under Section 47-3-10(a)(1) of this Code, duty disability, or death, the participant shall immediately become a former participant and shall be entitled to receive the vested portion of each of such participant's accounts. A participant's vested portion of such participant's accounts shall be determined in accordance with the provisions of Section 47-3-8 of this Code. Payments under this Section shall be made in accordance with Section 47-3-10(c) of this code.
- (8) *Forfeiture.* Any participant who terminates employment for reasons other than retirement under Section 47-3-10(a)(1) of this Code, duty disability or death, shall forfeit the non-vested portion of such participant's *Employer contribution Account*, if any. Such forfeiture shall become effective upon the participant's termination of employment with the employer, other than by retirement, duty disability, or death.

### **(b) Designation of Beneficiary.**

- (1) *Participant's spouse, if any.* For the purpose of receiving survivor benefits under this Plan, the beneficiary of a participant or former participant shall be the participant's or former participant's spouse, subject to Section 47-3-10(b)(2) of this Code.
  - (2) *Non-spousal Beneficiary; Designation.* A participant or former participant may designate a non-spousal beneficiary on a form satisfactory to the Board.
  - (3) *Revocation of Designation.* A participant may revoke a previous designation of beneficiary or change the designation of a beneficiary at any time, by filing written change of beneficiary on a form satisfactory to the Board.
  - (4) *Absence of Valid Designation of Beneficiary.* If a valid designation of beneficiary pursuant to Section 47-3-10(b) of this Code is not on file, the Board shall direct the Trustee to distribute the vested portion of the accumulated balance in a lump sum to the surviving spouse of the deceased participant or former participant, if any, or, if none survives the participant, to the estate of the deceased participant or former participant.
- (c) Payment of benefits.
- (1) *Method of Distribution.* A former participant or beneficiary may elect one or a combination of several of the following methods of distribution of the vested portion of such participant's accumulated balance:
    - a. A lump sum distribution to the recipient; or
    - b. A lump sum direct rollover to another qualified pension Plan, or to an Individual Retirement Account or Annuity (IRA); or
    - c. The purchase of an annuity from the Investment Trustee or another qualified annuity provider, the form of which shall be selected by the former participant or beneficiary, or required under the terms of an order issued pursuant to *The Eligible Domestic Relations Order Act*, MCL 38.1701 *et seq.*
    - d. Regular installments over a period certain.
    - e. No distribution, in which case the accumulated balance shall remain in the Plan until distributed at the election of the participant pursuant to Section 47-3-10(c)(2) below to the extent allowed by Federal Law.<sup>154</sup>
  - (2) *Commencement of Payment of Benefits.*<sup>155</sup> All benefit payments under the Plan shall be made, or shall commence to be made, as soon as is practicable after written election by the participant designating the time and method of distribution following entitlement thereto.
  - (3) *Required Distribution.* Lifetime of the participant or beneficiary. In accordance with Section 401(a)(9)<sup>156</sup> of the Internal Revenue Code the entire interest of each participant shall be distributed to such participant over the lifetime of the participant or beneficiary, beginning no later than the later of the April first of the calendar year following (1) the calendar year in which the employee attains age seventy and one-half or (2) the calendar year in which the employee retires.<sup>157</sup>
  - (4) *Upon the Death of the Participant.* Upon the death of the participant, the following restrictions shall apply to the distribution of the participant's interest under the Plan:
    - a. If the participant dies after starting to receive benefits but before the participant's entire interest under the Plan has been distributed, the remaining portion of such interest must be distributed at least as rapidly as under the method of distribution selected by the participant in effect at the date of the participant's death.



- b. If the participant dies before receiving any of his or her interest under the Plan, the entire interest shall be distributed to the participant's beneficiary by December thirty-first of the calendar year in which the fifth anniversary of the participant's death falls, with the following exceptions:
  1. If any portion of such interest is payable to or for the benefit of a designated beneficiary, such portion shall be distributed in accordance with applicable treasury regulations over a period not extending beyond the life expectancy of such beneficiary. The payments to such beneficiary shall begin not later than December thirty-first of the calendar year after the calendar year of such participant's death.
  2. If the participant's surviving spouse is the designated beneficiary, payments to such spouse shall begin not later than December Thirty-first of the calendar year in which the participant would have attained age seventy and one-half or by the date specified in 1. above, whichever is later. If such surviving spouse dies before payments have begun to be made to such spouse, then payments to the person or persons entitled to the same shall be subject to the distribution restrictions under this subparagraph b. which would have applied had the spouse been an unmarried participant.
  3. The amount required to be distributed under 1. and 2. above for each calendar year beginning with the distribution for the first calendar year for which a minimum distribution is required must be at least equal to the quotient obtained by dividing the participant's interest in the Plan by the life expectancy of the beneficiary. The participant's interest in the Plan for purposes of this paragraph 3. shall be the participant's account balance as of the last valuation date in the calendar year immediately preceding the first calendar year for which the distribution is required, adjusted as provided in treasury regulations for allocations of contributions, forfeitures and distributions, if any, after such valuation date.
  4. For purposes of subparagraphs 1. and 3. above, life expectancy shall be computed by use of the return multiples included in Tables V and VI of Section 1.72-9 of the Federal Income Tax Regulations. For purposes of subparagraphs 1. and 3. above, the life expectancy of the participant's spouse may be recalculated annually. The life expectancy of a beneficiary other than the participant's spouse may not be recalculated.
- c. Subject to applicable regulations, for purposes of a. and b. above, any amount paid to a child of the participant shall be treated as if it had been paid to the surviving spouse of the participant if such amount will become payable to the surviving spouse upon such child reaching the age of majority or other designated event permitted under applicable treasury regulations.
- d. If, prior to January 1, 1984, such participant had made a valid, unrevoked, written designation pursuant to Section 242(b) of the *Tax Equity and Fiscal Responsibility Act of 1982* as in effect prior to amendments made by the *Tax Reform Act of 1984*, then distributions to such participant and his or her beneficiary shall be made according to such designation.
- e. Subject to subparagraph d. above, all distributions under the Plan shall be made in accordance with Section 401(a)(9)<sup>158</sup> of the Internal Revenue Code and the regulations thereunder, including but not limited to regulations Section 1.401(a)(9)-2.<sup>159</sup>
- f. With respect to distributions under Plan made for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirement of Section 401(a)(9) of the Internal Revenue Code in accordance with the Regulations under Section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This Section f. shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

**Sec. C-11. [Formerly Sec. 47-3-11. Plan Administration.]**

- (a) *Powers and Duties.* The Board shall administer the Plan and shall have such powers and duties as may be necessary to discharge the responsibilities of the Board, including, but not limited to, the following:
- (1) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner, and time of payments of any benefits hereunder;
  - (2) To prescribe procedures to be followed by participants, former participants, and beneficiaries filing applications for benefits;
  - (3) To distribute information explaining the Plan, in such manner as it deems appropriate;
  - (4) To receive from the employer and participants, such information as shall be necessary for the proper administration of the Plan;
  - (5) To prepare a written annual report with respect to the administration of the Plan;
  - (6) To appoint or employ individuals to assist in the administration of the Plan and any other agents the Board deems advisable.
- (b) *Limitation on Powers.* The Board shall have no power to add to, subtract from, or modify, any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive, or fail to apply any requirements of eligibility for a benefit under the Plan. This Section 47-3-11(b) does not apply to the Administrative Board of Trustee's Administrative Rules and Regulations promulgated pursuant to Section 47-1-11 of this code.
- (c) Denial of claims; hearing by Board; written decision.
- (1) Any participant, former participant, or beneficiary who has been denied a benefit by a decision of the Board shall be entitled to request that the Board give further consideration to his or her claim, by filing a written request with the Board within sixty days after notice of denial by the Board, together with a written statement of the reasons why the claimant believes such claim should be allowed.
  - (2) The Board shall then conduct a hearing at which the claimant may be represented by an attorney or any other representative of the claimant's choosing, and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of the claimant's claim. At the hearing, or prior thereto upon five business days written notice to the Board, the claimant or other claimant's representative shall have an opportunity to review all documents in the possession of the Board which are pertinent to the claim at issue and its disallowance.
  - (3) A final decision as to the allowance of the claim shall be made by the Board within sixty days of the close of the hearing, unless there has been an extension due to special circumstances, provided that the delay and the special circumstances causing it, are explained to the claimant. The Board's decision shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.
  - (4) By resolution, the Board may designate a person or persons to serve as a hearing officer for the hearing of claims filed under Section 47-3-10(a)(3) of this Code. The Hearing Officer shall make written findings and a recommended disposition of such claims to the Board.
- (d) *Public Meeting.* The Board shall conduct a public meeting of participants, beneficiaries, and former participants, at least once each Plan Year and shall meet at such additional time as it deems necessary.



**Sec. C-12. [Formerly Sec. 47-3-12. Participant Loan Program.]**

- (a) *Participant Loan Program established.* Any loans granted or renewed shall be made pursuant to a Participant Loan Program which shall conform with the requirements of Section 72(p) of the Internal Revenue Code. Such loan program shall be established in writing by the Board of Trustees, and must include, but need not be limited to, the following:
- (1) The identity of the administrator of the Participant Loan Program;
  - (2) A procedure for applying for loans; the amount of loan that will be approved or denied, limitations, if any, on the types and amounts of loans offered;
  - (3) The procedures under the Program for determining a reasonable rate of interest; and
  - (4) The events constituting default and the steps that will be taken to preserve Plan assets.
- (b) *Amendment of Loan Program.*
- (1) This Loan Program shall be contained in a separate written document which, when properly executed, shall be incorporated by reference and made a part of the Plan. Such Participant Loan Program may be modified or amended by action of the Board, in writing, without the necessity of amending the Plan or this ordinance. The Board shall communicate any such modification or amendments, in writing, to all participants.
  - (2) All collective bargaining agreements which accept the terms of this ordinance are specifically agreeing to be subject to the Board's power to modify or amend the Participant Loan Program from time to time, including during the effective term of the applicable labor agreement, and no such modification or amendment shall be deemed a violation of said labor agreement and no grievance or other form of action shall be effective to overturn or alter the Board's decision.
- (c) *Eligibility.* Loans shall be made only to participants, former participants, spouses of participants, and beneficiaries are not eligible to receive any loans from the Plan. Subject to rules and procedures established by the Board, a participant who has been in the Plan for twelve months or more is eligible to apply for a loan from this Plan.
- (d) *Amount of Loan.* A participant who has satisfied applicable rules and procedures may borrow from the participant's accounts an amount which does not exceed fifty percent (50%) of the participant's vested accumulated balance, or fifty thousand dollars (\$50,000.00) reduced by the excess; if any, of (1) the highest outstanding balance of loans from the Trust during the one-year period ending on the day before the date on which the loan is made, or (2) the outstanding balance of loans from the Trust on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).
- (e) *Terms and Conditions.* In addition to such rules and procedures as established by the Board, all loans shall comply with the following terms and conditions:
- (1) Loan applications shall be in writing.
  - (2) Loans shall be repaid by equal payroll deductions over a period not to exceed five years, or if the loan is for the purpose of buying a principal residence, a period not to exceed ten years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two week period;

- (3) Each loan shall be made against the assignment of the participant's entire right, title and interest in and to the Trust, supported by the participant's collateral promissory note for the amount of the loan, including interest, payable to the order of the Trustee;
- (4) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among participants in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates if, in the opinion of the Board, the difference in rates is supported by a change in market interest rates. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration.
- (5) Loan repayments shall be suspended under this Plan as permitted by Section 414(u)(4) of the Internal Revenue Code. A participant who has an outstanding loan balance from the Plan who is absent from employment with the employer, and who has satisfied the requirements of 26 USC 414(a),<sup>160</sup> of the Internal Revenue Code shall not be required to make loan repayments to the fund during said periods of absence.
- (f) *Renewal of Loan.* Any loans granted or renewed shall be made pursuant to the participant loan program and Section 72(p) of the Internal Revenue Code and the regulations thereunder.
- (g) *Loan Balance.* A participant's outstanding loan balance shall be considered a directed investment by the participant and interest payments shall be credited to the participant's account balance and shall not be part of net investment income nor part of the participant's account balance for the purpose of allocation of net investment income under Section 47-3-9(c) of this Code.
- (h) *Distributions.* No distribution shall be made to a participant, former participant, or beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been liquidated.

### **Sec. C-13. [Formerly Sec. 47-3-13. Trust Fund.]**

- (a) *Establishment of Trust fund; selection of financial investment Trustee.* The Board shall establish a Trust fund by a Trust agreement with a financial investment Trustee to carry out the purposes of the Plan.
- (b) *Financial Investment Trustee.* The Financial Investment Trustee shall be the Trustee selected by the Administrative Board of Trustees, or such successor Financial Investment Trustee as selected by the Administrative Board of Trustees.
  - (1) *Employer and participant contributions to the Financial Investment Trustee.* All contributions by the employer, and any contributions by participants, shall be paid to the Financial Investment Trustee of the fund.
  - (2) *Financial Investment Trustee; Investment of funds.* The fund(s) shall be invested in such investments as are permissible under state law for governmental Plans, made available by the Administrative Board of Trustees, and as specified by the participant, former participant or beneficiary.
  - (3) *Duties of the Financial Investment Trustee.* The Trustee shall have the powers, rights and duties as specified in the Trust agreement with the Board, in addition to those specified elsewhere in the Plan or prescribed by law. The Trustee shall receive the contributions to the fund and, subject to the directed investments of participants, shall hold, invest and reinvest fund assets, and shall distribute fund assets plus any earnings thereon, pursuant to the provisions of the Plan and of the Trust agreement with the Administrative Board of Trustees. The Financial Investment Trustee shall determine all questions relating to accounting and to the financial position of the fund and the shares and interest of the participants in accordance with information supplied by the employer and the Board, and, in general, shall discharge all of the duties and functions imposed by the terms of the Plan, either expressly or by implication.

- (4) *Financial Investment Trustee expenses.* The reasonable expenses of the Financial Investment Trustee relating to the fund, including such compensation for the Financial Investment Trustee as may be agreed to in writing by the Board and the Financial Investment Trustee, shall be paid to the Financial Investment Trustee and shall be deducted from the fund. Such expenses shall include training of prospective Plan participants, whether conducted by the Financial Investment Trustee or a third party on its behalf.
- (5) *Accounting.* At the request of the employer or the Administrative Board of Trustees, the Financial Investment Trustee shall prepare and submit an accounting of the fund as of any date specified, but the Financial Investment Trustee shall not be required to render accounting more frequently than monthly during any Plan Year. The Financial Investment Trustee shall prepare and render to the employer, the Administrative Board of Trustees, and Council an accounting of the total fund as of the last day of each Plan Year. The Financial Investment Trustee shall not be required to render an accounting of the total fund to individual participants but only to the employer and Board, which may submit reports of the fund to the participants from time to time, provided, however, that the Financial Investment Trustee shall render periodic reports to each participant on all of his or her individual accounts and shall provide copies of such reports to the Board.
- (c) *Taxes.* After reasonable notice to the Board, any taxes assessed against the fund or any of its assets, including income, property, transfer, and other taxes, shall be paid by the Financial Investment Trustee and deducted from the fund. Whenever possible, these amounts shall be paid from forfeiture funds.
- (d) *Limitation of liability to assets of fund.* Except as required under applicable law, the benefits of the Plan shall be only such as can be provided by the assets of the fund, and there shall be no further liability or obligation on the part of the Board or the employer after its mandated contributions have been once paid to make any contributions or payments to establish or maintain the Plan, whether in the event of termination of the Plan or otherwise. No liability for the payment of benefits under the Plan shall be imposed on the Board or the employer.

(Ord. No. 29-01, § 1, 11-30-01)

#### **Sec. C-14. [Formerly Sec. 47-3-14. Miscellaneous.]**

- (a) *Amendments; Termination.* Subject to the Terms of the Collective Bargaining Agreements, the City reserves the right to amend this *Article III* and this Plan at any time. Such amendments may include termination of the Plan; provided, however, that no such amendment or termination shall deprive any participant, former participant or beneficiary of any then vested benefit under the Plan. The City shall make no amendment or amendments to the Plan and this ordinance which causes any part of the Trust fund to be used for, or diverted to, any purpose other than the exclusive benefit of participants, former participants or their beneficiaries; provided, that the City may make any amendment necessary, with or without retroactive effect, to comply with applicable federal law. Any amendment of the Plan which alters any terms of this *Article III* requires an amendment of this ordinance approved by the Council.
- (b) *Non-guarantee of employment.* Nothing contained in the Plan or this ordinance shall be construed as a contract of employment between the employer and any employee, or as a right of any employee to be continued in the employment of the employer, or as a limitation of the right of the employer to discharge any of its employees, with or without cause.
- (c) *No right to trust assets.* No participant, former participant or beneficiary shall have any right to, or interest in, any assets of the Trust Fund upon termination of employment or otherwise, except as provided under this Plan, as amended, and then only to the extent of the benefits payable under the Plan to such participant, former participant, or beneficiary out of, the assets of the Trust Fund. All payments of benefits as provided for in this Plan shall be made solely out of the assets of the Trust Fund and the fiduciary shall not be liable therefore in any manner.

- (d) *Non-forfeiture of benefits.* Subject only to the specific provisions of this ordinance, nothing shall be deemed to divest a participant, former participant, or beneficiary, of the right to the non-forfeitable benefit which such participant, former participant, or beneficiary, becomes entitled to in accordance with the provisions of this ordinance.
- (e) *Non-alienation of benefits.* Except as otherwise provided in this subsection, the right of a person to an accumulated balance or any other benefit from the Plan is unassignable and is not subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law. The right of a person to an accumulated balance or any other benefit from the Plan is subject to award by a court pursuant to MCL 552.18,<sup>161</sup> and to any other order of a court pertaining to alimony or child support. The right of a person to an accumulated balance or other benefit from the Plan is subject to an order issued pursuant to the *Eligible Domestic Relations Order Act*, MCL 38.1701 *et seq.*
- (f) *Right of set-off.* The Plan has the right of set-off to recover any overpayment made by the Plan and to satisfy any claim arising from embezzlement or fraud committed in their capacity as an employee of the employer by a participant, former participant, beneficiary, or other person who has a claim to an accumulated balance or any other benefit under this Plan.
- (g) *Collective bargaining agreements; conflict.* This ordinance shall not modify any provision of a collective bargaining agreement. In the event of a conflict between this ordinance and a collective bargaining agreement, the agreement shall control.
- (h) *Collective bargaining agreements; acceptance of ordinance terms.* All collective bargaining agreements which accept the terms of this ordinance are specifically agreeing to be subject to the Board's power to modify or amend the administrative rules and procedures governing this *Article III* Plan from time to time, including during the effective term of the applicable labor agreement, and no such modification or amendment shall be deemed a violation of said labor agreement and to grievance or other form of action shall be effective to overturn or alter the Board's decision.
- (i) Enforcement against any act or practice which violates state law, the 1997 Detroit City Charter, the 1984 Detroit City Code or the terms of this Plan. A civil action may be brought by:
  - (1) A Plan participant who is or may become eligible to receive a benefit;
  - (2) A beneficiary, who is or may become eligible to receive a benefit;
  - (3) A Plan fiduciary, including a Trustee;
  - (4) The Finance Director, on behalf of the City as Plan sponsor.

(Ord. No. 29-01, § 1, 11-30-01)

**[Formerly Secs. 47-3-15—47-3-20. Reserved.]**

## **ARTICLE D. [FORMERLY ARTICLE IV. MISCELLANEOUS PROVISIONS OF THE GENERAL RETIREMENT SYSTEM]**

### **Sec. D-1. [Formerly Sec. 47-4-1. Assignments prohibited.]**

The right of a person to a pension, annuity, or retirement allowance, the return of accumulated contributions, the pension, annuity, or retirement allowance itself, to any optional benefit, to any other right accrued or accruing to any person under the provisions of this Code, and to the monies in the various funds of the Retirement System shall not be assignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, except as specifically provided in this chapter of the Code or by an Eligible Domestic Relations Order of a lawful court.

(Ord. No. 29-01, § 1, 11-30-01)

### **Sec. D-2. [Formerly Sec. 47-4-2. Protection against fraud.]**

A person who, with intent to deceive, makes any statements or reports required under this chapter of the Code that are untrue, or who falsifies or permits to be falsified any record or records of this Retirement System, or who otherwise violates, with intent to deceive, any terms or provisions of this chapter of the code, shall be subject to prosecution under applicable law.

(Ord. No. 29-01, § 1, 11-30-01)

### **Sec. D-3. [Formerly Sec. 47-4-3. Enforcement; civil action.]**

A civil action for relief against any act or practice which violates the state law, the 1997 Detroit City Charter, 1984 Detroit City Code or the terms of this Plan, may be brought by:

- (1) A Plan participant who is or may become eligible to receive benefit;
- (2) A beneficiary who is or may become eligible to receive a benefit;
- (3) A Plan fiduciary, including a Trustee;
- (4) The Finance Director, on behalf of the City as Plan sponsor.

(Ord. No. 29-01, § 1, 11-30-01)

### **Sec. D-4. [Formerly Sec. 47-4-4. Amendments; termination.]**

*The City reserves the right to amend this Chapter 47 and the Plans created hereunder at any time; such amendments may include termination of the Plan; provided, however, that no such amendment or termination shall deprive any participant, former participant or beneficiary of any then vested benefit under the Plan. The City shall make no amendment or amendments to the Plan and this ordinance which causes any part of the Trust fund to be used for, or diverted to, any purpose other than the exclusive benefit of participants, former participants or their beneficiaries; provided, that the City may make any amendment necessary, with or without retroactive effect, to comply with applicable federal law. Any amendment of the Plan which alters any term in this Chapter 47, requires an amendment of this ordinance approved by the Council.*

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. D-5. [Formerly Sec. 47-4-5. Errors.]**

If any change or error in the records results in any person receiving from the Retirement System more or less than the person would have been entitled to receive from the system had the records been correct, the Board shall correct such error, and as far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such person was correctly entitled shall be paid.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. D-6. [Formerly Sec. 47-4-6. Limitation of other statutes.]**

No other provision of law, charter, or ordinance, which provides pensions or retirement benefits wholly or partly at the City expense, exclusive of federal Social Security old-age and survivors' insurance benefits for City employees, their surviving spouses and other dependents, shall apply to members, retirees or beneficiaries of the Retirement System, their surviving spouses or other dependents.

(Ord. No. 29-01, § 1, 11-30-01)

**Sec. D-7. [Formerly Sec. 47-4-7. Construction.]**

Words in the singular should be read and construed as though used in the plural, and words in the plural should be read and construed as though used in the singular, where appropriate. The words "hereof", "herein", and "hereunder" and other similar compounds of the word "here", shall mean and refer to the entire ordinance and not to any particular provision or section thereof. Article and section headings are included for convenience of reference, and are not intended to add to, or subtract from, the terms of the Plans created hereunder.

**[Formerly Secs. 47-4-8—47-4-10. Reserved. ]**

## ENDNOTES TO ARTICLES A, B, C, AND D [FORMERLY NOTES TO CHAPTER 47]

**\* Editor's note**— Ord. No. 29-01, § 1, adopted Nov. 30, 2001, amended the general retirement system of the city and enacted a new Ch. 47 to this Code as herein set out. Previously provisions relating to the retirement systems of the system had been incorporated by reference. Ord. No. 1-02, adopted Jan. 9, 2002, repealed certain previously uncodified provisions relating to city retirement systems. Ord. No. 1-02 provides, in part, as follows: IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT: Section 1. Chapter 47 of the 1984 Detroit City Code, Code, titled 'Retirement Systems,' be amended by repealing uncodified Sections 47-2-1 (Ordinance No. 15-87), 47-2-2 (Ordinance No. 5-92), 47-2-3 (Ordinance No. 5-92), 47-10-2 (Ordinance No. 10-86), 47-10-5 (Ordinance No. 3-87), 47-10-6.1 (Ordinance No. 2-93), 47-10-7 (Ordinance No. 6-91), 47-10-8, 47-10-9, 47-10-10, 47-10-11, 47-10-12, 47-10-13, 47-10-14, 47-10-15, 47-10-16 (Ordinance No. 2-93), all of which have now been codified in Sections 47-1-1 through 47-2-20, as follows: (Back)

<b>Sec. 47-2-1</b> Repealed.	<b>Sec. 47-10-7.</b> Repealed.
<b>Sec. 47-2-2</b> Repealed.	<b>Sec. 47-10-8.</b> Repealed.
(2) After attaining age forty with eight or more years of credited service, whichever is earlier.	<b>Sec. 47-10-9.</b> Repealed.
<b>Sec. 47-2-3</b> Repealed.	<b>Sec. 47-10-11.</b> Repealed.
<b>Section 47-3-1 through 47-3-11</b> Repealed.	<b>Sec. 47-10-12.</b> Repealed.
<b>Sec. 47-10-2.</b> Repealed.	<b>Sec. 47-10-13.</b> Repealed.
<b>Sec. 47-10-5.</b> Repealed.	<b>Sec. 47-10-14.</b> Repealed.
<b>Sec. 47-10-6(1),(2).</b> Repealed.	<b>Sec. 47-10-15.</b> Repealed.
<b>Sec. 47-10-6.1.</b> Repealed.	<b>Sec. 47-10-16.</b> Repealed.

<sup>1</sup>Ordinance No. 593-H is the re-codification ordinance, 1984 JCC pp 1292-93.

<sup>2</sup>“The accrued financial benefits of each pension Plan and Retirement System of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities.”

<sup>3</sup>1918 Detroit City Charter, T.9, C. VI, A. 1, as amended effective September 15, 1964.

<sup>4</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §1, as amended effective September 15, 1964.

<sup>5</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §2, as amended effective September 15, 1964; current language is contained in the 1997 Detroit City Charter Section 11-103.

<sup>6</sup>Originally the Council Trustee was the Council President; as amended by Ordinance 173-H, effective December 22, 1976; amended by Ordinance 338-H, effective September 5, 1979. [Ord. Nos. 173-H and 338-H were repealed by Ord. Nos. 24-01.]

<sup>7</sup>1964 Detroit City Code Section 54-3-1, as amended by Ordinance 56-H, effective August 8, 1975. [Ord. No. 56-H was repealed by Ord. No. 24-01]

<sup>8</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §2.1, as amended effective September 15, 1964.

<sup>9</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §3, as amended effective September 15, 1964.

<sup>10</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §4 “shall be fixed by ordinance,” as amended effective September 15, 1964. *See*, Ordinance 297-G, §1; Ordinance 715-G, §1, and Ordinance 494-H, effective April 22,



1982. This section is a revision of Ordinance 494-H, which has been in place for over twenty years. [Ord. No. 494-H was repealed by Ord. No. 24-01.]

<sup>11</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §5, as amended effective September 15, 1964.

<sup>12</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §6, as amended effective September 15, 1964; new language added to reflect changes in the law.

<sup>13</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §7, as amended effective September 15, 1964.

<sup>14</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §8, as amended effective September 15, 1964. Before the passage of the *Public Employee Retirement System Investment Act*, MCL 38.1132 *et seq.*, the selection of Board employees was subject to City Council approval.

<sup>15</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §9, as amended effective September 15, 1964.

<sup>16</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §10, as amended effective September 15, 1964.

<sup>17</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §11, as amended effective September 15, 1964. Before the Board established the right to its own counsel, it was represented by the Corporation Counsel. *See*, 1964 Detroit City Code Section 54-2-10, as amended by Ordinance 65-H, effective October 17, 1975.

<sup>18</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §12, as amended effective September 15, 1964.

<sup>19</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §13, as amended effective September 15, 1964.

<sup>20</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §14, as amended effective September 15, 1964.

<sup>21</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §15, as amended effective September 15, 1964.

<sup>22</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §16, as amended effective September 15, 1964.

<sup>23</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.1-1.23, as amended effective September 15, 1964, as amended effective July 1, 1973.

<sup>24</sup>1964 Detroit City Code, Section 54-1-1, as amended by Ordinance 83-H, effective February 10, 1976, retroactive to July 1, 1975. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>25</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.2.

<sup>26</sup>This is a new definition.

<sup>27</sup>This is a new definition.

<sup>28</sup>Section 47-1-11 gives the Board of Trustees the authority to establish rules and regulations for the administration of the pension system.

<sup>29</sup>This is a new definition.

<sup>30</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.15, as amended by 1964 Detroit City Code Section 54-1-1, as amended by Ordinance 83-H, effective February 26, 1976, retroactive to July 1, 1975. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>31</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.19.

<sup>32</sup>1918 Detroit City Charter T.9, C. VI, A. 3, §1, 1.13, as amended.

<sup>33</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.10, as amended by 1964 Detroit City Code Section 54-1-1, as amended by Ordinance 83-H, effective February 26, 1976, retroactive to July 1, 1975. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>34</sup>A retiree is also a “beneficiary.”

<sup>35</sup>1918 Detroit City Charter, T.9, C. VI, A. 2, §1, as amended by 1964 Detroit City Code Section 54-1-1, as amended by Ordinance 83-H, effective February 26, 1976, retroactive to July 1, 1975. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>36</sup>Section 47-1-4 lists membership of the Board.



<sup>37</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.4.

<sup>38</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.5.

<sup>39</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.6.

<sup>40</sup>26 USC 401(a)(17). The current maximum compensation is \$200,000.00, Pub. L. 99-514, Title XI, §1106(d)(1), (i)(5), October 22, 1986, 100 Stat 2423, 2425, applicable to years beginning after December 31, 1988 (as adjusted for inflation).

<sup>41</sup> *Ibid.*

<sup>42</sup>This is a new definition.

<sup>43</sup>This is a new definition.

<sup>44</sup>1918 Detroit City Charter, T.9, C. VI, A. 1, as amended by 1964 Detroit City Code Section 54-1-1.

<sup>45</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.2.

<sup>46</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.2(d)(e).

<sup>47</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.14.

<sup>48</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.3, as amended by 1964 Detroit City Code Section 54-1-1.

<sup>49</sup>This is a new definition.

<sup>50</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.16, as amended by 1964 Detroit City Code Section 54-1-1, as amended by Ordinance 83-H, effective February 26, 1976, retroactive to July 1, 1975. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>51</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.20.

<sup>52</sup>This is a new definition.

<sup>53</sup>Formerly referred to as “retirant,” 1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.23, as amended by 1964 Detroit City Code Section 54-1-1, as amended by Ordinance 83-H, effective February 26, 1976, retroactive to July 1, 1975. A “retiree” is also a beneficiary. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>54</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.18.

<sup>55</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.17.

<sup>56</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.1, as amended by 1964 Detroit City Code Section 54-1-1, as amended by Ordinance 83-H, effective February 26, 1976, retroactive to July 1, 1975. [Ord. No. 83-H was repealed by Ord. No. 24-01.]

<sup>57</sup>1918 Detroit City Charter, T.9, C. VI, A. 1, as amended by 1964 Detroit City Code Section 54-1-1.

<sup>58</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.7.

<sup>59</sup>1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.22.

<sup>60</sup> *See*, 1918 Detroit City Charter, T.9, C. VI, A. 3, §1, 1.22.

<sup>61</sup> “*Service credit*” is defined in Section 47-1-21.

<sup>62</sup>Ordinance No. 15-87, effective 5/22/87; retroactive to January 1, 1984; uncodified Section 47-2-1.

<sup>63</sup> *Consolidation of entities.*

<sup>64</sup>1918 Detroit City Charter, T.9, C. VI, A. 5, §2, as amended effective September 15, 1964.

<sup>65</sup>1918 Detroit City Charter, T.9, C. VI, A. 5, §3, as amended effective September 15, 1964, as amended by Ordinance 357-H, effective December 30, 1979, retroactive to January 1, 1979. [Ord. No. 357-H was repealed by Ord. No. 24-01.]

<sup>66</sup>1918 Detroit City Charter, T.9, C. VI, A. 5, §3, as amended effective September 15, 1964.

<sup>67</sup> See, 26 USC 414(u) “Special Rules Relating to Veterans’ Re-employment Rights Under USERRA,” P.L. 104-183, 110 Stat 1883 (104th Congress, 2d Session 1996) (2 U.S. Code Congressional and Administrative News, p. 1883).

<sup>68</sup> This is consistent with Chapter 18, Article VI, of the 1984 Detroit City Code; as amended.

<sup>69</sup> See, Section 47-2-5, this ordinance.

<sup>70</sup> 1918 Detroit City Charter, T.9, C. VI, A. 2, §1, as amended effective September 15, 1964.

<sup>71</sup> 1918 Detroit City Charter, T.9, C. VI, A. 2, §2, as amended effective September 15, 1964.

<sup>72</sup> Those provisions outline the age and service requirements for normal service retirement, this is, after thirty years, at sixty-five with eight years, at sixty with ten years or twenty-five years of service.

<sup>73</sup> The “six-year rule” was upheld in *Weeks v Board of Trustees*, 160 Mich App 81; 408 NW2d 109 (1987).

<sup>74</sup> Policy Resolution of the Board of Trustees, Meeting No. 2952, October 6, 1993.

<sup>75</sup> *Ibid.*

<sup>76</sup> *Ibid.* For example, if the retired employee had more than twenty-five years of service for his/her initial retirement, his/her factor for all new service would be two point two percent (2.2%).

<sup>77</sup> *Ibid.* For example, if the retiree works three years, the divisor would be three, with the highest three consecutive years out of the last ten years used whenever possible.

<sup>78</sup> 1918 Detroit City Charter, T.9, C. VI, A. 6, P.E., §1(a), as amended by the 1964 Detroit City Code Section 54-11-1(1) as amended by Ordinance 50-H, effective June 25, 1975, retroactive to July 1, 1974. [Ord. No. 50-H was repealed by Ord. No. 24-01.]

<sup>79</sup> This section is new.

<sup>80</sup> 1918 Detroit City Charter, T.9, C. VI, A. 6, §1.1, as amended effective September 15, 1964, as amended effective August 16, 1966. In summary, a member may retire (a) with thirty years of credited service; (b) if hired after January 1, 1996, with thirty years of credited service and age fifty-five; (c) if sixty or older with ten years of credited service; or, (d) if sixty-five or older with eight years of credit service. A member may elect an actuarially reduced service retirement at any age with twenty-five or more years of service.

<sup>81</sup> 1964 Detroit City Code Section 54-7-1.1, as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>82</sup> Service retirement allowance.

<sup>83</sup> 1984 Detroit City Code Section 47-2-2 and 47-2-3 (uncodified), effective March 30, 1992, retroactive to July 1, 1980. In summary, an employee is vested if; (a) hired before July 1, 1980 with eight years of service and are at least forty years of age; (b) hired before July 1, 1980 or after, after ten years of service regardless of age. Non-union employees hired between July 1, 1980 and March 20, 1992; vest under either the “forty and eight” or the “ten year” rule.

<sup>84</sup> Vested pension — Forty years of age with eight years of service or ten years of service.

<sup>85</sup> Thirty years of service.

<sup>86</sup> Sixty-five years of age with eight years of service, sixty years of age with ten years of service.

<sup>87</sup> Under sixty years of age with twenty-five years of service.

<sup>88</sup> *The Public Employee Retirement Benefits Forfeiture Act*, MCL 38.2701 *et seq.*

<sup>89</sup> *Public Employee Retirement Benefits Forfeiture Act*, MCL 38.2701 *et seq.*

<sup>90</sup> *Service retirement allowance.*

<sup>91</sup> 1918 Detroit City Charter, T.9, C. VI, A. 6, P.A., §2, as amended effective September 15, 1964, as amended effective August 16, 1966, as amended effective July 1, 1969, as amended effective July 1, 1973, as amended

effective July 1, 1996 (Ordinance 2-97), as amended effective July 1, 1992 (Ordinance 1-98), as amended effective July 1, 1992 (Ordinance 3-98), as amended effective July 1, 1992 (Ordinance 9-99).

<sup>92</sup>Retirement allowance options.

<sup>93</sup>Service retirement Plan.

<sup>94</sup>For example, but not limited to, Ordinance No. 85-H, effective February 19, 1976, retroactive to July 1, 1975; Ordinance No. 165-H, effective December 3, 1976, retroactive to July 1, 1976. [Ord. Nos. 85-H and 165-H were repealed by Ord. No. 24-01.]

<sup>95</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §1, as amended effective September 15, 1964.

<sup>96</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §2, as amended effective September 15, 1964.

<sup>97</sup>Service retirement benefits.

<sup>98</sup>Retirement allowance options.

<sup>99</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §2(b)(1), as amended effective September 15, 1964, as amended effective August 15, 1966, as amended effective July 1, 1973.

<sup>100</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §2(b)(2), as amended effective September 15, 1964, as amended effective August 16, 1966, as amended effective July 1, 1973.

<sup>101</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B. §3, as amended effective September 15, 1964. A member must have at least ten years of credited service to be eligible for a non-duty related disability benefit.

<sup>102</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §4, as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>103</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §4(a), as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>104</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B. §4(b), as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>105</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §4(b)(1), as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>106</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §4(b)(2), as amended effective September 15, 1964, as amended effective August 16, 1966, as amended effective July 1, 1973.

<sup>107</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.C, §1, as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>108</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.B, §1(a), as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>109</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.C, §1(b), as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>110</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.C, §1(c), as amended effective September 15, 1964, as amended effective August 16, 1966.

<sup>111</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.C, §1(e), as amended effective September 15, 1964, as amended effective August 16, 1966, as amended effective July 1, 1996 (Ordinance 29-96).

<sup>112</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.C, §1(d), as amended effective September 15, 1964, as amended effective August 16, 1966, as amended effective July 1, 1996 (Ordinance 29-96).

<sup>113</sup>*Pensions offset by compensation benefits; subrogation.*

<sup>114</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.D, §1, as amended effective September 15, 1964, as amended effective July 1, 1973.

<sup>115</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.E, §1(a), as amended by 1964 Detroit City Code Section 54-11-1; as amended by Ordinance 50-H, effective June 25, 1975, retroactive to July 1, 1974, as amended by Ordinance 6-91, effective April 5, 1991, extends pop-up option to employees who retired before the option was available. [Ord. No. 50-H was repealed by Ord. No. 24-01.]

<sup>116</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.E, §1(a), as amended by 1964 Detroit City Code Section 54-11-1; as amended by Ordinance 50-H, effective May 25, 1975, retroactive to July 1, 1974, (Option 1). [Ord. No. 50-H was repealed by Ord. No. 24-01.]

<sup>117</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.E, §1(a), as amended by 1964 Detroit City Code Section 54-11-1(2); as amended by Ordinance 50-H, effective June 25, 1975, retroactive to July 1, 1974, (Option 2). [Ord. No. 50-H was repealed by Ord. No. 24-01.]

<sup>118</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.E, §2.

<sup>119</sup>Accidental death benefit.

<sup>120</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.E, §2.1, as amended.

<sup>121</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.E, §3, as amended.

<sup>122</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.F, §1.

<sup>123</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.F, §2.

<sup>124</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.G, §1.

<sup>125</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.H, §1.

<sup>126</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.H, as amended by Ordinance 2-93, effective February 8, 1993, retroactive to July 1, 1992

<sup>127</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.H, §1.

<sup>128</sup>1918 Detroit City Charter, T.9, C. VI, A. 6, P.H, §2.

<sup>129</sup>1918 Detroit City Charter, T.9, C. VI, A. 7.

<sup>130</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §1.

<sup>131</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §2.

<sup>132</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §3, as amended by Ordinance 84-7, effective February 10, 1976, retroactive to July 1, 1975.

<sup>133</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §4.

<sup>134</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §5.

<sup>135</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §6.

<sup>136</sup>1918 Detroit City Charter, T.9, C. VI, A. 7, §7.

<sup>137</sup>1964 Detroit City Code Sections 54-1-7 to 54-1-9.

<sup>138</sup>1964 Detroit City Code Section 54-1-8.

<sup>139</sup>1964 Detroit City Code Section 54-1-9.

<sup>140</sup>1918 Detroit City Charter, T.9, C. VI, A. 8.

<sup>141</sup>1918 Detroit City Charter, T.9, C. VI, A. 8, §1.

<sup>142</sup>MCL 38.1132 *et seq.*

<sup>143</sup>1918 Detroit City Charter, T.9, C. VI, A. 8., §2.

<sup>144</sup>1918 Detroit City Charter, T.9, C. VI, A. 8., §3.

<sup>145</sup>1918 Detroit City Charter, T.9, C. VI, A. 8., §4.

<sup>146</sup>1918 Detroit City Charter, T.9, C. VI, A. 8., §5.

<sup>147</sup>26 USC 415(l)(2).

<sup>148</sup>26 USC 419A(d)(2).

<sup>149</sup>The classified service of the City consists of all employment in the City service except: (1) elected officers; (2) persons holding appointments under the Charter; (3) persons employed to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the City, and (4) others exempted by the Charter, 1997 Detroit City Charter, Section 6-517.

<sup>150</sup>Six hundred (600) hours is the minimum. *See*, definition of “employee” found in Section 47-1-21.

<sup>151</sup>The term “participant’s compensation” means the compensation of the participant from the employer for the year, 26 USC 415(c)(3)(A).

<sup>152</sup>The term “eligible rollover distribution” means any portion of which may be excluded from gross income under subsection (a)(5) of this section [rollover amounts — beneficiaries of an exempt employees’ Trust] or subsection (a)(4) of section 403 [rollover amounts — beneficiaries of a qualified annuity Plan] if transferred to an eligible retirement Plan in accordance with the requirements of such subsection. 26 USC 402(c)(4).

<sup>153</sup>26 USC 402(c)(5)(C).

<sup>154</sup>*See*, 26 USC 401(a)(9).

<sup>155</sup>Source: 26 USC 401(a)(9)(C)(i)(ii).

<sup>156</sup>Correct citation is Section 401(a)(9).

<sup>157</sup>Title 26, Section 401(a)(9)(C) defines the “required beginning date” for purposes of distributions as the later of (1) the calendar year in which the employee attains age 70½, or the (2) calendar year in which the employee retires.

<sup>158</sup>26 USC 401(a)(9).

<sup>159</sup>Correct citation is Section 1.401(a)(9)-2. Capitalization in text is for printing purposes only.

<sup>160</sup>Special rules relating to veterans’ preemployment rights under USERRA.

<sup>161</sup>MCL 552.18(2) provides that unvested retirement benefits may be considered as part of the marital estate.

<sup>162</sup>*American Federation of State, County and Municipal Employees vs. City of Detroit*, 252 Mich App 293; 652 NW2d 240 (2002); *aff’d* 468 Mich 388; 662 NW2d 695 (2003.)

## LEGEND TO FOOTNOTES TO ARTICLES A, B, C, AND D

The retirement plan provisions of a number of bargaining agreements contain identical language. The agreements that share the same provisions are consolidated into the following groups and designated with random numbers to distinguish each group from the others. Following the group name is a list of all collective bargaining agreements or city employment term agreements that contain identical language, and that apply the changes for the group as annotated in the plan document above. Unless otherwise indicated, the effective dates apply uniformly to all agreements within a group.

### CBA-1:

- Master Agreement Between the City of Detroit and the International Union of Operating Engineers IUOE Local 324 (Principal Clerks) 2013-2018 (effective December 18, 2013 through December 31, 2018)
- Master Agreement Between the City of Detroit and the International Brotherhood of Teamsters Teamster Local 214 2013-2018 (effective December, 2013 through December 31, 2018)

### CBA-2 (effective November 12, 2014 through December 31, 2018):

- Master Agreement Between the City of Detroit and the Police Officers Association of Michigan POAM 2013-2018

### CBA-3 (effective 2013 through June 30, 2018):

- Michigan Council 25 of the American Federation of State, County and Municipal Employees, AFL-CIO Local 2920 (2013 – 2018 Collective Bargaining Agreement)

### CBA-4 (effective 2013 through June 30, 2016):

- Building Trades Foremen Unit of Michigan Building and Construction Trades Council, AFL-CIO (2013 – 2016 Collective Bargaining Agreement) *(Please Note: The retirement provisions in this agreement apply only to those employees covered under this agreement, and hired prior to July 1, 2012.)*

### CBA-5 (effective 2013 through June 30, 2016):

- Michigan Building and Construction Trades Council, AFL-CIO (2013 – 2016 Collective Bargaining Agreement)

### CBA-6 (effective March 26, 2013 through June 30, 2016):

- Utility Workers Union of America Local 488 and Local 531 (2012 – 2016 Collective Bargaining Agreement Extension)

### CBA-7 (effective 2013 through June 30, 2016):

- Utility Workers Union of America Local 504 (2013 – 2016 Collective Bargaining Agreement)

### CBA-8 (effective March 26, 2013 through June 30, 2020):

- Association of Professional Construction Inspectors (2012 – 2020 Collective Bargaining Agreement Extension)

### CBA-9 (effective March 25, 2013 through June 30, 2022):

- I.U.O.E. Local 324 – Operating Engineers, Detroit Principal Clerks & Park Management Units (2012 – 2022 Collective Bargaining Agreement Extension) *(Please Note: The retirement provisions in this agreement apply only to those employees hired prior to July 1, 2012.)*

### CBA-10 (effective 2014 through June 30, 2016):

- Detroit Senior Water Systems Chemists Association (2014 – 2016 Collective Bargaining Agreement)

### CBA-11:



- Master Agreement Between the City of Detroit and Michigan Council 25 Local 1023 of the American Federation of State, County and Municipal Employees, AFL-CIO Emergency Services Operators Chapter (2009 – 2013). This agreement expired by its terms on June 30, 2013. A letter from the Labor Relations Director dated August 23, 2013 (“Re: Terms and Condition of Employment”) implemented certain changes to the employment terms (none affecting the retirement provisions), and kept all other terms the same as in this agreement.

**CET-1** (effective July 18, 2012 until modified by a collective bargaining agreement):

- City Employment Terms Between the City of Detroit and Association of Professional Construction Inspectors
- City Employment Terms Between the City of Detroit and Assistant Supervisors of Street Maintenance & Construction
- City Employment Terms Between the City of Detroit and Building & Safety Inspectors – Tripartite
- City Employment Terms Between the City of Detroit and Building & Construction Trades – Foreman
- City Employment Terms Between the City of Detroit and Building & Construction Trades - Non Supervisory
- City Employment Terms Between the City of Detroit and Detroit Income Tax Investigators Association
- City Employment Terms Between the City of Detroit and International Union of Operating Engineers Local 324
- City Employment Terms Between the City of Detroit and Association of City of Detroit Supervisors
- City Employment Terms Between the City of Detroit and Association of Detroit Engineers
- City Employment Terms Between the City of Detroit and AFSCME, Local 2394 Michigan Council 25 Supervisory Unit
- City Employment Terms Between the City of Detroit and AFSCME Forestry and Landscape Foreman
- City Employment Terms Between the City of Detroit and AFSCME Non Supervisory
- City Employment Terms Between the City of Detroit and AFSCME, Paving Foreperson’s
- City Employment Terms Between the City of Detroit and Association of Municipal Engineers
- City Employment Terms Between the City of Detroit and Association of Municipal Inspectors
- City Employment Terms Between the City of Detroit and Association of Professional & Technical Employees
- City Employment Terms Between the City of Detroit and International Union of Operating Engineers Local 324 - Principal Clerks Unit
- City Employment Terms Between the City of Detroit and International Union of Operating Engineers Local 324 - Park Management Association
- City Employment Terms Between the City of Detroit and Police Officers Labor Council Detention Facility Officers
- City Employment Terms Between the City of Detroit and Police Officers Labor Council - Health Department
- City Employment Terms Between the City of Detroit and Senior Accountants, Analysts, & Appraisers Association
- City Employment Terms Between the City of Detroit and Service Employees International Union Local 517M Non Supervisory Unit
- City Employment Terms Between the City of Detroit and Service Employees International Union Local 517M Professional & Technical Unit
- City Employment Terms Between the City of Detroit and Service Employees International Union Local 517M Supervisory Unit

- City Employment Terms Between the City of Detroit and Teamsters Local 214
- City Employment Terms Between the City of Detroit and United Auto Workers Local 212 - Civilian Police Investigators
- City Employment Terms Between the City of Detroit and United Auto Workers Local 412 – Paralegals
- City Employment Terms Between the City of Detroit and United Auto Workers Local 2211 - Public Attorney's Association

**CET-2** (effective July 18, 2012 until modified by a collective bargaining agreement):

- City Employment Terms Between the City of Detroit and Emergency Medical Service Officers Association
- City Employment Terms Between the City of Detroit and Police Officers Association of Michigan

**CET-3** (effective July 18, 2012 until modified by a collective bargaining agreement):

- City Employment Terms Between the City of Detroit and AFSCME Motor City Seasonals

**Reopener-1** (executed March 12, 2014):

- International Union of Operating Engineers *(Please note: §§ 39.A. through 39.S. apply to employees hired prior to July 1, 2012.)*

**Reopener-2** (executed March 21, 2014):

- Association of Professional Construction Inspectors *(Please note: §§ 25.A. through 25.Q. only apply to employees hired prior to July 1, 2012.)*

**Reopener-3** (executed March 25, 2014 and effective until June 30, 2019):

- Teamsters

**Reopener-4** (executed March 26, 2014):

- Building & Construction Trades Council / Building Trades Council (“BTC”) *(Please note: §§ 20.A. through 20.S. apply to employees hired prior to July 1, 2012 unless modified by any plan of adjustment approved by the United States Bankruptcy Court.)*

LAI-3210845v9



**EXHIBIT I.A.276**

PRIOR PFRS PENSION PLAN

**COMBINED PLAN  
FOR THE  
POLICE AND FIRE  
RETIREMENT SYSTEM OF  
THE CITY OF DETROIT, MICHIGAN**

**Effective July 1, 2014**

## COMPONENT II

**This Component II of the Combined Plan For the Police and Fire Retirement System of the City of Detroit, Michigan is intended to memorialize the documentation for the Police and Fire Retirement System of the City of Detroit as it existed on June 30, 2014.**

COMPILATION  
OF  
PLAN PROVISIONS  
OF THE  
POLICE AND FIRE RETIREMENT SYSTEM  
OF THE CITY OF DETROIT

JULY 1, 2014

Including

Article IX, Section 24  
of the  
1963 State of Michigan Constitution

Article 11  
of the  
2012 Home Rule Charter  
of the  
City of Detroit  
effective January 1, 2012

Chapter VII of Title IX  
of the  
1918 City of Detroit Charter  
as amended and supplemented from time to time  
by amendments to the Charter, City Ordinance and by Agreement

Chapter 54, Article II  
of the  
1964 Detroit City Code  
as amended and supplemented from time to time  
by City Ordinance  
which was saved from repeal by  
Section 11-102 of the 1974, 1997, and 2012 Detroit City Charters  
and incorporated by reference into, but not codified in,  
Chapter 47 of the 1984 Detroit City Code

Collective Bargaining Agreements

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**MCLS Const. Art. IX, § 24**

**§ 24. Public pension plans and retirement systems, obligation.**

Sec. 24. The accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby.

Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities.

**January 1, 2012  
City of Detroit Charter**

**ARTICLE 11.  
RETIREMENT PLANS**

**Sec. 11-101. City's Duties.**

1. The city shall provide, by ordinance for the establishment and maintenance of retirement plan coverage for city employees.
2. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and that funding shall not be used for financing unfunded accrued liabilities.
3. The accrued financial benefits of active and retired city employees, being contractual obligations of the city, shall in no event be diminished or impaired.

**Sec. 11-102. Continuation of Existing Plans.**

The retirement plans of the city existing when this Charter takes effect, including the existing governing bodies for administering those plans, the benefit schedules for those plans and the terms for accruing rights to and receiving benefits under those plans shall, in all respects, continue in existence exactly as before unless changed by this Charter or an ordinance adopted in accordance with this article.

**Sec. 11-103. Principles Applicable In Administering Plans.**

Not more than two (2) governing bodies for administering the city's retirement plans may be established.

1. The board of trustees of the general retirement system shall consist of:
  - A. The mayor;
  - B. A city council member selected by that body;
  - C. The city treasurer;
  - D. Five (5) members of the retirement system, to be elected by the members of the retirement system under rules and regulations as may be adopted by the board; except that not more than one (1) trustee shall be elected from any department;
  - E. A citizen of the city who is neither an employee of the city nor eligible to receive benefits under the retirement system, appointed by the mayor, subject to approval of the Board; and

- F. One (1) retirant, receiving benefits under the retirement system and elected by retired city employees under procedures established by ordinance.
2. The board of trustees of the police and fire retirement system shall consist of:
- A. The mayor or in the absence of the mayor, a designee;
  - B. A city council member selected by that body;
  - C. The city treasurer;
  - D. The chief of police;
  - E. The fire commissioner;
  - F. Three (3) firefighters who are members of the retirement system elected by the firefighter members under the rules and regulations as may be adopted by the board. Trustees shall be:
    - 1. Two (2) to be elected by and from members holding the rank of lieutenant (or equivalent) and lower ranks;
    - 2. One (1) to be elected by and from members holding a rank above lieutenant (or equivalent);
  - G. Three (3) police officers who are members of the retirement system elected by police officer members under the rules and regulations as may be adopted by the board. Trustees shall be:
    - 1. Two (2) to be elected by and from members holding the rank of lieutenant (or equivalent) and lower ranks;
    - 2. One (1) to be elected by and from members holding a rank above lieutenant (or equivalent); and
  - H. Two retirants, receiving benefits under the retirement system, who shall be residents of the city, one elected by retired firefighters and one elected by retired police officers under procedures established by ordinance.

Staff services required by a governing body shall be provided as determined by the finance director.

#### **Sec. 11-104. Information Required Before Benefit Increase.**

Before final action on any proposed change in future retirement benefits is taken, the city council shall obtain a report as to the immediate and long-term costs of the change from an independent actuary of its choosing and may not take final action until at least three (3) months after the report of the actuary is made public at a meeting of the city council.

**Sec. 11-105. Audits.**

The board of trustees for the city retirement plans shall contract for annual independent audits.

**CHAPTER VII OF TITLE IX  
OF THE  
1918 CITY OF DETROIT CHARTER  
as amended and supplemented from time to time  
by amendments to the Charter, City Ordinance and by Agreement**

Including

**CHAPTER 54, ARTICLE II  
OF THE  
1964 DETROIT CITY CODE  
as amended and supplemented from time to time  
by City Ordinance  
which was saved from repeal by  
Section 11-102 of the 1974, 1997, and 2012 Detroit City Charters  
and incorporated by reference into, but not codified in,  
Chapter 47 of the 1984 Detroit City Code**

## Special Provisions

### Sec. 1. Freeze of Police and Fire Retirement System as of June 30, 2014.

Notwithstanding anything in Chapter 47 of the 1984 Detroit City Code, or in Chapter 54, Article II of the 1964 Detroit City Code, or any ordinances, resolutions, or orders, or parts thereof, whether codified or not codified, or any collective bargaining agreement or other documents governing terms of employment to the contrary, effective as of June 30, 2014 (the "Freeze Date") –

- (a) No new employee hired by the City on or after July 1, 2014 shall become a member who is eligible to accrue a benefit under the terms of the Police and Fire Retirement System in effect as of the Freeze Date;
- (b) No employee who is rehired by the City on or after July 1, 2014 and who received a distribution of his accumulated employee contributions prior to July 1, 2014, shall become a member who is eligible to accrue a benefit under the terms of the Police and Fire Retirement System in effect as of the Freeze Date; *provided, however*, that if a member who is entitled to a Frozen Accrued Benefit as defined in subsection (d) of this Section 54-2-15 and who is rehired by the City on or after July 1, 2014 repays to the Police and Fire Retirement System in accordance with a payment schedule approved by the Board of Trustees the amount of accumulated employee contributions that he withdrew then such member shall be eligible to accrue service credit following rehire solely for the purpose of determining the member's eligibility for payment of his Frozen Accrued Benefit;
- (c) No member shall make contributions to the Annuity Savings Fund under the Police and Fire Retirement System in effect as of June 30, 2014 with respect to wages earned on or after July 14, 2014 and all member contributions made on or after July 14, 2014 shall be made to and in accordance with the terms of the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan;
- (d) Benefit accruals for members with respect to service rendered prior to July 1, 2014 will be frozen based on a member's years of service and Average Final Compensation and the pension multiplier formulae as of such Freeze Date ("Frozen Accrued Benefit");
- (e) Except as otherwise provided in this Section 54-2-15, compensation of a member shall be frozen effective as of the Freeze Date for purposes of determining the member's Frozen Accrued Benefit. No compensation of any type earned by a member after the Freeze Date shall be taken into consideration for purposes of determining the member's Frozen Accrued Benefit under the Police and Fire Retirement System;

- (f) Any member who, as of June 30, 2014, would have been eligible to elect to use a portion of the unused accrued sick leave that he could have received in cash upon retirement ("Cashable Sick Leave") to increase his Average Final Compensation if the member had been eligible to retire and had elected to retire as of June 30, 2014, shall have a one-time election to have the value of twenty-five percent (25%) of the member's Cashable Sick Leave as of June 30, 2014 included in the computation of the member's Average Final Compensation for purposes of determining the member's Frozen Accrued Benefit ("Sick Leave Election"); provided, however, that the amount of the member's Cashable Sick Leave at the time the completed election form is received by the Retirement System is at least equal to the value of twenty-five percent (25%) of the member's Cashable Sick Leave as of June 30, 2014 and, provided further that the completed election form is received by the Retirement System no later than August 15, 2014. A member's Sick Leave Election shall be made in the manner set forth by the Board of Trustees and the Police and Fire Retirement System. Notwithstanding anything in this subsection (f) to the contrary, a member's Sick Leave Election will be void and the determination of the member's Average Final Compensation for purposes of calculating the member's Frozen Accrued Benefit will not take into account any of the member's Cashable Sick Leave, if (i) the electing member would not have been eligible to receive an immediate service retirement benefit if he retired as of June 30, 2014, and (ii) the electing member's employment with the City is terminated before the electing member becomes eligible for an immediate service retirement benefit under the Police and Fire Retirement System;
- (g) Service earned after the Freeze Date shall be credited to a member solely for purposes of determining a member's vesting in and eligibility for payment of his or her Frozen Accrued Benefit and to a rehired member solely for purposes of determining the member's eligibility for payment of his or her Frozen Accrued Benefit. Service credit for all members for benefit accrual purposes under the terms of the Police and Fire Retirement System in effect as of the Freeze Date shall be frozen effective as of the Freeze Date and no member shall earn service credit with respect to benefits payable under the terms of the Police and Fire Retirement System in effect as of the Freeze Date (except for vesting and benefit payment eligibility purposes) after the Freeze Date; and
- (h) Effective as of July 1, 2014, the Deferred Retirement Option Plan ("DROP") shall be closed to, and no longer a distribution option with respect the Frozen Accrued Benefit of, members who are represented by the Detroit Fire Fighters Association or the Detroit Police Officers Association and who, as of June 30, 2014, have not elected to participate in the DROP. The DROP shall remain in effect for all members who either have enrolled in or elected to participate in the DROP as of June 30, 2014. Further, for members who are represented by the Detroit Police



Command Officers Association and the Detroit Police Lieutenants and Sergeants Association who elect to participate in DROP after June 30, 2014, participation in DROP with respect to their Frozen Accrued Benefit shall be limited to five years.

The foregoing terms of Section 54-2-15 shall be referred to as the "Freeze" of the provisions of the Police and Fire Retirement System as in effect on the Freeze Date and the provisions of the Police and Fire Retirement System shall be interpreted and construed by the Board of Trustees and the Police and Fire Retirement System to give full effect to the Freeze. To the extent that a conflict arises between this Section 54-2-15 and other provisions in Chapter 54 of the 1964 Detroit City Code, or any Charter, ordinances, resolutions, or orders, or parts thereof, whether codified or not codified, or any collective bargaining agreement or other document governing terms of employment of an employee, the Board of Trustees and the Police and Fire Retirement System are directed to interpret any inconsistency or ambiguity to give full effect to the Freeze.

(Ord. No. 12-14, Sec. 54-2-15.)

**Sec. 2. Limitation on Interest Crediting Rate for Police and Fire Retirement System Annuity Savings Fund; Rates of Regular Interest Adopted by Board for Actuarial Purposes.**

Notwithstanding anything in Chapter 47 of the 1984 Detroit City Code or in Chapter 54, Article II of the 1964 Detroit City Code, or any City Charter provision, ordinances, resolutions, or orders, or parts thereof, whether codified or not codified, or any collective bargaining agreement or other documents governing terms of employment to the contrary, effective as of June 30, 2014 for plan years beginning on and after July 1, 2014;

- (a) the annual rate of return credited to a member's account in the Annuity Savings Fund of the Police and Fire Retirement System of the City of Detroit shall be no less than zero and no greater than the lesser of (i) 5.25% or (ii) the actual investment return net of expenses of the System's invested reserves for the second fiscal year immediately preceding the fiscal year in which the annual return is credited; and
- (b) the rate(s) of regular interest adopted by the Board from time to time as necessary for the operation of the system on an actuarial basis shall not violate the plan for the adjustment of debts of the City of Detroit, as confirmed by an order of the United States Bankruptcy Court for the Eastern District of Michigan in the City's chapter 9 bankruptcy case (*In re City of Detroit, Michigan*, Case No. 13-53846).

(Ord. No. 13-14, Sec. 54-2-16.)

## ARTICLE I.

### Name and Date of Establishment.

A Pension System for Policemen and Firemen of the City of Detroit Police and Fire Departments is hereby established for the purpose of providing retirement allowances, death and survivor benefits for eligible police and fire employees and their beneficiaries. The effective date of this System is July 1, 1941. Upon the effective date of this Ordinance, the former *Policemen and Firemen Retirement System* shall be called the *Police and Fire Retirement System*. (Ord. No. 04-05, Sec. 54-43-1.)

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<b>By Agreement</b>
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Defined Contribution Plan for Current and New Hires – The City reserves the right to design, establish, manage, amend, and implement a Defined Contribution Plan and related duty disability retirement provisions for current employees and new hires, which may include a Defined Contribution Retirement health care plan.

The City reserves the right to modify, amend, and/or eliminate any and all aspects of its pension/retirement plan(s), unless prohibited by law.<sup>1</sup>

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<sup>1</sup> DPCOA (§ 41.O-R.).

## ARTICLE II.

### Definitions.

The following words and phrases as used in this amendment, unless a different meaning is plainly required by the context, shall have the following meanings:

Sec. 1. "System" shall mean the Police and Fire Retirement System of the City of Detroit created and established by Title IX, Chapter VII of the 1918 charter of the city as amended through June 30, 1974 and continued in effect by the provisions of the July 1, 1974 city charter. (Ord. No. 77-H, Sec. 54-2-1.)

The system consists of a defined benefit plan (having a pension accumulation fund and pension reserve fund) and a defined contribution plan (having an annuity savings fund and annuity reserve fund) and income and expense funds applicable to each of the plans.

Sec. 2. "Policemen" shall mean all employees of the Police Department who have taken the oath of office as prescribed in Section 12 of Chapter XXI of Title IV of the 1918 Detroit City Charter, and who shall be in the employ of the Police Department of the City of Detroit on the effective date of this amendment and all persons who shall take the said oath of office and become members of the Police Force thereafter, excluding Patrolmen of either departments, privately employed patrolmen and special patrolmen.

Sec. 3. "Firemen" shall mean all employees of the Fire Department employed therein prior to November 10, 1937, and all future employees whom the Board of Trustees shall designate as Firemen; provided, however, that employees inducted subsequent to November 10, 1937, and excluded from the provisions hereof by reason of their classification as civilian employees, shall become eligible for membership in the Retirement System for employees of the City of Detroit under Title IX, Chapter VI of the 1918 Detroit City Charter, and their inclusion under such System shall not affect the rights of any other member of the Fire Department.

Sec. 4. "Member" shall mean any member of the retirement system who has not retired. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 5. "City" shall mean the City of Detroit, State of Michigan.

Sec. 6. "The Council" shall mean the City Council of the City of Detroit.

(Per July 1, 1974 Charter, "The Council" means City Council of the City of Detroit.)

Sec. 7. "The Medical Director" shall mean the physician provided for in Article III, Section 12 (a) of this amendment.

Sec. 8. "Service" shall mean service as a Policeman or Fireman.

Sec. 9. "Prior service" shall mean service as an employee of the Police Department or Fire Department prior to the effective date of this amendment.

Sec. 10. "Membership service" shall mean the total service rendered as a Policeman or Fireman after the effective date of this amendment.

Sec. 11. "Beneficiary" shall mean any person, except a retirant, who is in receipt of a retirement allowance or pension payable from funds of the system. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 12. "Regular Interest" shall mean, for a period of five years from the effective date of the system interest at four per centum per annum, compounded annually. For the subsequent five year period, and each five year period thereafter "regular interest" shall be such rate of interest as the Board of Trustees, in its discretion, may determine and adopt.

Sec. 13. "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to his individual account in the Annuity Savings Fund, together with regular interest, as provided in Article VII and VIII of this amendment.

Sec. 14. "Average Final Compensation" shall mean:

- (a) With respect to an "old plan member" the current maximum salary for the rank(s), grade(s) or position(s) held by the member over the sixty (60) months immediately preceding the date his employment with the city last terminated. The salary shall be obtained from the official compensation schedule for the fiscal year of the member's elective date of retirement **[and an average is determined<sup>2</sup>]**. A member who retires on or after July 1, 1998 shall have the member's most recent full longevity payment included in his average final compensation.
- (b) With respect to a "new plan member" **[retiring on or after July 1, 1992<sup>3</sup>]** the current maximum salary for the rank(s), grade(s) or position(s) held by the member over the sixty (60) months immediately preceding the date his employment with the City last terminated. The salary shall be obtained from the official compensation schedule for the fiscal year of the member's elective date of retirement **[and an average is determined<sup>4</sup>]**. If more than one (1) rank, grade or position has been held over the sixty (60) month period, a weighted average is determined based on time spent in each rank, grade or position during this sixty (60) months period. (Ord. No. 18-93, Sec. 47-12.2-14(C).) A member who retires on or after July 1, 1998 shall have the member's most recent full longevity payment included in his average final compensation. Effective July 1, 2000, the average final compensation shall be calculated for members of the DPCOA, Executive members and their fire equivalents by using the current maximum salary for the rank(s), grade(s) or position(s) held by the member over the thirty-six (36) months immediately preceding the date his employment with the City last terminated.

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<sup>2</sup> DPCOA (§ 41.D.1.); DPLSA (§ 51.D.1.).

<sup>3</sup> DPLSA (§ 51.D.2.).

<sup>4</sup> DPCOA (§ 41.D.2.); DPLSA (§ 51.D.2.).

Effective July 1, 1992, with respect to reduced duty disability retirements, on or after July 1, 1992, notwithstanding the provisions of Article VI, Part B, Section 2.1, for those members who receive benefits under Article VI, Part B, Section 2.1(a), the average final compensation used in the computation of the reduced duty disability allowance shall mean the maximum salary at the date of conversion to reduced duty disability retirement for the rank(s), grade(s), or position(s) which were held by the member over the sixty (60) months prior to his or her duty disability retirement. (Ord. No. 18-93, Sec. 47-12.2-14(E).)

For purposes of computing the average final compensation received by a member who retires on or after July 1, 2008, the member shall have the option of adding the value of the three year average of twenty-five percent (25%) of the member's unused accrued sick leave at the time of retirement to the earnings used in computing the Average Final Compensation.

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**By Agreement**

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### **Definition of Average Final Compensation**

The average final compensation for “old plan” and “new plan” members **[or for “old plan” members and for “new plan” members retiring on or after [July 1, 1992<sup>5</sup> or July 1, 2000<sup>6</sup>]** is calculated by using the current maximum salary for the rank(s), grade(s) or position(s) held by the member over the sixty (60) months just prior to the member’s elective date of retirement **[plus the amount of their most recent full longevity payment. The salary is obtained from the Official Compensation Schedule for the fiscal year prior to the member’s elective date of retirement and an average is determined<sup>7</sup>].<sup>8</sup>**

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**DFFA**

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Effective July 1, 2000, for members with a parity relationship with the DPCOA Inspector, the average final compensation shall be calculated by using the current maximum salary for the ranks(s), grade(s), or position(s) held by the member over the thirty-six (36) months just prior to the member’s elective date of retirement. The salary is obtained from the Official Compensation Schedule for the fiscal year prior to the member’s elective date of retirement and an average is determined.

For members having a parity relationship with the DPLSA and the DPCOA Inspector, who retire on or after July 1, 1998 and for those having a parity relationship with the DPOA who retire on or after July 1, 2000, the amount of the member’s most recent full longevity payment shall be included in the definition of average final compensation.

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<sup>5</sup> DPOA (§ 33.J.)(does not include longevity pay for these members).

<sup>6</sup> DPOA (§ 33.J.)(does include longevity pay for these members).

<sup>7</sup> DPOA (§ 33.J.)(The longevity pay is included only for those members retiring on or after July 1, 2000.).

<sup>8</sup> DFFA (§ 22.A.14.k.); DPOA (§ 33.J.).

All members who retire on or after July 1, 2008, may choose to receive the 3-year average of twenty-five percent (25%) of the unused accrued sick leave bank and have that sum included in the average compensation used to compute the members' service pension of their retirement allowance.<sup>9</sup>

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**DPCOA**

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Retirement and Death Sick Leave Payment

(1) Effective January 15, 2010, non-union uniformed Police and Fire executives shall receive full pay for one hundred percent (100%) of the unused accumulated sick bank amounts, or

(2) choose to receive the 3-year average of twenty-five percent (25%) of the unused accrued sick leave bank as provided in (1) above, and have that sum included in the average final compensation used to compute the member's service pension of their retirement allowance. For any member choosing to exercise this option, the lump sum payment the member will receive will be the remaining value of the unused accrued sick leave bank as provided in (1) above.<sup>10</sup>

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**DPLSA**

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(1) Effective July 1, 2008, a member shall receive full pay for eighty-five percent (85%) of the unused accumulated sick bank amounts, or

(2) choose to receive the 3-year average of twenty-five percent (25%) of the unused accrued sick leave bank as provided in 1) above, and have that sum included in the average final compensation used to compute the member's service pension of their retirement allowance. For any member choosing to exercise this option, the lump sum payment the member will receive will be the remaining value of the unused accrued sick leave bank as provided in 1) above.

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Sec. 15. "Final compensation" shall mean the annual rate of earnable compensation of a member at the time of termination of employment. Effective July 1, 1992, compensation shall also include the value of the percentage reduction in compensation for non-union employees, pursuant to ordinance, resolution or executive order. In cases of any doubt regarding these values, the decisions of the Board of Trustees of the Policemen and Firemen Retirement System of the City of Detroit shall be controlling to implement the intention that no non-union employee will suffer a diminution of pension benefits computation due to reduction in compensation because of fiscal emergency and that pension benefits with respect to fiscal years beginning July 1, 1992 and thereafter should always be computed as if no reduction in compensation occurred

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<sup>9</sup> DFFA (§ 22.A.14.k).

<sup>10</sup> 312 Award # 2, Union Issue No.5-Sick Bank Payout, pg. 20 (as articulated in a memorandum from Joseph P. Martinico, Labor Relations Director to the Detroit City Council, dated March 22, 2010 titled "Re: Implementation of Wage Increases and Fringe Benefit Changes for Non-Union Uniformed Police and Fire Executives").

due to ordinance, resolution or executive order or directive. (Ord. No. 18-93, Sec. 47-12.2-14(D).)

Sec. 16. "Annuity" shall mean payments derived from the accumulated contributions of a member. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 17. "Accrued Service" shall mean a member's credited service for employment rendered before the date of an actuarial valuation of the retirement system. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 18. "Pension" shall mean the portion of a retirement allowance which is paid for by appropriations made by the City. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 19. "Retirement allowance" shall mean the sum of the annuity and the pension.

Sec. 20. "Retirement" shall mean for any member that such member has retired, with a pension payable from the funds of the retirement system.

Sec. 21. "Annuity reserve" shall mean the present value of all payments to be made on account of any annuity, or benefits in lieu of any annuity, computed on the basis of such mortality tables and regular interest as shall be adopted by the Board of Trustees.

Sec. 22. "Pension Reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of any pension, computed upon the basis of such mortality tables and regular interest as shall be adopted by the Board of Trustees.

Sec. 23. "Merit Board" shall mean the Police Merit Board established by section 14, of Chapter XXI, of Title IV, of the 1918 Detroit City Charter, as amended.

Sec. 24. "Patrolman" shall mean the rank in the Police Department currently known as patrolman. (As amended November 5, 1968. In effect January 1, 1969.)

Sec. 25. "Fire-fighter" shall mean the rank in the Fire Department currently classified by the civil service commission as fire-fighter. (As amended November 5, 1968. In effect January 1, 1969.)

Sec. 26. "Board of trustees" or "board" shall mean the board of trustees of the City of Detroit police and fire retirement system. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 27. "Decrement probabilities" shall mean the probabilities of a member's withdrawal from City employment, death while in the employ of the City, retirement from City employment with a pension payable from funds of the retirement system, and death after retirement. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 28. "Salary factors" shall mean the ratio between a member's rate of compensation as of the date of an actuarial valuation of the retirement system and his rate of compensation as of the date of his retirement. (Ord. No. 77-H, Sec. 54-2-1.)



Sec. 29. "Retirant" shall mean any member who has retired with a pension payable from funds of the retirement system. (Ord. No. 77-H, Sec. 54-2-1.)

Sec. 30. "Old plan" shall mean the plan originally created by Title IX, Chapter VII, Article IV, Section 1(A) and (B) of the 1918 City of Detroit Charter as amended through June 30, 1974 and continued in effect by Article 11, Section 102 of the July 1, 1974 City of Detroit Charter. (Ord. No. 18-93, Sec. 47-12.6A-2.3.)

Sec. 31. "New plan" shall mean the plan originally created by Title IX, Chapter VII, Article IV, Section 1(D) of the 1918 City of Detroit Charter as amended through June 30, 1974 and continued in effect by Article 11, Section 102 of the July 1, 1974 City of Detroit Charter. (Ord. No. 18-93, Sec. 47-12.6A-2.3.)

Sec. 32. The masculine pronoun shall include the feminine pronoun.

(1918 Detroit City Charter, Title IX, Ch. VII, Art. II.)



## ARTICLE III.

### Administration; Board of Trustees.

#### Sec. 1. Board created.

There is hereby created a Board of Trustees of the System, in which is vested the general administration, management and responsibility for the proper operation of the System and for making effective the provisions of this amendment. The Board of Trustees shall be organized immediately after five of the Trustees, provided for in this article, shall have qualified and taken the oath of office. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 1.)

#### Sec. 2. Membership of Board.

The Board of Trustees shall consist of seventeen (17) Trustees as follows:

- (1) The Mayor of the City or his delegate, or his or her designated representative, ex-officio;
- (2) The President of the City Council or another member of the Body elected by the City Council, ex-officio;
- (3) The City Treasurer, or Deputy City Treasurer, ex-officio;
- (4) The Finance Director, or a designated representative, ex-officio;
- (5) The Budget Director, or a designated representative, ex-officio;
- (6) The Corporation Counsel, or a designated representative, ex-officio;
- (7) Three (3) firefighters who are members of the System to be elected by the Firemen members as follows:
  - (a) Two (2) to be elected by and from the members holding the rank of lieutenant, or its equivalent, and lower ranks; and
  - (b) One (1) to be elected by and from the members holding ranks above the rank of lieutenant, or its equivalent;
- (8) Three (3) police officers who are members of the System to be elected by the Policemen members, as follows:
  - (a) Two (2) to be elected by and from the members holding the rank of lieutenant, or its equivalent, and lower ranks; and
  - (b) One (1) to be elected by and from the members holding a rank above the rank of lieutenant, or its equivalent;

- (9) One (1) trustee who neither is a participant in the plan nor employed by the City in any capacity and is selected by the Board;
  - (10) Two (2) retirees who are receiving benefits under the System, are residents of the City of Detroit, and are elected in accordance with Section 5 of this Article, as follows:
    - (a) One (1) to be elected by retiree police officers; and
    - (b) One (1) to be elected by retiree firefighters;
  - (11) Upon election of a retiree police officer trustee, the Mayor shall designate one (1) non-participating trustee; and
  - (12) Upon election of a retiree firefighter trustee, the Mayor shall designate one (1) non-participating trustee.
- (Ord. No. 07-12, Sec. 54-2-8.1; Ord. No. 19-93, Sec. 47-9-1; Ord. No. 339-H, Sec. 54-2-9.)

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<b>By Agreement</b>
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- (a) The Board of Trustees shall consist of twelve (12) trustees, as follows:
  - (1) The Mayor of the City or his/her designated representative, ex-officio.
  - (2) The President of the City Council, or another member thereof elected by the City Council, ex-officio.
  - (3) The City Treasurer or Deputy City Treasurer, ex-officio.
  - (4) The Finance Director or designated representative, ex-officio.
  - (5) The Budget Director or designated representative, ex-officio.
  - (6) The Corporation Counsel or designated representative, ex-officio.
  - (7) Three (3) Firefighters who are members of the system to be elected by the Firefighter members under such rules and regulations as may be established by the Fire Commissioner to govern such elections. Such trustees shall consist of:
    - a. Two (2) to be elected by and from members holding the rank of Lieutenant (or its equivalent) and lower ranks.
    - b. One (1) to be elected by and from the members holding rank above the rank of Lieutenant (or its equivalent).

- (8) Three (3) Police Officers who are members of the system to be elected by the Police Officer members under such rules and regulations as may be established by the Police Chief to govern such elections. Such trustees shall consist of:
- a. Two (2) to be elected by and from the members holding the rank of Lieutenant (or its equivalent) and lower ranks.
  - b. One (1) to be elected by and from the members holding ranks above the rank of Lieutenant (or its equivalent).
- (b) Annual elections shall be held in the Police and Fire Departments during the month of May to elect a trustee to fill the vacancy created by the expiration of a term.
- In each such election the members entitled to vote shall be those of classes provided above, the term of whose representative is about to expire. The terms of office for all elected trustees shall be three (3) years. Elected trustees holding office on the effective date of this provision shall serve the remainder of their term.
- (c) Deadlock and thirteenth trustee: **[Effective September 1, 2011,<sup>11</sup>]** an additional thirteenth trustee, who may not be a participant in the plan or employed by the City in any capacity, shall be selected by the Board of Trustees. Such trustee shall serve as a full member of the Board of Trustees and vote on any and all matters considered by the Board. This thirteenth member of the Board of Trustees, and successors, shall serve as a member for two (2) years from the date of selection.
- (d) Equal number of participant trustees and non-participant trustees: **[Effective September 1, 2011,<sup>12</sup>]** under no circumstances shall the number of trustees on the Board of Trustees who are participants in the plan exceed the number of non-participant trustees named in paragraphs A.1 through A.6 herein. The Mayor of the City shall designate an additional trustee or trustees pursuant to subparagraph A.1 as necessary to maintain compliance with these provisions.<sup>13</sup>

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<b>DPCOA</b>
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The City reserves the right to change the composition, structure and decision making procedures of the Pension Board.<sup>14</sup>

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<sup>11</sup> DPOA (§ 46.J.).

<sup>12</sup> DPOA (§ 46.K.).

<sup>13</sup> DFFA (§ 21.); DPCOA (§ 42.); DPLSA (§ 56.); DPOA (§ 46.).

<sup>14</sup> DPCOA (§ 42.E.).

**Sec. 3. Terms of Active Trustees, Trustee Selected by Board, Retirant Trustees, and Trustees Designated by Mayor.**

- (a) The term of office for elected active trustees under Sections 2(7) and (8) of this Article shall be three (3) years. Elected trustees holding office on the effective date of this section shall serve the remainder of their term.
- (b) The term of office for the trustee who is selected by the Board under Section 2(9) of this Code shall be two (2) years from the date of selection.
- (c) Except as otherwise provided in Section 4(c), the term of office for elected retirant trustees under Section 2(10) of this Article shall be three (3) years.
- (d) The term of office for trustees who are designated by the Mayor under Sections 2(11) and 2(12) of this Article shall be three (3) years.

(Ord. No. 14-14, Sec. 54-2-8.2; Ord. No. 07-12, Sec. 54-2-8.2)

**Sec. 4. Scheduling of Elections for Active and Retirant Trustees.**

- (a) For active police and firefighters, annual elections shall be held in the Police and Fire Departments during the month of May to elect a trustee to fill the vacancy created by the expiration of a term.
- (b) For retirants;
  - (1) The first election to elect the two (2) retirant trustees shall be held sixty (60) days after the effective date of this section; and
  - (2) After the first election, an election shall be conducted every three (3) years during the Month of May to fill vacancies created by the expiration of a term.
- (c) A special election for retirant trustees shall be held as soon as practicable after the plan for the adjustment of debts of the City of Detroit is confirmed by an order of the United States Bankruptcy Court for the Eastern District of Michigan in the City's chapter 9 bankruptcy case (*In re City of Detroit, Michigan*, Case No. 13-53846). Notwithstanding anything in Section 3(c) to the contrary, unless a retirant trustee elected by reason of this special election resigns or is removed from the position of trustee in accordance with the terms of the governing documents for the retirement system, a retirant elected to the office of trustee in the special election shall be eligible to serve a full term of three (3) years from the date of the special election, plus such period of time until the first month of May that follows the third anniversary of the special election, at which time an election for retirant trustees shall be held in accordance with Section 5.

(Ord. No. 14-14, Sec. 54-2-8.3; Ord. No. 07-12, Sec. 54-2-8.3)

## **Sec. 5. Procedures for Election of Retiree Trustees.**

The procedures for the election of the retiree trustees shall be as follows:

- (a) *Notice.* A notice of a primary election shall be sent to each retiree of the System by United States mail;
- (b) *Nominating petitions.* No candidate's name shall be placed on the primary election ballot, unless a nominating petition containing the signatures of at least one hundred and twenty-five (125) retirees of the System is filed with the Secretary of the Board. The form of the nominating petition, the filing of the petition, and the procedure for verification of signatures shall be in accordance with rules and regulations adopted by the Board;
- (c) *Ballot.* Each candidate whose name appears on the ballot at any election held for the Office of Retiree Trustee shall be identified by the title of the position held at the time of retirement and the word "incumbent" where the candidate is a current trustee seeking re-election. No ballot shall contain any organizational or political designation or mark. Rotation and arrangement of names on the ballot shall be in accordance with the rules and regulations of the Board;
- (d) *Voting.* Procedures regarding mailing of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, handling of return envelopes received, and sealed ballot boxes shall be the same procedures as adopted and followed by the Board in the immediately preceding election of an active employee trustee;
- (e) *Procedures.* Procedures regarding the selection and certification of successful candidates for nomination, the selection of trustees from nominees, the votes, and the destruction of ballots shall be the same procedures as adopted and followed by the Board in the immediately preceding election of an active employee trustee; and
- (f) Any matters relative to election of the retiree members of the Board not covered by this section shall be according to such rules and regulations as the Board may adopt.

(Ord. No. 07-12, Sec. 54-2-8.4; Ord. 56-H, Sec. 54-3-3.1.)

## **Sec. 6. Vacancies.**

If a vacancy occurs in the office of Trustee from any cause other than expiration of a term, the vacancy for the unexpired term shall be filled within sixty days of the date of said vacancy in the same manner as the office was previously filled. No vacancy shall result by reason of change in rank or grade of a Trustee during his term of office. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 3.)

## **Sec. 7. Compensation.**

All members of the Board of Trustees shall serve without additional compensation from the City, but they shall be reimbursed from the Expense Fund for all necessary expenses incurred through service on the Board of Trustees. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 4.)

## **Sec. 8. Oath.**

Each Trustee shall, within ten days after his appointment or election, take an oath of office to be administered by the City Clerk. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 5.)

## **Sec. 9. Meetings.**

- (a) The Board of Trustees shall hold meetings regularly, at least one in each month, and shall designate the time and place thereof. It shall adopt its own rules of procedure, including provisions for special meetings and notice thereof and shall keep a record of its proceedings. All meetings of the Board of Trustees shall be public.
- (b) Each Trustee shall be entitled to one vote in the meetings of the Board of Trustees. Five members of the Board of Trustees, three of whom must be elected members, shall constitute a quorum and a majority of concurring votes shall be necessary for a decision by the Trustees at any meeting of the Board of Trustees.

(1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 6.)

## **Sec. 10. Rules for administration of funds.**

Subject to the limitations contained in this amendment, the Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this amendment and for the transaction of its business. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 7.)

## **Sec. 11. Officers.**

The Board of Trustees shall elect from its membership a Chairman and a Vice Chairman. The City Controller or his representative, shall be ex-officio Secretary of the Board of Trustees. The Board of Trustees may employ, and fix the compensation of such special actuarial, medical and other employees as shall be required. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 8.) (Historical Reference: the words “and subject to the approval of the Common Council” after the word “employ” in the last sentence were deleted pursuant to Public Act 55 of 1982 effective April 6, 1982.)

## **Sec. 12. Data for actuarial valuation of funds.**

The Board of Trustees shall keep, or cause to be kept, in convenient form, such data as shall be necessary for the actuarial valuation of the various funds of the System and for checking and compiling the experience of the System. The ordinary actuarial, accounting and clerical services for the operation of the System shall be performed by the employees of the Retirement System provided for by Chapter VI of Title IX of the 1918 Detroit City Charter. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 9.)

## **Sec. 13. Record of proceedings; annual report.**

The Board of Trustees shall keep a record of all its proceedings, which shall be open to public inspection. It shall render a report to the Mayor and the City Council on or before the fifteenth day of July, showing the fiscal transactions of the System for the year ending on the preceding thirty-first day of December, the amounts of accumulated cash and securities in the various funds of the System, and the last balance sheet showing the financial condition of the System by means of an actuarial valuation of the assets and liabilities of the System. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 10.)

## **Sec. 14. Legal advisor.**

- (a) The Board of Trustees shall appoint a legal counsel who shall be directly responsible to and shall hold office at the pleasure of the Board of Trustees. The appointment shall be made jointly with the Board of Trustees of the General City Retirement System.
- (b) The legal counsel to the Board of Trustees shall be an attorney licensed to practice law in the State of Michigan and shall be experienced in matters relating to pension systems. The qualifications of candidates for the position shall be examined by the Board of Trustees.
- (c) The legal counsel to the Board of Trustees shall have such duties relative to pension matters as shall be assigned by the Board of Trustees.
- (d) Costs and expenses relative to the position of legal counsel to the Board of Trustees shall be payable out of the earnings of the system, subject to approval of the City Council.

(Ord. No. 65-H, Sec. 54-2-10.)

## **Sec. 15. Medical Director.**

- (a) The Board of Trustees shall appoint as Medical Director the Medical Director of the Retirement System provided for by Chapter VI of Title IX of the 1918 Detroit City Charter.
- (b) The Medical Director shall arrange for and pass upon all medical examinations required under the provisions of this amendment; shall



investigate all essential statements and certificates by or on behalf of a member in connection with application for disability retirement and in connection with all applications for death benefits, and shall report in writing to the Board of Trustees his conclusions and recommendations on matters referred to him.

- (c) If the Board of Trustees, any member, any beneficiary or any other person claiming, benefits hereunder, shall disagree with any medical finding of the Medical Director, the Board of Trustees on its own motion may or on petition of any such member, beneficiary or person claiming benefits hereunder, shall refer the matter in dispute to a Medical Board of Review consisting of three physicians or surgeons, of whom one shall be named by the Board of Trustees, one by the affected member, beneficiary, or other person claiming benefits, and the third by the two so named. The Medical Director shall in no case be a member of the Board of Review. Such Board of Review shall be named within ten days after the filing of such petition. The Board of Review shall promptly examine the medical findings in dispute and shall within sixty days from its appointment file with the Board of Trustees a written report of its findings, which shall be final and binding as to the medical findings. The reasonable expenses of such Board of Review shall be paid from the Expense Fund.

(1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 12.)

#### **Sec. 16. Actuary of Retirement System technical advisor to Board.**

The actuary of the Retirement System shall be selected by the Board of Trustees and, shall be the technical advisor to the Board of Trustees on matters regarding the operation of the funds created by the provisions of this amendment and shall perform such other duties as are required in connection therewith. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 13.)

#### **Sec. 17. Investigation of mortality, service and compensation experience of members.**

Immediately after the establishment of the System, the Board of Trustees shall authorize such investigation of the mortality, service and compensation experience of the members as the actuary shall recommend and, on the basis of such investigation, the actuary shall recommend for adoption by, the Board of Trustees such tables and such rates as are required in Section 18, Paragraphs (a) and (b) of this Article. The Board of Trustees shall adopt tables and certify rates, and, as soon as practicable thereafter, the actuary shall make a valuation, based on such tables and rates, of the assets and liabilities of the various funds of the Retirement System created by this Charter amendment. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 14.)

Effective as of July 1, 1984, for purposes of determining a benefit which is actuarially equivalent to any other benefit, the actuarial reserve required to provide the benefit must be equal to the actuarial reserve required to provide such other benefit computed on the basis of the actuarial rates, tables and procedures outlined below:



interest rate:	6 ½% for joint and survivor benefits, and 5% for all other benefits
mortality table:	1971 group annuity mortality table assuming a 90% male and 10% female mix

No adjustment in a determination of an actuarially equivalent value or amount shall be made if such tables, rates and procedures are changed subsequent to such determination. (Historical reference: de facto operation July 1, 1984. See also: June 26, 1986 Board resolution.)

#### **Sec. 18. Regular actuarial investigations.**

At least once in each five year period, the Board of Trustees shall cause an actuarial investigation to be made into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement System, and shall make a valuation of the assets and liabilities of the funds of the Retirement System, and on the basis of such investigation and valuation, the Board of Trustees shall:

- (a) Certify the rates of contributions payable by the members under the provisions of this Charter amendment;
- (b) Certify the rates of contribution payable by the City on account of new entrants into the retirement system at various ages;
- (c) Adopt for the Retirement System a regular rate of interest as defined in Article II, Section 12 of this Charter amendment.

(1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 15.)

#### **Sec. 19. Actuarial valuations of assets and liabilities.**

On the basis of such tables, adopted by the Board of Trustees under the provisions of Section 18 of this Article, the Board of Trustees shall cause to be made an actuarial valuation of the assets and liabilities of the funds of the System created by this amendment. (1918 Detroit City Charter, Title IX, Ch. VII, Art. III, § 16.)

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Within fifteen (15) days of the effective date of this CET, the Pension Board shall provide to the Mayor and City Council all pension plan documents, including but not limited to: Plan Documents, Plan Amendments, Favorable Determination Letters (Pension Only), Summary Plan Descriptions, All Summaries of Material Modifications, Model Enrollment Forms, Insurance Contracts, All Funding/Actuarial Reports, All Explanations provided to Participants/Employees such as “Benefits at a Glance” and/or other summaries. The Pension Board shall provide to the Mayor and City Council all future amendments to any such documents within five (5) days of the

amendment.<sup>15</sup>

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<sup>15</sup> DPCOA (§ 42.E.); DPOA (as modified by 312 Award # 1, Issue # 96, pg. 59).

## ARTICLE IV.

### Membership.

#### Sec. 1. Generally.

The membership of the System shall consist of the following:

- (a) All Policemen and Firemen, as defined in sections 2 and 3 of Article II, who are in service on or after July 1, 1941, but prior to January 1, 1969; provided, however, that any Policeman or Fireman who, on or before July 1, 1941, shall have been in the employ of the Police or Fire Department for a period of twenty years, or who shall have a total of twenty years of creditable service, shall be excluded from the provisions hereof and shall retain for himself, wife, children, dependent mother and dependent sister all rights and privileges provided by Chapters XV and XXI of title IV of the 1918 Detroit City Charter, unless such Policemen or Firemen, on or before June 1, 1941, shall file with the City Controller his written election to become a member of the System, in which event he shall be a member; such excluded Policeman not electing to become members, from and after July 1, 1941, while they remain active members of the Police Department, shall pay five per cent of each salary payment into the fund for retired Policemen, and such excluded Firemen not electing to become members, from and after July 1, 1941, while they remain active members of the Fire Department, shall pay five per cent of each salary payment into the Fire Department Pension and Retirement Fund, and such salary contributions shall hereafter be used toward the payments of retirement allowances provided for under Chapter XV. section 14, subsections (1), (2), and (3) thereof. On retirement, the contributions of such excluded members shall cease.
- (b) All persons who become Policemen or Firemen on or after July 1, 1941, but prior to January 1, 1969, and who are confirmed as Policemen or Firemen according to the rules and regulations of the respective Departments shall thereupon become members of the System; subject, however, to the following provisions:
  - (1) Any person who shall become a Policeman or Fireman at an attained age of thirty-one years or more may become a member of the System only by vote of the Board of Trustees who shall fix the rate of contribution of such member on a basis recommended by the Actuary for the attained age of such member.
  - (2) Any appointive official of the Police Department or Fire Department appointed from the membership thereof shall be permitted to remain a member of the System, paying contributions and entitled to

benefits as though he had remained in the rank, grade or position held at the date of his appointment.

(3) Any Policeman or Fireman who, prior to being confirmed, shall be killed or totally incapacitated as the result of the performance of active duty, shall be deemed to have been a member of the System.

(c) Any member as defined in paragraph (a) or (b) of this section who shall be transferred to a civilian position in his department shall continue as a member, subject to all the obligations of a member.

(d) All persons who become Policemen or Firemen on, or after January 1, 1969, and who are not individuals re-employed with the police and fire departments on or after January 1, 1969, and who are confirmed as policemen or firemen according to the rules and regulations of the respective departments shall thereupon become members of the system subject, however, to the following provisions:

(1) Any person who shall become a Policeman or Fireman at an attained age of thirty-one years or more may become a member of the system only by vote of the Board of Trustees who shall fix the rate of contribution of such member on a basis recommended by the actuary for the attained age of such member.

(2) Any appointive official of the Police Department or Fire Department appointed from the membership thereof shall be permitted to remain a member of the system, paying contributions and entitled to benefits as though he had remained in the rank, grade or position held at the date of his appointment.

(3) Any Policeman or Fireman who, prior to being confirmed, shall be killed or totally incapacitated as the result of the performance of active duty, shall be deemed to have been a member of the system.

(4) Any member as defined in section 1 (a), (b), or (c) of this article who was separated from service by resignation or dismissal or discharge who subsequently again becomes a member shall be considered a member for all purposes under this chapter under section 1 (a), (b), or (c) of this article and shall not be considered a member under section 1 (d) of this article.

(5) Any member as defined in section 1 (d) of this article who shall be transferred to a civilian position in his department shall continue as a member, subject to all the obligations of a member. (As amended November 5, 1968. In effect January 1, 1969.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. IV, § 1.)

## **Sec. 2. Membership election option.**

Any person who is a member as defined in section 1 (a), (b), or (c) of this article who is in active service on January 1, 1969, shall have the option to elect to become a member of the system as defined in section 1 (d) of this article by filing his written election with the board of trustees on or before January 31, 1969, or any retirant retired on or before December 31, 1968, under the provisions of article VI, part B, section 2, who later returns to active service shall have the option to elect to become a member of this system as defined in section 1 (d) of this article; by filing his written election with the board of trustees on or before thirty days after his return to active service. The election shall be effective on the date that it is filed with the Board of Trustees. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. IV, § 2.)

## **Sec. 3. Cessation of membership.**

- (a) Should a member die or become a beneficiary or be separated from service by resignation, dismissal, or disability, he shall thereupon cease to be a member.
- (b) Any person who became a member under section 1 (a), (b), or (c) of this article and ceases to be a member, as provided in section 3(a) of this article, and who later becomes a policeman or fireman, shall again become a member of the system, under section 1 (a), (b), or (c) of this article subject to the provisions of article VII, section 1 (d).
- (c) Any person who became a member under section 1 (d) of this article and ceases to be a member, as provided in section 3(a) of this article, and who later becomes a policeman or fireman, shall again become a member of the system under section 1(d) of this article, subject to the provisions of article VII, section 1(d). (As amended November 5, 1968. In effect January 1, 1969.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. IV, § 3.)

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Any member of the Policemen and Firemen Retirement System from the Fire Department who retires as a member of that System and who later is rehired as a civilian member of the Fire Department may elect to again become a member of the System.<sup>16</sup>

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## **Sec. 4. Report on employees.**

It shall be the duty of the City Controller to submit to the Board of Trustees a statement showing the name, title, compensation, duties, date of birth, and length of service of each

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<sup>16</sup> DFFA (§ 22.A.14.o.).

member, and such other information as the board of trustees may require. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. IV, § 4.)

## **ARTICLE V.**

### **Service Creditable.**

#### **Sec. 1. Members to file statement of service, etc.**

Under such rules and regulations as the Board of Trustees shall adopt, each Policeman and Fireman who shall become a member on the effective date of this amendment shall file a detailed statement of all prior service rendered by him as an employee of the Police Department or Fire Department, for which he claims credit, and of such other facts as the Board of Trustees may require, for the proper operation of the System. (1918 Detroit City Charter, Title IX, Ch. VII, Art. V, § 1.)

#### **Sec. 2. Credit for service.**

The Board of Trustees shall fix and determine by appropriate rules and regulations how much service in any year is equivalent to a year of service, but in no case shall less than six months' service constitute one year, nor shall more than one year of service be creditable for all service in one calendar year. The Board of Trustees shall not allow credit as service for any period of more than one month during which the member was or shall be absent without pay provided that if a member shall be transferred from his Department payroll to the payroll of any City, County or State government or the Federal Government, by his Department Head, during peace times, then such member shall continue to be a member of the System and shall be required to make regular contributions into the Annuity Savings Fund; and provided further, that if a member, so transferred, shall fail to make such contributions for three consecutive months, he shall cease to be a member of the System four months (of 31 days each) after the due date of his first defaulted annuity contribution; and provided further, that any member who was or shall be suspended from duty and subsequently reinstated to duty without further disciplinary action, shall receive total credit for the time of such period or periods of suspension. (1918 Detroit City Charter, Title IX, Ch. VII, Art. V, § 2.)

#### **Sec. 3. Employees in military service.**

- (a) If a member of the System was or shall be drafted, or enlisted or shall enlist into military, naval, marine, or other service of the United States Government during time of war, or if a member shall be drafted into such service during time of peace, and within ninety days from the date of his separation from such government service or from the date peace was or shall be established by treaty, whichever date was or shall be earlier, resumed or shall resume employment as a Policeman or Fireman, then such government service shall be credited to him as a member of the System. During the period of such government service of a member, his contributions to the Annuity Savings Fund shall be suspended and the balance in the Annuity Savings Fund, standing to his credit as of the last payroll date preceding his leave of absence from the service of his Department shall be accumulated at regular interest. Even though the applicant may be unable to satisfy all the foregoing requirements, the

Board of Trustees shall have the power to grant the privileges provided for by this section in exceptional or extraordinary cases.

- (b) A member on the City payroll on or after January 1, 1979 who, prior to employment in the city service, was called to or entered or is called to or enters any full time military service of the United States during time of war, period of compulsory military service, or period of unusual emergency as defined in this ordinance, shall have the required period of active duty credited him as membership service, subject to the following conditions and limitations:

(1) The member files a written election with the Board of Trustees, within 180 days following the effective date of this ordinance or 180 days from the date of his first employment in the city service, whichever is most recent, to claim military service credit under the provisions of this section. A member who is included in a collective bargaining unit shall file a written election to claim military service credit with the Board of Trustees within 180 days following the date of a negotiated approval and acceptance of this section by his duly authorized bargaining agent as transmitted to the Board of Trustees by the Labor Relations Director or, in the case of members hired subsequent to the transmittal of approval and acceptance by his duly authorized bargaining agent, within 180 days from the date of his first employment in the city service.

(2) The member furnishes the Board of Trustees such information as the Board of Trustees determines necessary to verify the amount of military service claimed.

(3) The member pays to the Pension Accumulation Fund of the Retirement System an amount of five (5) percent of the member's annual rate of compensation at the time of payment multiplied by the years or parts of years of military service claimed.

(4) The required payment shall be made under one of the following options:

- a. Payment in full within 30 days of the election to claim military service.
- b. Payment in equal bi-weekly installments by payroll deduction over a 36 month period starting 30 days following the election to claim military service. Interest shall accrue during the period of installment payments at the compound rate of 5 percent per annum. Payments must be completed prior to application for retirement.
- c. If a member has sufficient funds in the principal portion of his annuity, he may authorize the Pension Bureau to transfer such



funds to the Pension Accumulation Fund to meet the required payment.

(5) In the event a member, who has filed the required election of this benefit, and who would be eligible for a pension in all respects except for paying the full amount, dies prior to completion of the payment required in Item (4) preceding, the person otherwise entitled to a retirement allowance may pay the full amount due within 30 days of the member's death to become eligible for an additional pension credit under this section.

(6) Military service credited under the provisions of 54-30-3(c) shall not be claimed or credited under the provisions of this section.

(7) Military service which is or will be the basis of service credit under any other public employee retirement program shall not be claimed or credited under the provisions of this section.

(8) In no case shall more than 3 years of pre-employment military service be credited a member on account of military service. For the purpose of this limitation, military service credited pursuant to Section 54-30-3(a) shall be combined with military service created pursuant to this section.

(9) The required payments made to the Pension Accumulation Fund for military service credit pursuant to this section shall, upon application by the member or his estate, be returned without interest to any member who dies or leaves City employment prior to being eligible for a pension.

(10) Only honorable military service during the following periods:

World War II — December 8, 1941 to July 1, 1946.

Korean Conflict — June 27, 1950 to December 31, 1953.

Vietnam Conflict — August 5, 1964 to May 7, 1975, are applicable to this section.

(11) The military service credit pursuant to this section shall not apply toward meeting the minimum service and age requirements for vesting, for a non-duty disability pension or for a service pension. Such service credit may be used in meeting the minimum time needed for an automatic Option Two Pension in case of death of a member.

(12) In no case shall benefits be based on the military service credit provided by this section unless the member shall have been credited a minimum of eight years of service credit not including military service credit.

(13) Special service, contractual, part time, seasonal and summer camp employees are not eligible for the military service credit.

(14) In cases of doubt, the Board of Trustees will determine whether a member is entitled to the benefits of this section consistent with the requirements and limitations herein.

(Ord. No. 356-H, Sec. 54-30-3(b).)

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### **Military Service Credit**

Any member of the bargaining unit who performed military service prior to employment by the City of Detroit and inclusion in the pension systems may claim service credit as a member of the retirement systems for time spent in the military service in accordance with Ordinances 356-H and 357-H of the Ordinances of the City of Detroit.

**[This provision will be retroactive to July 1, 1983.<sup>17</sup>]**

Effective December 15, 2008, any member who has performed any honorable military service may claim up to thirty-six (36) months service in the pension for time spent in the military. However, those provisions in Ordinance 356-H of the Ordinance of the City of Detroit that required the member to purchase this military service credit are not modified by this change.<sup>18</sup>

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Effective March 8, 2007, all bargaining unit members who have served in the military may purchase a maximum of three (3) years pension time.<sup>19</sup>

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### **Sec. 4. Verification of service claimed.**

Subject to the above restrictions and to such other rules and regulations as the Board of Trustees may adopt, the Board of Trustees shall verify, as soon as practicable after the filing of such statements of service, the service therein claimed. (1918 Detroit City Charter, Title IX, Ch. VII, Art. V, § 4.)

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<sup>17</sup> DPCOA (§ 40.B.); DPLSA (§ 49.B.).

<sup>18</sup> DFFA (§ 22.A.14.n.); DPCOA (§ 40.); DPLSA (§ 49.).

<sup>19</sup> DPOA (§ 33.T.).

**Sec. 5. Prior service certificates.**

Upon verification of the statements of service, the Board of Trustees shall issue prior service certificates, certifying to each member the length of prior service rendered, with which he is credited. A prior service certificate shall be final and conclusive for retirement purposes as to such service; provided, however, that within one year from the date of issuance or modification of such certificate the Board of Trustees on its own motion or on the request of a member may modify or correct his prior service certificate. (1918 Detroit City Charter, Title IX, Ch. VII, Art. V, § 5.)

**Sec. 6. Creditable service at retirement.**

Creditable service at retirement, on which the retirement allowance of a member shall be based, shall consist of the membership service rendered by him and if he has a prior service certificate, in full force and effect, the amount of service certified thereon. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. V, § 6.)

## ARTICLE VI.

### Part A — Service Retirement Allowance

#### Sec. 1. Petition for retirement, mandatory age.

- (a) Any member as defined in article IV, section 1 (a), (b), or (c) in service may file with the Board of Trustees his written application for retirement setting forth on what date not less than fifteen days nor more than ninety days subsequent to the filing thereof, he desires to be retired; and provided the Board of Trustees shall determine that the member, at the date so specified or his retirement will have a total of twenty-five years or more of creditable service he shall on the date specified be retired, notwithstanding that during such period of notification he may have separated from service.

Provided, further, that in the case of any fireman as defined in article IV, section 1 (a), (b) or (c) having served twenty-five years or more of creditable service, upon recommendation of the Board of Fire Commissioners, the fireman shall be retired forthwith, by the Board of Trustees.

- (b) Any members as defined in article IV, section 1 (d) in service may file with the Board of Trustees his written application for retirement setting forth on what date not less than fifteen days nor more than ninety days subsequent to the filing thereof, he desires to be retired; and provided the Board of Trustees shall determine that the member, at the date so specified for his retirement, will have a total of twenty-five years (effective as of March 8, 2007, twenty years for members of DPOA and their fire equivalents) or more of creditable service and has attained age fifty-five, he shall on the date specified be retired, notwithstanding that during such period of notification he may have separated from service.

Provided, further, that, effective July 1, 1983 for DPOA and Fire equivalents and July 1, 1986 for LSA and equivalents and new members, a member described in article IV, section 1(d) shall be eligible to retire upon attainment of twenty-five years (effective as of March 8, 2007, twenty years for members of DPOA and their fire equivalents) or more of creditable service, regardless of age. Effective July 1, 1998 (June 30, 2001 for DPOA members and their fire equivalents), the time a member is on layoff from service of the City shall be included in actual service rendered to the City for purposes of determining whether a member has twenty-five years or twenty years of creditable service. The pension benefit to which such member is entitled shall be based on his actual years of creditable service.

Pursuant to IRC 411(e), as in effect in 1974, an employee shall be 100 percent vested in their System accrued benefit upon attaining normal retirement hereunder while in service.

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**By Agreement**

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[Effective June 30, 1986,<sup>20</sup> or July 1, 1983,<sup>21</sup>] the requirement that a member as defined in Article IV, Section 1(d) of the Policemen and Firemen Retirement System shall attain age 55 to be eligible for retirement shall be eliminated. [Effective March 8, 2007,<sup>22</sup>] such members will be eligible to retire after 25 [or twenty (20)]<sup>23</sup> years of service regardless of age.<sup>24</sup>

[Effective June 30, 2001, any member who has been laid off shall be eligible to retire at what would have been the member's 25<sup>th</sup> anniversary. To determine eligibility for retirement, the member's actual service time and time on lay off shall be combined.<sup>25</sup>] [To calculate the member's retirement allowance, however, only actual service time shall be used. For members having a parity relationship with the DPLSA and the DPCOA Inspector, only lay off time which occurred between July 1, 1973 and July 1, 1998 will be credited.<sup>26</sup>]

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**DFFA**

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**Service Retirement**

1. For employees in ranks or classifications with a parity relationship to employees represented by the Detroit Police Lieutenants and Sergeants Association and employees in higher ranks or classification, the requirement that a member as defined in Article IV, Section 1(d) of the Policemen and Firemen Retirement System shall attain age 55 to be eligible for retirement shall be eliminated. Such members will be eligible to retire after 25 years of service regardless of age.
2. For employees in ranks or classifications with a parity relationship to the employees represented by the Detroit Police Officers Association, the requirement that a member as defined in Article IV, Section 1(d) of the Policemen and Firemen Retirement System shall attain age 55 to be eligible for retirement shall be eliminated. Effective March 8, 2007, such members will be eligible to retire after twenty (20) years of service regardless of age.

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<sup>20</sup> DPLSA (§ 51.E.).

<sup>21</sup> DPOA (§ 33.H.).

<sup>22</sup> DPOA (§ 33.H.).

<sup>23</sup> DPOA (§ 33.H.).

<sup>24</sup> DPCOA (§ 41.E.); DPLSA (§ 51.E.); DPOA (§ 33.H.).

<sup>25</sup> DFFA (§ 22.A.14.d.); DPOA (§ 33.H.).

<sup>26</sup> DFFA (§ 22.A.14.d.).

Effective July 1, 1989, the minimum age 55 requirement for deferred pensions payable for post 1969 members hired before June 30, 1985, shall be eliminated.<sup>27</sup>

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**DPCOA**

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Reduction in Force Time: Effective in accordance with the specific date and terms of the Detroit Police Lieutenants and Sergeants Association (DPLSA) award in Act 312 No. D98 F-0944, the membership of this bargaining unit shall have the right to retire on their 25th Anniversary Date, notwithstanding any service time they may have lost due to any layoffs, as provided therein.<sup>28</sup>

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**DPOA**

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Effective July 1, 1989, the minimum age 55 requirement for deferred pensions payable for post 1969 members hired before June 30, 1985 shall be eliminated.

Employees hired on or after July 1, 1985 who leave City employment after being vested shall not be eligible for pension benefits until said individual reaches his or her sixty-second birthday.<sup>29</sup>

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- (c) Any member of the system as defined in article IV, section 1 (a), (b), (c), and (d) who shall reach the age of sixty years shall be retired forthwith, or on the first day of the calendar month next succeeding that in which the member shall have reached sixty. On the written request of the member and of the Commissioner of Police or the Board of Fire Commissioners, as the case may be, the Board of Trustees may continue such member in active service for a period of two years beyond his sixtieth birthday, and on the expiration of such period, on like request, may continue such member for a further period of two years. (As amended November 5, 1963. In effect January 1, 1969.)
  - (d) Any member of the system who satisfies the requirements for a pension as defined in article VI, section 4 shall be eligible upon ninety days notice to make an irrevocable election to receive an immediate retirement allowance, actuarially reduced for early commencement, in lieu of a deferred retirement allowance.
  - (e) Any member of the retirement system who was in the service of the City on or after July 1, 1941 but prior to January 1, 1969 and who was still an active member on July 1, 1983 for LSA and equivalents and July 1, 1986

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<sup>27</sup> DFFA (§ 22.A.14.d.).

<sup>28</sup> DPCOA (§ 41. F.).

<sup>29</sup> DPOA (§ 33.H.).

for DPOA members and fire equivalents shall have the option of retiring under the old plan or the new plan.

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part A, § 1.)

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**By Agreement**

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**Old Plan/New Plan**

Members of the Policemen and Firemen Retirement System as defined in the previous charter of the City of Detroit – Chapter VII of Title IX, Section 2 of Article II as adopted by Article 11, Section 11-102 of the present charter of the City of Detroit as previously amended to July 1, 1977, who were in the service on or after July 1, 1941 but prior to January 1, 1969, and are still active members shall have the option of retiring under any existing plan of the pension system (i.e., amendment of November 5, 1969, or previous plan) commonly known as new plan and old plan.<sup>30</sup>

**[This provision shall be effective July 1, 1986.<sup>31</sup>]**

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**Sec. 2. Amount of allowance – Old Plan Members.**

Upon his retirement from service, a member as defined in article IV, section 1 (a), (b), or (c) (“old plan member”) shall receive a straight life retirement allowance which shall consist of the benefits provided in paragraphs (a) and (b) below; and he shall have the right to elect an option provided for in part H of this article:

- (a) An annuity which shall be the actuarial equivalent of his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement; and
- (b) A pension, which when added to his annuity, will provide a straight life retirement allowance equal to two percent (2.0%) of his average final compensation, multiplied by the number of years, and fraction of a year, of his creditable service, not to exceed twenty-five years; provided, that the pension of a policeman shall in no case exceed fifteen twenty-seconds of the maximum earnable compensation of a patrolman and the pension of a fireman shall not exceed fifteen twenty-seconds of the maximum earnable compensation of a fire fighter (and if either or both of the said ranks shall be hereafter abolished, the equivalent thereof). The foregoing pension limitation shall not apply to any policeman or fireman who on July 1, 1941, shall be entitled to a certificate for twenty years or more of prior service and who remains under the provisions of chapter XV or chapter XXI of

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<sup>30</sup> DFFA (§ 22.A.14.m.); DPCOA (§ 41.H.); DPLSA (§ 51.G.); DPOA (§ 33.N.).

<sup>31</sup> DPOA (§ 33.N.).

Title IV of the 1918 Detroit City Charter. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part A, § 2.)

**Sec. 2.1. Amount of allowance – New Plan Members.**

Upon his retirement from service, a member as defined in article IV, section 1(d) (“new plan member”) shall receive a straight life retirement allowance which shall consist of the benefits provided in paragraphs (a) and (b) below; and he shall have the right to elect an option provided for in part H of this article:

- (a) An annuity which shall be the actuarial equivalent of his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement; and
- (b) A pension which when added to his annuity, will provide a straight life retirement allowance equal to:
  - (i) two and one-half percent (2.5%) of his average final compensation multiplied by the number of years and fraction of a year of his creditable service, for the first twenty-five (25) years of such service; and
  - (ii) two and one-tenths percent (2.1%) of his average final compensation multiplied by the number of years and fraction of a year of his creditable service in excess of twenty-five (25) years subject to a maximum of thirty-five (35) years.

**Sec. 2.2. Pension Multiplier**

Effective July 1, 1992 each member who retires on or after said date shall be entitled to a pension which, when added to the annuity, will provide a straight life retirement allowance equal to 2.1% of his/her average final compensation, multiplied by the number of years and fraction of a year, of his/her creditable service, not to exceed thirty-five (35) years service for new plan members and twenty-five (25) years service for old plan members. (Ord. No. 18-93, Sec. 47-12.6A-2.3.)

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<b>By Agreement</b>
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**[Effective September 1, 2012, each member who retires shall only be entitled to a pension which, when added to the annuity, will provide a straight life retirement allowance equal to 2.1% of his/her average final compensation multiplied by the number of years and fraction of a year of his/her creditable service earned or accrued on or after September 1, 2011. Hence, for the first twenty-five (25) years of service accrued on or after September 1, 2011, the multiplier shall no longer be 2.5%; rather, 2.1%. Maximum years of service for**



**pension credit shall be thirty-five (35) years for new plan members and twenty-five (25) years for old plan members. Service credit accrued prior to September 1, 2011 will be unaffected by this modification.<sup>32]</sup>**

Effective July 1, 1997 **[or following the effective date of the CET-DPCOA<sup>33]</sup>**, each member who retires shall be entitled to a pension which when added to the annuity will provide a straight life retirement allowance equal to 2.5% **[or 2.1%<sup>34]</sup>** of his average final compensation multiplied by the number of years and fraction of year of his creditable service for the first twenty-five (25) years **[or of his creditable service earned or accrued on or after the effective date of the CET-DPCOA<sup>35]</sup>**.

For years of service over twenty-five (25) years the multiplier shall be 2.1%. Maximum years of service for pension credit shall be thirty-five (35) years for new plan members and twenty-five (25) years for old plan members.<sup>36]</sup>

**[Each member who retires shall only be entitled to a pension which, when added to the annuity, will provide a straight life retirement allowance equal to 2.1% of his her average final compensation multiplied by the number of years and fraction of a year of his/her creditable service earned or accrued following the date of the Act 312 Award in D09 G-0786. Hence, for the first twenty-five (25) years of service accrued after the date of the Act 312 Award, the multiplier shall no longer be 2.5% as stated in the paragraph above; rather, as stated in this paragraph, 2.1%. Maximum years of service for pension credit shall be thirty-five (35) years for new plan members and twenty-five (25) years for old plan members.<sup>37]</sup>**

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### **Sec. 3. Disposition of surplus benefits upon death of beneficiary.**

In the event a beneficiary, who was a member, dies before he has received in straight life retirement allowance payments an aggregate amount equal to his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement, the difference between his said accumulated contributions and the said aggregate amount of straight life retirement allowance payments received by him shall be paid to such person or persons as he shall have nominated by written designation duly executed and filed with the board of trustees. If there be no such designated person or persons surviving the said deceased beneficiary (who was a member) such difference, if any, shall be paid to his legal representative. No benefits shall be paid under this section on account of the death of such a beneficiary if he had elected Option

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<sup>32</sup> DPOA (§ 33.B.).

<sup>33</sup> DPCOA (§ 41.L.).

<sup>34</sup> DPCOA (§ 41.L.).

<sup>35</sup> DPCOA (§ 41.L.).

<sup>36</sup> DFFA (§ 22.A.14.j.); DPCOA (§ 41.L.); DPLSA (§ 51.K.2.).

<sup>37</sup> DPLSA (§ 51.K.3.).

1, 2 or 3 provided for in part H of this article. (As amended September 1, 1964. In effect September 15, 1964.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part A, § 3.)

**Sec. 4. Retirement allowance for certain persons leaving city employment after eight years service.**

Should any LSA member or any fire equivalent who (1) has attained age forty years of age, and (2) has acquired eight or more years of credited service, or any member who terminates employment with the City on or after August 29, 2003 with ten or more years of credited service leave the employ of the police department or fire department of the City of Detroit prior to the date he would have first become eligible to retire as provided in this part A, for any reason except his retirement or death, he shall be entitled to a retirement allowance computed according to section 2 or 2.1 of this article, whichever is applicable, as said section was in force as of the date of his employment with the city last terminated; provided, that he does not withdraw his accumulated contributions from the Annuity Savings Fund. His retirement allowance shall begin the first day of the calendar month next following the month in which his application for same is filed with the Board of Trustees, on or after the date he would have been eligible to retire had he continued in city employment. Notwithstanding the foregoing, prior to March 3, 2008 the retirement allowance of a DPOA member or a fire equivalent hired on or after July 1, 1985 shall not begin prior to the date on which the member reaches his sixty-second birthday. Unless otherwise provided in this chapter such person shall not receive service credit for the period of his absence from the City Police Department and/or Fire Department employ, nor shall he or his beneficiary be entitled to any other benefit afforded in this chapter except the benefits provided in part A, section 2 or 2.1 or part F of this article VI, whichever is applicable, subject to the above provisions, notwithstanding, his membership has terminated. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part A, § 4.)

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**By Agreement**

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**Reduced Early Pension Benefits (40 & 8 Vesting Retirees)**

1. Members who terminate employment who are eligible for a pension pursuant to Article VI, Part A, Sec. 4 of the Policemen and Firemen Retirement System (40 & 8) provision shall have the option of receiving an immediate, but reduced early pension benefit in lieu of a deferred pension.
2. This reduced early pension benefit shall not result in an increase in employer contribution rates therefore, the value of the Reduced Early Pension Benefit shall be the actuarial equivalent of the 40 & 8 pension.
3. No other benefits or amounts payable pursuant to the Policemen and Firemen Retirement System including benefits available to persons who retire under Article VI, Sec. 4 shall be affected by this contractual provision. Health insurance benefits payable under this provision will commence when the member would have been eligible to retire with a

service retirement under Article 22 B 14 (d) of the collective bargaining agreement **[or Article VI of the Pension Plan<sup>38</sup>]**.

4. **[For employees in ranks or classifications with a parity relationship to employees represented by the Detroit Police Lieutenants and Sergeants Association and employees in higher ranks or classifications,<sup>39</sup>** upon termination, an employee vesting his pension must within 90 calendar days make an irrevocable election as to whether or not to take this option.
5. **[Individuals, who terminated prior to July 1, 1986, are not eligible for this [new<sup>40</sup>] option.<sup>41</sup>]**
6. An employee who receives a lump sum payment for accumulated time upon termination is not allowed to have that time count towards his retirement service.
7. Since members **[or all DFFA members, except those members in ranks or classifications with a parity relationship to employees represented by the Detroit Police Officers Association,<sup>42</sup>** are eligible to begin collecting their vested pension as soon as they would have been eligible to retire had they continued their City employment, minimum retirement age (i.e. age 55) shall not be a factor in computing the actuarially reduced pension benefit.<sup>43</sup>

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DFFA

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All members, except those members in ranks or classifications with a parity relationship to employees represented by the Detroit Police Officers Association, electing to receive the Reduced Early Pension Benefits shall receive upon separation full pay for fifty (50) percent of the unused sick bank amounts. This provision shall have no effect on a member electing to receive the deferred 40 & 8 vested pension who shall continue to be reimbursed for unused sick time in accordance with the formula in Article 22.B.9(e).

Employees hired on or after July 1, 1985, with a parity relationship to employees represented by the DPOA, who leave City employment after being vested shall not be eligible for pension benefits until said individual reaches his or her sixty-second birthday.

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<sup>38</sup> DPCOA (§ 41.G.3.); DPLSA (§ 51.F.3.).

<sup>39</sup> DFFA (§ 22.A.14.f.4.).

<sup>40</sup> DFFA (§ 22.A.14.f.5.).

<sup>41</sup> DFFA (§ 22.A.14.f.5.); DPLSA (§ 51.F.5.).

<sup>42</sup> DFFA (§ 22.A.14.f.).

<sup>43</sup> DFFA (§ 22.A.14.f.); DPCOA (§ 41.G.); DPLSA (§ 51.F.).

Effective August 28, 2003, DPOA allied members who terminate employment after ten (10) years of service shall be vested and shall have all options afforded to current 40 & 8 retirees.<sup>44</sup>

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**DPOA**

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**Reduced Early Pension Benefits.** Members who terminate employment who are eligible for a pension pursuant to Article VI, Part A, Section 4 of the Policemen and Firemen Retirement System (40 & 8) provision shall have the option of receiving an immediate, but reduced early pension benefit in lieu of a deferred pension.

This reduced early pension benefit shall not result in an increase in Employer contribution rates, therefore, the value of the Reduced Early Pension Benefit shall be the actuarial equivalent of the 40 & 8 pension.

Effective August 28, 2003, members who terminate employment after ten (10) years of service shall be vested and shall have all options afforded to current 40 & 8 retirees.

No other benefits or amounts payable pursuant to the Policemen and Firemen Retirement System, including benefits available to persons who retire under Article VI, Section 4, shall be affected by this contractual provision. Health insurance benefits payable under this provision will commence when the member would have been eligible to receive a regular service retirement under Article 33.F. of the collective bargaining agreement.

This provision shall be retroactive to July 1, 1986.<sup>45</sup>

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**Part B — Total Disability Pension and Retirement Allowances.**

**Sec. 1. Duty disability.**

If a member shall become totally incapacitated for duty by reason of injury, illness or disease resulting from performance of duty and if the Board of Trustees shall find such injury, illness or disease to have resulted from the performance of duty, on written application to the Board of Trustees by or on behalf of such member or by the head of his Department such member shall be retired; notwithstanding that during such period of notification he may have separated from service; provided, the Medical Director, after examination of such member shall certify to the Board of Trustees his total incapacity. If said member was separated from service after filing of the written application, and he had attained twenty-five (25) years or more of service prior to the date of separation, the Board of Trustees, shall retire said member, under this part B. (Ord. No. 5-00, Sec. 54-2-11; Ord. No. 4-00, Sec. 54-2-11.)

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<sup>44</sup> DFFA (§ 22.A.14.f.).

<sup>45</sup> DPOA (§ 33.I.).

**Sec. 2. Duty disability benefits; members in service on or after July 1, 1941 but prior to January 1, 1969.**

- (a) A member, as defined under Article IV, Section 1(a), (b), or (c), shall receive the following benefits:

(1) Each such member shall receive a disability pension of fifty percent (50%), or such other higher percentage that is in effect and applies to such member, of the member's average final compensation at the time of disability retirement. On the date that a member, who retired under Section 1 of this Part and who receives benefits under this Section, would have accrued twenty-five (25) years of creditable service had the member continued in active service, or on the date that the member reaches age sixty (60), whichever comes first, the member shall be eligible for optional benefits as provided Part H of this Article.

(2) In addition to the disability pension provided for in Section 2(a)(1), any member who receives a disability pension pursuant to Section 2(a)(1) and has not accrued a total of twenty-five (25) years of creditable service, as of the date of the member's disability retirement shall receive a supplemental disability payment in the amount of sixteen and two-thirds percent (16-2/3%) of the member's average final compensation at the time of disability retirement. This supplemental payment shall terminate upon the expiration of the period when a member who retired under Section 1 of this Part and who receives benefits under Section 2(a)(1) would have accrued twenty-five (25) years of creditable service and the member continued in active service, or on the date that the member reaches age (60), whichever comes first.

(3) In the case of a member retired under Section 1 of this Part who receives benefits under 2(a)(1) and 2(a)(2), the accumulated contributions standing to the member's credit at the date of retirement shall continue to be held in the defined contribution plan and regular interest shall be credited thereto. If such member dies before the date upon which the member would have achieved a total of twenty-five (25) years of creditable service had the member continued in active service and before such member reaches age sixty (60), the balance of the member's defined contribution plan including interest thereon shall be paid as provided in Part D and Part E of this Article.

- (b) This Section shall be applicable to those members receiving benefits on the date of adoption of this Section who are not covered by the arbitration decision regarding the Detroit Police Officers Association which became effective July 1, 1995, or the arbitration decision regarding the Detroit Police Lieutenant's and Sergeant's Association which became effective June 30, 1998.

- (c) This Section does not rescind any substantive rights of disability retirees from the Policemen and Firemen Retirement System who retired prior to the July 1, 1995 arbitration award, or the substantive rights of disability retirees from the Detroit Police Lieutenant's and Sergeant's Association who retired prior to the June 30, 1998 arbitration award.
- (d) This Section does not amend any computations used to determine disability benefits payable under this Section 2, or result in an increase or decrease in such disability benefits.
- (e) Existing 1099R reporting procedures shall continue as currently in effect. A change in said procedures shall only occur as the result of an Internal Revenue Service ruling letter in favor of such change.

(Ord. No. 05-00, Sec. 54-2-12; Ord. No. 04-00, Sec. 54-2-12.)

**Sec. 2.1. Duty disability benefits; members beginning service on or after January 1, 1969.**

- (a) A member, as defined under Article IV, Section 1(d), who retired under Section 1 of this Part, shall receive the following benefits:
  - (1) Each such member shall receive a disability pension of fifty percent (50%), or such other higher percentage that is in effect and applies to such member, of the member's average final compensation at the time of disability retirement. On the date that a member who retired under Section 1 of this Part and who receives benefits under this Section would have accrued twenty-five (25) years of creditable service had the member continued in active service, or on the date that the member reaches age sixty (60), whichever comes first, the member shall be eligible for optional benefits as provided Part H of this Article.
  - (2) In addition to the disability pension provided for in Section 2.1(a)(1) of this Part, any member who receives a disability pension pursuant to Section 2.1(a)(1) of this Part and who has not accrued a total of twenty-five (25) years or more of creditable service as of the date of the member's disability retirement shall receive a supplemental disability payment in the amount of sixteen and two-thirds percent (16-2/3%) of the member's average final compensation at the time of the member's disability retirement. This supplemental payment shall terminate when a member who retires under Section 1 of this Part and who receives benefits under Section 2.1(a)(1) of this Part would have accrued twenty-five (25) years of creditable service had he or she continued in active service or on the date that the member reaches age sixty (60), whichever comes first.

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**By Agreement**

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**Disability Conversion**



[Effective July 1, 1992,<sup>46</sup>] add to the Policemen and Firemen Retirement System, Article VI, Part B, [Section 2.1(a)(2)] the following:

“ . . . with the specific exception that for those members who receive benefits under [Section 2.1(a)(1)], above, the ‘average final compensation’ used in this computation shall mean the current maximum salary for the rank(s), grade(s) or position(s) which would have been held by the member over the sixty (60) months prior to retirement (reduced disability/service retirement when the member would have attained a total of twenty-five (25) years of credited service) had he/she continued working in that classification which he/she held at the time of his/her disability.”<sup>47</sup> For members who begin receiving such benefits on or after July 1, 1998, the amount of the member’s most recent full longevity payment shall be included in the definition of average final compensation.<sup>48</sup>

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**DFFA / DPOA**

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Add to the Policemen and Firemen Retirement System, Article VI, Part B, [Section 2.1(a)(2)] the following:

“ . . . with the specific exception that for those members who receive benefits under [Section 2.1(a)(1)], above, the ‘average final compensation’ used in this computation shall be the highest average annual compensation that would have been received by such a member had he/she continued working in the classification he/she held at the time of his disability, during any period of five consecutive years, selected by the member, contained within the last ten years immediately preceding the expiration of the period when the member would have attained a total twenty-five years of creditable service.”<sup>49</sup>

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**DPCOA**

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Effective July 1, 2000, the “average final compensation” used in this computation shall mean the current maximum salary for the rank(s), grade(s) or position(s) which would have been held by the member over the thirty-six (36) months prior to retirement, including the annual longevity payment provided above.<sup>50</sup>

(3) In addition to the disability pension provided for in Section 2.1(a)(1) of this Part, any member who receives a disability pension pursuant to Section 2.1(a)(1) of this Part and who has accrued more than

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<sup>46</sup> DPLSA (§ 51.C.).

<sup>47</sup> DPCOA (§ 41.C.); DPLSA does not have a closing quotation mark within this paragraph.

<sup>48</sup> DPCOA (§41.C.); DPLSA (§ 51.C.).

<sup>49</sup> DFFA (§ 22.A.14.e.); DPOA (§ 33.E.).

<sup>50</sup> DPCOA (§41.C.).

twenty-five (25) years ("additional years") of creditable service as of the date of the member's disability retirement shall receive another supplemental disability payment equal to two percent (2%), or such other higher percentage that is in effect and applies to such member, of the member's average final compensation, multiplied by the number of additional years of creditable service the member has accrued; provided, however, that such supplemental disability payment shall not exceed twenty percent (20%), or such other higher percentage that is in effect and applies to such member, of the member's average final compensation.

(4) In the case of a member who retired under Section 1 of this Part and who receives benefits described under Section 2.1(a)(1) through (3) of this Part, the accumulated contributions standing to the member's credit at the date of disability retirement shall continue to be held in a separate fund in the annuity savings fund and regular interest shall be credited thereto. If such member dies prior to the time when the member would have achieved a total of twenty-five (25) years of creditable service had the member continued in active service and before such member reaches age sixty (60), the amount of the member's accumulated contributions so set aside and interest thereon shall be paid as provided in Part D and Part E, of this Article.

(5) The amendment of Section 2.1(a)(1) of this Part shall not result in an increase or decrease in the amount of disability benefits payable to members.

- (b) This Section shall be applicable to those members receiving benefits on the effective date of this Section who are not covered by the arbitration decision regarding the Detroit Police Officers Association which became effective July 1, 1995, or the arbitration decision regarding the Detroit Police Lieutenant's and Sergeant's Association arbitration decision which became effective June 30, 1998.
- (c) This Section does not rescind any substantive rights of disability retirees from the Policemen and Firemen Retirement System who retired prior to the July 1, 1995 arbitration award, or the substantive rights of disability retirees from the Detroit Police Lieutenant's and Sergeant's Association who retired prior to the June 30, 1998 arbitration award.
- (d) This Section does not amend any computations used to determine benefits under Section 2.1 of this Part, or result in an increase or decrease In such benefits.
- (e) Existing 1099R reporting procedures shall continue as currently in effect. A change in said procedures shall only occur as the result of an Internal Revenue Service ruling letter in favor of such change.



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**By Agreement**

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**Duty Disability Retirement Provisions**

1. **[As applicable to all current employees who file applications for disability retirement on or after July 1, 1995,<sup>51</sup> [for employees with a parity relationship with the DPOA, and on or after June 30, 1998, for employees with a parity relationship with the DPLSA and the DPCOA Inspector, and to all future employees<sup>52</sup>] [As applicable to all current employees who file applications for disability retirement on or after June 30, 1998, and to all future employees,<sup>53</sup>] [and to all future employees,<sup>54</sup> the definition of “total disability” and “total incapacity” in the Policemen and Firemen Retirement System pension plan will be changed to read as follows:**

**Own Occupation:** During the first 24 months of benefits, total disability exists when, due to injury, illness or disease, an employee is unable to perform, for wage or profit, the material and substantial duties of the employee’s occupation.

**Any Occupation:** After the first 24 months of benefits, total disability exists when, due to illness, injury or disease, an employee is unable to perform, for wage or profit, the material and substantial duties of any occupation for which the employee is suited, based on education, training and experience.

2. a. The duty disability retirement benefits payable to an eligible member shall consist of the amount derived from the sum of the applicable following factors and annual escalators in accordance with the definitions of “own occupation” and “any occupation” as set forth in paragraph 1 above.
  - (1) Part A. A basic duty disability benefit amount which is 50% of the member’s final compensation at the time his duty disability retirement began.
  - (2) Part B. A supplemental duty disability benefit which is 16 2/3% of the member’s final compensation at the time his duty disability retirement began.
  - (3) [Escalators.] **On July 1st of each year, the amounts of Parts A and B then payable will each be increased by adding to said amounts the product of 2.25% times the initial amount of said Part A and B benefit**

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<sup>51</sup> DFFA (§ 22.A.14.q.); DPOA (§ 33.Q.1.).

<sup>52</sup> DFFA (§ 22.A.14.q.).

<sup>53</sup> DPLSA (§ 51.N.1.).

<sup>54</sup> DPOA (§ 33.Q.1.).

**which was computed at the time the duty disability retirement began.<sup>55]</sup>**

- b. For the first 24 months that a member is on duty disability retirement his benefit shall be the sum of Parts A and B plus applicable escalators.
- c. After 24 months, a member who is disabled from any occupation shall continue to receive a duty disability retirement benefit which is the sum of Parts A and B plus applicable escalators. After the expiration of the period when the member would have attained 25 years of creditable service had he/she continued in active service, payment of Part B will cease.
- d. After 24 months, a member who is not disabled from any occupation shall only receive Part A plus applicable escalators as his duty disability retirement benefit.
- e. Conversion. Duty disability retirement benefits shall continue to be paid to a member on duty disability retirement after the member has attained 25 years of credited service, to the earlier of (i) the member's attainment of age 65, or (ii) termination of disability as determined by the third party administrator (TPA). Upon termination of disability or attainment of age 65, a member with 25 years of credited service shall be eligible to receive a service retirement benefit. The amount of such service retirement benefit shall be the same amount which would have been payable if the conversion from duty disability retirement to service retirement had occurred at the date of attaining 25 years of service credit. **[In the event that the examinations and/or investigations conducted by the Police Department result in a determination that the member is not qualified for reappointment as a police officer, for medical reasons, disability benefits will be continued.<sup>56]</sup>**
- f. If a member on duty disability retirement returns to active service and within a 24 month period re-qualifies for duty disability retirement for the same or related reasons he/she had been retired, then the disability shall be deemed a continuation of the prior disabling condition and the period of the return to work will not have caused the employee to be entitled to a new initial determination of Part A and B benefit amounts as set forth in sub-paragraphs 2.a.(1) and 2.a.(2) above. Instead, such employee will return to retirement at the point he/she had reached in sub-paragraphs 2.b., 2.c. or 2.d. above as if there had not been a break in his period of placement on duty disability retirement.
- g. Non-duty disability benefits will continue to be calculated as provided by the City Charter.

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<sup>55</sup> DFFA (§ 22.A.14.q.); DPLSA (§ 51.N.2a.3.); DPOA (§ 33.Q.2.a.3.).

<sup>56</sup> DPOA (§ 33.Q.2.e.).

- h. **[As in the past,<sup>57</sup>]** disability retirement benefits shall continue to be considered Charter benefits which are paid instead of and not in addition to any benefits under the State Workers' Disability Compensation Act.
  - i. Survivor Benefits. Survivor benefit coverage applicable to active members shall be continued during the period a member is eligible for a duty disability benefit. Upon conversion to a service retirement benefit as provided in 2.e., automatic survivor benefit coverage shall terminate. At that time, the member shall have the right to elect an optional form of payment in the same manner as if he/she had retired from active membership on the conversion date.
- 3. Pension Credit While on Duty Disability Status.
  - a. While eligible to receive duty disability benefits, regular defined pension service credit shall continue to accrue.
  - b. The accrual of regular defined benefit pension service credit will cease when the member has 25 years of credited service.
- 4. Earnings Offset.
  - a. In the event that a recipient of a duty disability retirement benefit receives earned income from gainful employment during a calendar year, the amount of the member's disability benefit payable during the next subsequent fiscal year will be adjusted so it does not exceed the difference between (i) the member's base salary at the date of disability, increased by 2.25% times the number of full years from the date of disability to the year in which the earnings offset is applied, and (ii) the amount of remuneration from gainful employment during the prior calendar year.
  - b. The earnings test shall be based on information the TPA may periodically require from a duty disability benefit recipient or have secured from other reliable sources. Furnishing such information shall be a condition for continued eligibility for a duty disability benefit.
- 5. Annuity Withdrawal. The current withdrawal provision of the retirement system will continue. If a duty disability recipient elects annuity withdrawal after attaining 25 years of credited service, the applicable benefit reduction will offset the duty disability benefit until the conversion date, after which it will offset the converted service retirement benefit.
- 6. The disability retirement procedure will be revised as follows:
  - a. **[Medical Boards of Review will no longer be used.<sup>58</sup>]** The function now performed by Medical Boards of Review with respect to the determination of

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<sup>57</sup> DPOA (§ 33.Q.2.h.).

<sup>58</sup> DPOA (§ 33.Q.6.a.).

whether an applicant is disabled will be performed by a qualified physician or surgeon in the appropriate specialty at Detroit Receiving Hospital or such other medical facility as may subsequently be mutually determined by the Union and the City. If either the Union or the City desires to terminate the services of the medical facility, it shall give notice in writing to that effect to the other party, specifying the date of termination. The parties shall then send a joint written notice to the medical facility of its termination. Neither party may terminate the services of a medical facility unless it has heard at least one case. Once the medical facility has received written notice that its services are terminated, it shall hear no further cases. However, the medical facility shall render decisions on all cases where the applicant has been examined and evaluated prior to receiving such notice. The medical facility will select the doctor who will perform the examination and evaluation. The medical finding of this physician or surgeon as to whether the applicant is disabled shall be final and binding on all interested parties.

- b. If the applicant is determined to be disabled, the Board of Trustees or its designee will examine the pension file, including the submissions of the applicant and the Police or Fire Department, to determine if there is any dispute as to whether the disability “resulted from the performance of duty” within the meaning of the pension plan. If it is undisputed that the disability did result from the performance of duty, the Board of Trustees will grant duty disability retirement benefits. If it is undisputed that the disability did not result from the performance of duty, the Board of Trustees will grant non-duty disability retirement benefits, provided the applicant meets the other conditions of eligibility, e.g., five years of creditable service. If the performance of duty issue is in dispute, the Board of Trustees will refer the matter to arbitration by a member of the Disability Retirement Review Board (DRRB). The decision of the DRRB member as to whether the disability resulted from the performance of duty shall be final and binding upon all interested parties. The DRRB shall consist of 3 qualified arbitrators who will be individually assigned in rotating order to decide the matters referred to arbitration by the Board of Trustees. **[[By March 1, 1998,<sup>59</sup> or within thirty (30) days after the issuance of the Act 312 Award (Case No. D92 C-554),<sup>60</sup>] the Union and the City shall convene and select 3 disinterested persons qualified as labor arbitrators to serve as members of the DRRB.<sup>61</sup>]** The procedure for the termination of umpires and the selection of new umpires **[currently in use by the Union and the Police or Fire Department<sup>62</sup> or found**

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<sup>59</sup> DPLSA (§ 51.N.6.b.).

<sup>60</sup> DPOA (§ 33.Q.6.b.).

<sup>61</sup> DPCOA (§ 41.N.6.b.); DPLSA (§ 51.N.6.b.).

<sup>62</sup> DFFA (§ 22.A.14.q.6.b.)(referring to “the DFFA and the Department”); DPCOA (§ 41.N.6.b.)(referring to “the DPOA [sic] and the Department”); DPLSA (§ 51.N.)(referring to “the DPOA [sic] and the Department”).

in Article 8<sup>63</sup>] shall apply to the termination and the selection of new DRRB arbitrators.

- c. The hearing before a member of the DRRB will be conducted in accordance with the following procedures:
1. The applicant and the City will have the right to appear in person or otherwise, may be represented by counsel if they wish and will be afforded an equal opportunity to present evidence relevant to the issues;
  2. A court reporter will be present and make a stenographic record of the proceedings;
  3. The hearing will be closed to the public, except that the applicant may select one person to be with him in the hearing room; provided, however, that person may not testify;
  4. The witnesses will be sequestered;
  5. The witnesses will be sworn by the court reporter and testify under oath;
  6. The applicant may not be called by the City as an adverse witness;
  7. The DRRB member will apply the rules of evidence and follow the procedures which are customarily applied and followed in labor arbitration cases;
  8. If the applicant wishes to have an employee of the City released from duty to appear as a witness on his behalf, the applicant may so inform the Board of Trustees in writing which, in turn, will submit a written request to the appropriate Department executive for the release of the employee for the purpose of so testifying;
  9. The DRRB member will afford the parties an opportunity for the presentation of oral argument and/or the submission of briefs;
  10. The DRRB member will issue a written decision containing credibility resolutions as necessary, findings of fact and conclusions with respect to all relevant issues in dispute. The decision of the DRRB member shall be final and binding on all interested parties;
  11. The authority of the DRRB member is limited to deciding whether or not the applicant's disability "resulted from the performance of duty" within the meaning of the Pension Plan. The DRRB member shall have no authority to add to, subtract from, modify or disregard the terms of the Pension Plan; and

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DPOA (§ 33.Q.6.b.).

12. The costs associated with the hearing, including the arbitrator's fees and expenses, and the court reporter's fees and expenses, shall be paid by the Board of Trustees.
- d. A Third Party Administrator (TPA) mutually selected by the Union and the City shall provide all ongoing duties of administering the disability benefits after initial eligibility has been determined. These duties shall include:
    1. Monthly payment of benefits;
    2. The former duties of the Medical Director for conducting investigations to assure continuing eligibility for disability retirement benefits, including the annual re-examination of disability beneficiaries;
    3. Conducting investigations to determine any earnings the disability beneficiary may have for offset to system benefits; and
    4. The TPA shall have reasonable powers to insure compliance with re-examination and proof of earnings requirements including the withholding of monthly payments until compliance is achieved.
  - e. If a disability beneficiary is determined by the TPA to no longer be disabled, he/she may appeal that determination within seven (7) days thereof by filing a written request with the TPA for a re-examination by a qualified physician or surgeon at and selected by the medical facility identified in paragraph 6.a. above whose medical finding will be final and binding. The TPA shall promptly arrange for such re-examination. The applicant's disability benefits will be continued pending that final and binding medical finding, and if the finding is that the applicant is no longer disabled, his disability benefits will be further continued while the Police or Fire Department is conducting such examinations and/or investigations as necessary to determine whether the applicant is qualified for reappointment to active duty. **[In the event that the examinations and/or investigations conducted by the Police Department result in a determination that the member is not qualified, for medical reasons, for reappointment to active duty, disability benefits will be continued.<sup>64</sup>]**
  - f. In the event that the Union and the City are unable to reach agreement upon the medical facility to perform the functions described in paragraph 6.a. or the TPA to perform the functions described in paragraph 6.d. of this section, within thirty (30) days after a vacancy occurs, each shall nominate one choice as its selection and after reviewing any materials submitted and considering any arguments advanced by the parties in support of their respective nominations, a member of the DRRB

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<sup>64</sup>

DPLSA (§ 51.N.6.e.).

shall decide which of the two nominees shall serve as the medical facility or the TPA.<sup>65</sup>

7. **[The Board of Trustees shall not act upon or grant the application filed by an officer who, although he/she is not capable of performing the full duties of a police officer, has not suffered any diminishment of his/her base wages or benefits because he/she is either:**
  - a. **regularly assigned to a position, the full duties of which he/she is capable of performing; or**
  - b. **assigned to a restricted duty position, unless the Police Department advises that it intends to seek a disability retirement for the officer in the foreseeable future.**
8. **The provisions in paragraph 7 above are not intended to and will not:**
  - a. **affect the officer's right to seek a disability retirement when no restricted duty position is available; or**
  - b. **restrict in any way the existing authority of the Chief of Police to seek a duty or non-duty disability retirement for an officer or for that officer at that time to request a duty or non-duty disability retirement.<sup>66]</sup>**

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### **Sec. 3. Non-duty disability.**

On written application to the Board of Trustees by or on behalf of a member or by the Head of his Department, a member, who becomes totally incapacitated for duty by reason of injury, illness or disease not resulting from the performance of duty, shall be retired by the Board of Trustees; provided, the Medical Director, after an examination of such member, shall certify to the Board of Trustees his total incapacity. If said member was separated from service after the filing of the written application and had attained 25 years or more of service prior to the date of separation, the Board of Trustees shall retire said member, under this Part B. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part B, § 3.)

### **Sec. 4. Benefits.**

A member retired under section 3 above shall receive the following applicable benefits:

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<sup>65</sup> DFFA (§ 22.A.14.q.); DPCOA (§ 41.N.); DPLSA (§ 51.N.); DPOA (§ 33.Q.). All references to "Police or Fire Department" mean either the Police Department or the Fire Department, whichever is applicable to the respective Union.

<sup>66</sup> DPCOA (§ 41.N.7-8.); DPLSA (§ 51.N.7-8.); DPOA (§ 33.Q.7-8.).



- (a) If such member has less than five years of creditable service at the time of his retirement, his accumulated contributions standing to his credit in the Annuity Savings Fund shall be returned to him, or at his option he shall receive a cash refund annuity which shall be the actuarial equivalent of his accumulated contributions. (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part B, § 4(a).)
- (b) If such member has five or more years of creditable service at the time of his retirement, he shall receive a disability retirement allowance computed in accordance with the provisions of this article, part A, section 2 or 2.1, whichever is applicable, and he shall have the right to elect an option provided for in Part H of this Article. His straight life retirement allowance shall not be less than twenty per cent of his average final compensation. Such retirement allowance shall be subject to Parts I and K of this Article. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part B, § 4(b).)
- (c) If a member receiving non-duty disability benefits has any accumulated contributions standing to his credit in the Annuity Savings Fund upon attainment of twenty-five years (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) of creditable service, such member may withdraw the balance of such contributions at that time.

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**By Agreement**

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Persons who are retired on disability pensions pursuant to Article VI, B of the Policemen and Firemen Retirement System shall be entitled to lump sum payments of all accumulated time from the date that the Board of Trustees determines that they are entitled to such a pension. Members shall not be required to utilize such time delaying their retirement date.<sup>67</sup>

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### **Part C — Application, Escalation and Change in Compensation, Rank**

All applications for retirement shall be subject to the provisions of section 14, as amended, of Chapter XXI, Title IV of the 1918 Detroit City Charter, insofar as the same are applicable. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part C.)

#### **Sec. 1. Generally.**

If hereafter the rate of compensation of the rank, grade or position on which the service retirement allowance, disability pension or disability retirement allowance of a beneficiary who was a member or is a beneficiary of member as defined in article IV, section 1 (a), (b), or (c) is

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<sup>67</sup> DPCOA (§41.I.); DPLSA (§ 51.I.).



based shall be changed, his service retirement allowance, disability pension, or disability retirement allowance shall be changed proportionately, and if such rank, grade, or position shall have been abolished, his service retirement allowance, disability pension, or disability retirement allowance shall be changed in proportion to the change made in the compensation of the existing rank, grade, or position most nearly approximating the rank, grade, or position so abolished. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part C, § 1.)

## **Sec. 2. Increase of Benefits.**

The retirement allowance or death benefit of a member who was hired prior to July 1, 1969 shall be increased proportionally with the increases in the pay of active employees of the rank on which the retirement allowance was computed.

On and after July 1, 1969, and the first of July of each year thereafter until July 1, 1992, the pension portion of any retirement allowance or death benefit of a member or beneficiary of a member as defined in article IV, section 1(d), which is paid or payable under this chapter shall be increased at the rate of two per cent (2.0%) per annum computed on the basis of the amount of the pension received at the time of retirement. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part C, § 2.)

On or after July 1, 1992 and the first of July each year thereafter, the pension portion of any retirement allowance or death benefit of a member or beneficiary of a member as defined in article IV, section 1(d), shall be increased at the rate of two and twenty-five one-hundredths per cent (2.25%) per annum computed on the basis of the amount of the pension received at the time of retirement. (Ord. No. 18-93, Sec. 47-12.6C-2.1.)

Effective for members who retire on or after July 1, 1997 (July 1, 1998 for DPOA members and their fire equivalents), the pension escalator described in this section shall be compounded annually.

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<b>By Agreement</b>
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## **Post Retirement Escalator**

For persons **[or members with a parity relationship with the DPLSA and the DPCOA Inspector<sup>68</sup>]**, retiring on or after July 1, 1998 **[or July 1, 2001<sup>69</sup>]**, under the new plan provisions, the 2.25% per annum escalation amount shall be re-computed each fiscal year on the basis of the amount of pension received in the previous fiscal year (i.e., the 2.25% per annum escalation amount shall be compounded).<sup>70</sup>

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<b>DFFA</b>
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<sup>68</sup> DFFA (§ 22.A.14.a.).

<sup>69</sup> DPOA (§ 33.K.).

<sup>70</sup> DFFA (§ 22.A.14.a.); DPLSA (§ 51.L.); DPOA (§ 33.K.). As of the effective date of the 312 Award # 1, this provision has been deleted from DPOA. 312 Award # 1, Issue # 61, pgs. 121–24.

For members with a parity relationship with the DPOA, retiring on or after July 1, 2001, under the new plan provisions, the 2.25% per annum escalation amount shall be re-computed each fiscal year on the basis of the amount of pension received in the previous year.<sup>71</sup>

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**DPCOA**

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Pension benefits based on service rendered after the effective date of this CET-DPCOA shall not be subject to any escalation amounts.<sup>72</sup>

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**DPLSA / DPOA**

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On or after July 1, 1992, and the first of July each year thereafter, the pension portion of any retirement allowance or death benefit of a member or beneficiary of a member as defined in Article VI, Section 1(d) of the plan provisions, and **[Article 51.G. of the DPLSA CBA or Article 33.K. of the CPOA CBA]** (to include those members who opt to retire under the new plan provisions) shall be increased at the rate of 2.25% per annum computed on the basis of the amount of the pension received at the time of retirement by all new plan members who are currently retired or who retire on or after July 1, 1992.

The pension portion of any retirement allowance or death benefit of a member, or beneficiary of a member as defined in Article IV, Section 1(d) of the plan provisions, and **[Article 51.G. of the DPLSA CBA or Article 3.K. of the DPOA CBA]** (to include those members who opt out to retire under the new plan provisions) earned after **[the date of the Act 312 Award in D09 G-0786 or September 1, 2011]**, shall not be increased whatsoever, per annum or otherwise. The pension portion of any retirement allowance or death benefit of a member, or beneficiary of a member as defined herein, accrued prior to **[the date of the Act 312 Award in D09 G-0786 or September 1, 2011]**, shall still be increased as provided herein. Hence, pension benefits earned based on service rendered after **[the date of this Award or September 1, 2011]** is issued will no longer receive the 2.25% per annum escalation amount. The 2.25% per annum escalation amount shall continue to apply to pension benefits earned based on service rendered before **[the date this Award was issued or September 1, 2011]**.<sup>73</sup>

**[Pension benefits based on service rendered after the effective date of this Agreement shall continue to not be subject to any escalation amounts.<sup>74</sup>]**

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<sup>71</sup> DFFA (§ 22.A.14.a.).

<sup>72</sup> DPCOA (§ 41.M.).

<sup>73</sup> DPLSA (§ 51.L.) (all references to the DPLSA CBA, or “the date of the Act 312 Award in D09 G-0786,” or “the date of this Award,” or “the date this Award was issued” apply to this DPLSA CBA); DPOA (§ 33.K.) (all references to the CPOA CBA or the date of September 1, 2011 apply to this DPOA CBA).

<sup>74</sup> DPOA (as modified by 312 Award # 1, Issue # 61, pgs. 121–24).

### **Sec. 3. Payment.**

The escalation factor contained in section 2 above shall be payable to the member or beneficiary of a member as defined in article IV, section 1 (d), notwithstanding any retirement allowance or pension amount limitation provisions in this chapter to the contrary. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part C, § 3.)

### **Part D — Death Benefits.**

#### **Sec. 1. Generally.**

If a member, or a beneficiary who was a member, is killed in the performance of his duty or dies as the result of illness contracted or injuries received while in the performance of his duty and such death, illness or injuries resulting in death, be found by the board of trustees to have resulted from the performance of his duty, the following applicable benefits shall be paid, subject to part I, section 1, of this article.

- (a) His accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his death shall be paid to such person or persons as he shall have nominated by written designation duly executed and filed with the board of trustees. If there be no such designated person surviving, his said accumulated contributions shall be paid to his legal representative, subject to subsection (e) of this section.
- (b) His widow shall receive a pension of five-elevenths of the maximum earnable compensation for the rank of patrolman or fire fighter as the case may be, to continue during her widowhood. If his child or children under age eighteen years also survive the deceased member each such child shall receive a pension of one-tenth of such maximum earnable compensation; provided, that if there be more than two such surviving children under age eighteen years each such child's pension shall be an equal share of seven thirty-thirds of such maximum earnable compensation. Upon the death, marriage, adoption, or attainment of age eighteen years of any such child his pension shall terminate and there shall be a redistribution by the board of trustees to the deceased member's remaining eligible children, if any; provided, that in no case shall any such child's pension exceed one-tenth of such maximum earnable compensation. In no case shall the total of the pensions, provided for in this sub-section, payable on account of the death of a member exceed two-thirds of the maximum earnable compensation for the rank of patrolman or fire fighter, as the case may be.

Effective July 1, 1986, widows of Fire Department employees who have been receiving a flat monthly benefit of \$300.00 pursuant to the authority of Title IV, Chapter 15, Section 16 of the 1918 City of Detroit Charter, and Section 13-107 of the July 1, 1974 Charter should receive an increase

of \$500.00 per month thereby making the flat monthly benefit \$800.00. (Ord. No. 11-86, Sec. 47-10-3; Ord. No. 348-H, Sec. 54-100-3.)

Effective July 1, 1986, widows of Police Department employees who have been receiving a flat monthly benefit of \$300.00 pursuant to the authority of Title IV, Chapter 21, Section 19 of the 1918 City of Detroit Charter, and Section 13-107 of the July 1, 1974 Charter, should receive an Increase of \$500.00 per month thereby making the flat monthly benefit \$800.00. (Ord. No. 11-86, Sec. 47-10-4; Ord. No. 349-H, Sec. 54-100-4.)

- (c) If no widow survives the deceased member or if his widow dies or remarries before his youngest unmarried surviving child attains age eighteen years, his unmarried child or children under age eighteen years shall each receive a pension of one-fourth of the maximum earnable compensation for the rank of patrolman or fire fighter, as the case may be; provided that if there be more than two such surviving children under age 18 years, each such child's pension shall be an equal share of one-half of such maximum earnable compensation. Upon the death, marriage, adoption, or attainment of age eighteen years of any such child his pension shall terminate and there shall be a redistribution by the board of trustees to the deceased member's remaining eligible children, if any; provided, that in no case shall any such child's pension exceed one-fourth of the maximum earnable compensation for the rank of patrolman or fire fighter, as the case may be.
- (d) If there be no widow and if there be no children under age eighteen years surviving such deceased member and if he leaves surviving him either or both a father and mother, whom the board of trustees shall find to be actually dependent upon such member for financial support, such dependent father and mother shall each receive a pension of one-sixth of the maximum earnable compensation for the rank of patrolman or fire fighter, as the case may be.
- (e) If a member dies intestate, without having designated a person or persons, as provided in sub-section (a) of this section, and without heirs, the amount of his accumulated contributions in the Annuity Savings Fund, not to exceed a reasonable sum, to be determined by the board of trustees, shall be used to pay his burial expenses, provided he leave no other estate sufficient for such purpose; any balance credited to such member in the Annuity Savings Fund, and not used for burial expenses shall remain a part of the funds of the retirement system and shall be credited to the Pension Accumulation Fund.
- (f) If the maximum earnable compensation for the rank of patrolman or fire fighter, as the case may be, is subsequently changed, the pensions provided in this section for beneficiaries of members as defined in article IV, section 1 (a), (b), or (c) shall be proportionately changed.

- (g) The maximum earnable compensation for the rank of patrolman or fire-fighter, as the case may be, to be used in computing the pensions provided in this section for beneficiaries of members as defined in article IV, section 1 (d) shall be the maximum earnable compensation of the rank of patrolman or fire-fighter as established by the city's budget for the fiscal year of the member's death. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part D.)

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**By Agreement**

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The City agrees that in the Policemen and Firemen Retirement System Article VI, D and Article VI, E, all references to "widow" shall include "widower" and in Article VI, E, Section 2(a), the disability and dependency restrictions on widowers shall be removed.<sup>75</sup>

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**DPOA**

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Duty and non-duty death benefits under the City of Detroit Policemen and Firemen Retirement System shall be payable to widowers in the same manner as they are now payable to widows. Widowers seeking non-duty death benefits under the system shall not be required to demonstrate any degree of dependency on their wives.<sup>76</sup>

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**DFFA / DPOA**

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Effective July 1, 2001, [for DPOA allied members,<sup>77</sup>] the re-marriage penalty on any pension shall be removed.<sup>78</sup>

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**Part E — Nonduty Death.**

**Sec. 1. Payment of accumulated contributions.**

If a member, or a member who retires after June 30, 1965, under part B, section 1 of this article, dies and no pension or pensions become payable under this chapter on account of his death, his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his death shall be paid to such person or persons as he shall have nominated by written designation duly executed and filed with the board of trustees. If there be no such designated person or persons surviving the said member, his said accumulated contributions shall be paid to his legal representative. If such member dies intestate, without having designated a person as

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<sup>75</sup> DFFA (§ 22.A.14.a.); DPCOA (§ 41.A.); DPLSA (§ 51.A.).

<sup>76</sup> DPOA (§ 33.C.).

<sup>77</sup> DFFA (§ 42.A.14.j.).

<sup>78</sup> DFFA (§ 42.A.14.i.); DPOA (§ 33.P.).

above provided, and without heirs, his said accumulated contributions not to exceed a reasonable sum to be determined by the board of trustees, shall be used to pay his burial expenses, provided he leaves no other estate sufficient for such purpose; and any balance credited to such member in the Annuity Savings Fund not so used for burial expenses shall be transferred to the Survivors Benefit Fund. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part E, § 1.)

## **Sec. 2. Allowances to widows, etc.**

Upon the death of a member, or a member who retires after June 30, 1965, under part B, section 1 of this article, and such death was found by the board of trustees not to have resulted from the performance of his duty, the applicable retirement allowances provided in paragraphs (a), (b), (c) and (d) of this section shall be paid from the Survivors Benefit Fund and shall be subject to paragraphs (e), (f) and (g) of this section.

- (a) His widow, or in the case of a female member, her widower, whom the board of trustees finds to be totally and permanently disabled and to have been dependent upon the said female member for at least fifty per cent of his financial support, shall receive a retirement allowance computed in the same manner in all respects as if the said member had (1) regularly retired the day preceding the date of his death, notwithstanding that he might not have acquired twenty-five years of creditable service, in the case of a member as defined in article IV, section 1 (a), (b), or (c), or notwithstanding that he might not have acquired twenty-five years of service or more and had not attained age fifty-five, in the case of a member as defined in article IV, section 1 (d), (2) elected option 2 provided for in part H of this article, and (3) nominated his said widow or widower as joint beneficiary; provided, that in no case shall the retirement allowance payable to such joint beneficiary be less than twenty per cent of said member's average final compensation. If a member who had less than twenty-five years of creditable service dies prior to July 1, 2001, the retirement allowance payable to the widow/widower shall be terminated in the event the widow/widower remarries.
- (b) His unmarried child or children under age eighteen years shall each receive a retirement allowance of one-seventh of the annual maximum earnable compensation of the rank of a patrolman or a fire fighter, as the case may be; provided, that if there be more than two such children, each child shall receive a retirement allowance of an equal share of two-sevenths of said annual maximum earnable compensation of a patrolman or a fire fighter. Upon any such child's adoption, marriage, death or attainment of age eighteen years, whichever occurs first, his retirement allowance shall terminate, and there shall be a redistribution by the board of trustees to the deceased member's remaining eligible children under age eighteen years; provided, that in no case shall the retirement allowance



payable to any such child exceed one-seventh of the said annual maximum earnable compensation of a patrolman or a fire fighter.

- (c) If, at the time of the said member's death, there shall be neither a widow nor children eligible for a retirement allowance provided for in this section, each of his parents shall receive a retirement allowance of one-seventh of the annual maximum earnable compensation of a patrolman, or a fire fighter, as the case may be; provided, that the board of trustees finds that such parent was dependent upon the said member for at least fifty per cent of his financial support. Upon the remarriage of any such parent, his retirement allowance shall thereupon terminate.
- (d) In the event all the retirement allowances, provided for in this section, payable on account of the death of a member, terminate before there has been paid an aggregate amount equal to the said member's accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his death, the difference between his said accumulated contributions and the said aggregate amount of retirement allowances shall be paid to such person or persons as the said member shall have nominated by written designation duly executed and filed with the board of trustees. If there be no such designated person or persons surviving the said member such difference, if any, shall be paid to his legal representative.
- (e) In no case shall any retirement allowance be paid under this section on account of the death of a member if any benefits are paid under part D of this article on account of his death. The retirement allowance provided for in this section shall be subject to part I of this article.
- (f) All benefits provided in this part E for beneficiaries of members as defined in article IV, section 1 (a), (b), or (c) shall be based on the maximum earnable compensation of the rank of patrolman or fire fighter, as the case may be. If hereafter the compensation of such rank shall be changed, the benefits provided shall be changed proportionately. All benefits provided in this part E for beneficiaries of members as defined in article VI, section 1 (d) shall be based on the maximum earnable compensation of the rank of patrolman or fire-fighter as established in the city's budget for the fiscal year of the member's death.
- (g) In the event a member has withdrawn his accumulated contributions from the Annuity Savings Fund and has not returned in full all amounts due the fund by him, the survivors benefits provided in paragraphs (a), (b), (c) and (d) of this section shall be reduced to the proportion that the member's accumulated contributions standing to his credit in the Annuity Savings Fund, at the time of his death bears to the amount his accumulated contributions would have been had he not made a withdrawal from the Annuity Savings Fund. (As amended September 1, 1964. In effect

September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part E, § 2.)

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**By Agreement**

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The City agrees that in the Policemen and Firemen Retirement System Article VI, D and Article VI, E, all references to “widow” shall include “widower” and in Article VI, E, Section 2(a), the disability and dependency restrictions on widowers shall be removed.<sup>79</sup>

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**DPOA**

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Duty and non-duty death benefits under the City of Detroit Policemen and Firemen Retirement System shall be payable to widowers in the same manner as they are now payable to widows. Widowers seeking non-duty death benefits under the system shall not be required to demonstrate any degree of dependency on their wives.<sup>80</sup>

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**DFFA / DPOA**

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Effective July 1, 2001, [for DPOA allied members,<sup>81</sup>] the re-marriage penalty on any pension shall be removed.<sup>82</sup>

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**Part F — Termination of Membership Otherwise than by Retirement, Death or Becoming a Beneficiary.**

**Sec. 1. Payment of benefits.**

If the membership of a member as defined in article IV, section 1 (a), (b), or (c) shall terminate for any reason other than his retirement, his becoming a beneficiary, or his death, he shall be paid the accumulated contributions standing to the credit of his individual account in the Annuity Savings Fund, such payment to be made within ninety days after such termination of membership; provided, however, that if a member eligible for retirement shall resign or be dismissed from the service, the Board of Trustees, on the written petition of such member filed within one year from his separation from service and prior to the withdrawal of his accumulated contributions in the Annuity Savings Fund, shall grant such member service retirement benefits computed in accordance with article VI, part A, section 2, subject to the provisions of part G of this article. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part F, § 1.)

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<sup>79</sup> DFFA (§ 22.A.14.a.); DPCOA (§ 41.A.); DPLSA (§ 51.A.).

<sup>80</sup> DPOA (§ 33.C.).

<sup>81</sup> DFFA (§ 42.A.14.j.).

<sup>82</sup> DFFA (§ 42.A.14.i.); DPOA (§ 33.P.).



## **Sec. 2. Payment of benefits.**

If the membership of a member as defined in article IV, section 1(d) shall terminate for any reason other than his retirement, his becoming a beneficiary or his death, he shall be paid the accumulated contributions standing to the credit of his individual account in the Annuity Savings Fund, such payment to be made within ninety days after such termination of membership; provided, however, that if a member having twenty-five or more years of service and having attained age fifty-five shall resign or be dismissed from the service, the Board of Trustees, on the written petition of such member filed within one year from his separation from service and prior to the withdrawal of his accumulated contributions in the Annuity Savings Fund, shall grant such members service retirement benefits computed in accordance with article VI, part A, section 2.1, subject to the provisions of part G of this article. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part F, § 2.)

## **Sec. 3. Deferred vested benefits.**

A member (i) whose employment is terminated before August 28, 2003 and who is credited with eight or more years of creditable service and has attained age forty, or (ii) whose employment is terminated after August 27, 2008 and who is credited with ten or more years of creditable service, but in each case less than twenty-five years (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) of creditable service shall be eligible to receive a full retirement allowance beginning on the date upon which the member would have been eligible to commence a full retirement allowance had he continued in the service of the City until such date. Alternatively, such member may elect to receive an actuarially reduced early retirement allowance at any time following his termination of employment with the City.

### **Part G — Conviction of Felony.**

#### **Sec. 1. Forfeiture of rights.**

If a member or beneficiary as defined in Article IV, section 1 (a), (b), (c) or (d) shall be convicted by a court of competent jurisdiction of a felony or high misdemeanor involving moral turpitude committed during active service, the Board of Trustees shall have the power to order the forfeiture of all rights of the member or beneficiary to benefits hereunder, except the return of his accumulated contributions. (As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part G, § 1.)

### **Part H — Option Elections.**

#### **Sec. 1. Generally.**

- (a) Prior to the first payment of any retirement allowance normally due, except a disability pension payable under Part B, Sections 2 and 2.1 of this article, a member may elect to receive his or her retirement allowance as a straight life retirement allowance payable throughout the member's life; or the member may elect to receive the actuarial equivalent, as of the date of the member's retirement, of his or her straight life retirement allowance in a reduced retirement allowance payable throughout the member's life and

nominate a joint beneficiary, in accordance with the provisions of Options 1, 2 or 3 as follows:

(1) OPTION 1. *Cash Refund Annuity*. Under Option 1, a member will receive a reduced retirement allowance. If a member who selected Option 1 dies before full payment of the annuity has been received, the person or persons nominated by that member's written designation duly executed by the member and filed with the Board of Trustees shall receive in a single payment the difference between the present value of the member's annuity on the date the member retired, minus the amount of annuity payments already paid to the member. If there is no such designated person(s) surviving the retired deceased member, such difference, if any, shall be paid to the member's legal representative; or

(2) OPTION 2. *Joint and Last Survivorship Retirement Allowance*. Under Option 2, upon a member's death, payment of a reduced retirement allowance shall be continued through the life of and paid the person having an insurable interest in the member's life and nominated by written designation duly executed by the member and filed with the Board of Trustees prior to the first payment of the member's retirement allowance is due; or

(3) OPTION 3. *Modified Joint and Last Survivorship Allowance*. Under Option 3, upon a member's death, payment of one-half of the member's reduced retirement allowance shall be continued throughout the life of and paid to the person having an insurable interest in the member's life and nominated by that member's written designation duly executed by the member and filed with the Board of Trustees prior to the date the first payment of the retirement allowance is due.

- (b) This Section shall be applicable to those members receiving benefits on the effective date of this Section who are not covered by the arbitration decision regarding the Detroit Police Officers Association which became effective July 1, 1995, or the arbitration decision regarding the Detroit Police Lieutenant's and Sergeant's Association arbitration decision which became effective June 30, 1998.
- (c) This Section does not rescind any substantive rights of disability retirees from the Policemen and Firemen Retirement System who retired prior to the July 1, 1995 arbitration award, or the substantive rights of disability retirees from the Detroit Police Lieutenant's and Sergeant's Association who retired prior to the June 30, 1998 arbitration award.
- (d) This Section does not amend any computations used to determine benefits under Part B, Sections 2 and 2.1 of this Code, or result in an increase or decrease in such benefits.

- (e) Existing 1099R reporting procedures shall continue as currently in effect. A change in said procedures shall only occur as the result of an Internal Revenue Service ruling letter in favor of such change.

(Ord. 5-00, Sec. 54-2-14; Ord. 4-00, Sec. 54-2-14.)

*Joint and Survivor Optional Forms of Payment.* The Joint and Survivor Optional Forms of Payment provided under the retirement system shall be made available in either the standard form or the pop-up form, as follows:

(1) *Standard Form.* Under the *Standard Form*, the reduced retirement allowance shall be paid throughout the lifetime of the retiree.

(2) *Pop-up Form.* Under the *Pop-up Form*, the reduced allowance shall be paid throughout the lifetime of the retiree and the designated beneficiary. In the event of the death of the designated beneficiary during the lifetime of the retiree, the amount of the allowance shall be changed to the amount that would have been payable had the retiree elected the Straight Life Form of Payment.

In addition, a member may elect to have all or part of his accumulated contributions paid to the member in a single sum or used to purchase an annuity contract from an insurance company of his choice in which case, any annuity payments attributable to such amount under the retirement system shall not be payable from the annuity reserve fund but shall be the responsibility of the insurance company. A member's retirement allowance shall be reduced by the actuarial equivalent of the amount so paid or used.

Effective July 1, 1992, retirees of the Policemen and Firemen Retirement System shall be entitled to change their pension option from either Option 2 or Option 3 **[or effective July 1, 2000, Option A<sup>83</sup>]** to a straight life pension after they have commenced collection of the pension if the member's beneficiary predeceases the member. The actuarial cost of the change in benefit shall be borne by the member who seeks change in his option election. The pop-up option shall be based upon the investment return assumption as recommended by the Board's actuary and adopted by the Board of Trustees. **[This provision shall be effective July 1, 1986.<sup>84</sup>]** (Ord. No. 18-93, Sec. 47-12.6H-1(A).)

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**By Agreement**

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Effective July 1, 2000, members shall have the option of selecting a 75% surviving beneficiary option.<sup>85</sup>

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<sup>83</sup> DFFA (§ 22.A.14.1.).

<sup>84</sup> DPOA (§ 33.M.).

<sup>85</sup> DPLSA (§ 51.M.).

## **Sec. 2. Disposition of surplus benefits upon death of member and beneficiary.**

In the event a member elected Option 2 or 3 provided for in section 1 of this part H and his designated joint beneficiary die before there has been paid in retirement allowances an aggregate amount equal to his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement, the difference between his said accumulated contributions and the said aggregate amount of retirement allowances paid shall be paid to the said retired member's legal representative. (As amended September 1, 1964. In effect September 15, 1964.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part H, § 2.)

### **Part I — Pension Offset by Compensation Benefits.**

#### **Sec. 1. Generally.**

Any amounts which may be paid under the provisions of any workmen's compensation, or pension, or similar law to a member, or to the dependents of a member on account of any disability or death, shall be offset against and payable out of funds provided by the City under the provisions of the system on account of the same disability or death. In case the present value of the total commuted benefits under said workmen's compensation, pension, or similar law, is less than the pension reserve on benefits otherwise payable from the funds provided by the City under this System, then the present value of the commuted payments shall be deducted from the pension reserve, and such benefits as may be provided by the pension reserve, so reduced, shall be payable under the provisions of the System. (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part I, § 1.)

### **Part J — Monthly Payments.**

Unless otherwise herein provided, all benefits payable under this system shall be paid in equal monthly installments. (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part J.)

### **Part K — Re-Examination of Beneficiaries.**

#### **Sec. 1. Authority of Board.**

- (a) Once each year during the first five years following retirement of a member on a disability pension or a disability retirement allowance and at least once in every three year period thereafter the Board of Trustees may, and upon his application, shall require any disability beneficiary, if he would not then be eligible for a service retirement allowance had he remained in active service; to undergo a medical examination: such examination shall be made by, or under the direction of the Medical Director at a place to be fixed by the Board of Trustees. Except when the examination is on the application of the beneficiary, if the beneficiary shall be required to travel more than twenty miles to reach such place, the Board of Trustees shall pay his reasonable traveling expenses. Should such disability beneficiary refuse to submit to such examination his disability pension or disability retirement allowance may be discontinued until he shall submit to such examination and should such refusal continue

for one year, all his rights in and to a pension may be revoked by the Board of Trustees. If on medical examination of a beneficiary, the Medical Director reports, and the report is concurred in by the Board of Trustees, that the beneficiary is physically able and capable of resuming active duty as a Policeman or Fireman, he shall be restored to such duty and his disability pension or disability retirement allowance shall cease. Such member so restored to active duty shall be returned to duty in a rank or grade equivalent to or higher than the rank or grade in which he was serving at the time of his last retirement and his compensation shall be that provided for the rank or grade in which he is restored to service. It shall be the duty of the Commissioner of Police or the Board of Fire Commissioners to restore such member to duty forthwith.

- (b) If the Medical Director reports and certifies to the Board of Trustees that a disabled old plan member is engaged in a gainful occupation, paying more than the difference between his final compensation and his disability pension, or disability retirement allowance, and if the Board of Trustees concurs, the amount of his pension shall be reduced to an amount, which together with the amount earned by him, shall equal the amount of his final compensation. If the Medical Director reports and certifies to the Board of Trustees that a disabled new plan member is engaged in a gainful occupation, paying more than the difference between his base salary at the time of disability increased by two and twenty-five one hundredths percent (2.25%) for each full year from the date of disability and his disability pension, or disability retirement allowance, and if the Board of Trustees concurs, the amount of his pension shall be reduced to an amount, which together with the amount earned by him, shall equal the amount of his final compensation. Should his earnings be later changed, the amount of his pension may be further modified in like manner.
- (c) A disability beneficiary, who shall be reinstated to active service, as provided in this section, shall from the date of such restoration again become a member of the System; and he shall contribute to the System thereafter in the same manner and at the same rate as he paid prior to his disability retirement. Any prior service and membership service on the basis of which his services were computed at the time of his retirement shall be restored to full force and effect, and he shall be given service credit for the period of time he was in retirement due to such disability, except in the case of nonservice connected disability.

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part K, § 1.)

### **Part L — Medical Board of Review**

As to all applications under this Article, the medical findings of the Medical Board of Review shall be binding on the Board of Trustees. (1918 Detroit City Charter, Title IX, Ch. VII, Art. VI, Part L.)

## **Part M — Benefit Limitations**

The Defined Benefit Plan of the Retirement System is subject to Section 415 of the Internal Revenue Code. The Retirement System shall be administered, operated and limited consistent with all applicable Sections of the Internal Revenue Code (IRC) including Section 415, as described in Article IX, Section 8.

## **Part N — Withdrawal of Accumulated Contributions**

### **Sec. 1. Member With Twenty or Twenty-Five Years of Service.**

Effective July 1, 1982, a member with twenty-five years or more of creditable service (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) shall be allowed to withdraw either a partial or the full amount of his accumulated contributions, one time only, whether or not the member retires. A member shall make such election prior to the receipt of his first retirement benefit check.

### **Sec. 2. Disabled Member**

A member who is receiving disability benefits (duty or non-duty) from the System and who has twenty-five years (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) or more of creditable service shall have the right to withdraw the full amount of his accumulated contributions. If such member withdraws his accumulated contributions, his retirement benefit shall be actuarially reduced to reflect such withdrawal.

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<b><u>By Agreement</u></b>
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#### **(a) Optional Annuity Withdrawal**

1. **[Effective for those retiring on or after July 1, 1974;<sup>86</sup>]** a member shall have the right to elect to receive on the effective date of his service retirement a partial or total refund of his accumulated contributions. If a member makes such an election, an annuity payable under any retirement allowance or reduced retirement allowance shall be reduced proportionally. If the total accumulated contributions are withdrawn, no annuity shall be payable.

The limitation of fifteen twenty-seconds of the maximum earnable compensation of a patrolman and fireman continues in effect. For purposes of determining the fifteen twenty-seconds limitation, a computation based on the annuity which is an actuarial equivalent of the accumulated contributions standing to a member's credit in the Annuity Savings Fund prior to any partial or total refund will be used.

This provision affords the members of this collective bargaining unit a similar option available to members of the General Retirement System pursuant to 1973 Amendment K. The parties agree that no other benefits or amounts payable

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<sup>86</sup>

DPOA (§ 33.D.).



pursuant to the Policemen and Firemen Retirement System are affected by this contractual provision.<sup>87</sup>

**[On or after July 1, 1974, members or former members who are entitled to begin to receive the “40 & 8” benefit will be entitled to the annuity refund withdrawal option.**

**On or after July 1, 1974, non-duty disability retirants who retired pursuant to Title IX, Chapter VII, Article IV, Section 1, a, b or c prior to having twenty-five years of service credit, shall be entitled to the annuity refund withdrawal option on the date he/she would have had twenty-five years of service credit had he/she continued as an active member. Said option shall only apply to the balance of accumulated contributions, if any, remaining in such retirant’s credit in accordance with the existing annuity refund provisions.**

**Survivor benefit beneficiaries as defined in Title IX, Chapter VII, Article VI, Part E, Section 2, parts (a), (b) and (c) of the 1918 City Charter in effect as of June 30, 1974, and continued in effect by Section 11-102 of the July 1, 1974, City Charter shall be entitled to the annuity withdrawal refund option subject to the same rules that would have been applicable to the deceased member or members had he/she not died. Said option shall only apply to the balance of accumulated contributions, if any, remaining in applicable former member’s credit.**

**In any case of doubt, the Board of Trustees shall decide whether a member or beneficiary is entitled to an annuity refund withdrawal option.<sup>88</sup>]**

2. In addition to the provisions of the current CET or collective bargaining agreement, pension charter and ordinance provisions and all other pension rights of members, a member shall have the right on or after the effective date of his becoming eligible for a full service retirement allowance (members who have twenty-five (25) years of creditable service) to elect to receive a partial or total refund of his accumulated contributions to the Annuity Savings Fund. If a member makes such an election, an annuity payable under any retirement allowance or reduced retirement allowance shall be reduced proportionally. If the total accumulated contributions are withdrawn, no annuity shall be payable.

If a member makes such an election, the retirement allowance shall be reduced to reflect the value of the annuity withdrawn. The amount of the annuity at the time of such election shall be the amount used at the time of retirement for purposes of computing the retirement allowance.

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<sup>87</sup> DFFA (§ 22.A.14.b.); DPCOA (§ 39.A.); DPLSA (§ 48.H.); DPOA (§ 33.D.).

<sup>88</sup> DFFA (§ 22.A.14.b.); DPCOA (§ 39.B-E.); DPLSA (§ 48.H.).

**[Beginning July 1, 1982, and thereafter,<sup>89</sup>] all members who complete their required years of service, shall have the right to withdraw all or part of their accumulated contributions whether they choose to retire or not.<sup>90</sup>**

**[For members having a parity relationship with the DPOA and the DPCOA Inspector beginning July 21, 2000,<sup>91</sup> [Effective July 1, 2003,<sup>92</sup> [Beginning July 21, 2000,<sup>93</sup> [a member who has elected to retire and elected to withdraw his/her annuity for the purposes of calculating his/her retirement allowance (thereby lowering the retirement allowance), may nevertheless choose to leave the annuity in the Retirement System collecting regular annuity interest with the option of a one-time withdrawal of the annuity funds at a later date.<sup>94</sup>**]

**[For members [or employees with a parity relationship with the DPLSA and the DPCOA Inspector<sup>95</sup>] who retire on or after July 1, 1990, and who have made or make an election to receive a total or partial refund of his/her accumulated contribution to the Defined Contribution Plan, there shall be no reduction of retirement allowances due to the portion of withdrawal representing interest credits.<sup>96</sup> [This subsection shall be controlled by the requirements of the Act 312 arbitration award issued June 25, 1990 (MERC Case No. B89 C-0622, page numbers 22 and 23.<sup>97</sup>**]

**[Effective January 15, 2010<sup>98</sup> or December 15, 2008<sup>99</sup> or March 8, 2007,<sup>100</sup> a member [or a DPOA, DPLSA, or DPCOA allied member of DFFA<sup>101</sup>] who retires and elects to leave a balance in the Defined Contribution Plan (Annuity Savings Fund) would have the option of receiving a quarterly payment of interest earnings only or to allow periodic withdrawals of principal, in addition to a one time complete withdrawal.<sup>102</sup> [Members must make their selection a minimum**

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89 DPOA (§ 33.F.).  
90 DFFA (§ 22.A.14.b.); DPCOA (§ 39.F.); DPLSA (§ 48.H.); DPOA (§ 33.F.).  
91 DFFA (§ 22.A.14.b.).  
92 DPLSA (§ 48.I.).  
93 DPOA (§ 33.F.).  
94 DFFA (§ 22.A.14.b.); DPLSA (§ 48.I.); DPOA (§ 33.F.).  
95 DFFA (§ 22.A.14.b.2.).  
96 DFFA (§ 22.A.14.b.2.); DPCOA (§ 39.H.); DPLSA (§ 48.H.).  
97 DFFA (§ 22.A.14.b.2.); DPLSA (§ 48.H.).  
98 DFFA (§ 22.A.14.b.)(effective date for DPCOA allied members); DPCOA (§ 39.J.)(“Effective with the Act 312 Award in MERC Case No. D07 K-1456, dated January 15, 2010...”)  
99 DFFA (§ 22.A.14.b.3.)(effective date for DPLSA allied members ); DPLSA (§ 48.J.).  
100 DFFA (§ 22.A.14.b.)(effective date for DPOA allied members); DPOA (§ 33.S.).  
101 DFFA (§ 22A.14.b.3.)  
102 DFFA (§ 22.A.14.b.); DPCOA (§ 39.A-H, J.); DPLSA (§ 48.A-H, J.); DPOA (§ 33.S.).



of thirty (30) days before the beginning of a quarter; quarter defined as beginning March 1, June 1, September 1, and December 1.<sup>103]</sup>

[An employee who is entitled to a retirement allowance under Article VI, Part A, Section 4 of the Policemen and Firemen Retirement System and who leaves the employ of the Police or Fire Department of the City of Detroit on or after July 1, 1982 shall have the right to elect to receive on the effective date of termination a partial or total refund of his accumulated contributions. The pension portion of his retirement allowance shall be computed as if the member had not withdrawn his/her accumulated contributions from the Annuity Savings Fund until the date he/she was eligible to retire had he/she continued in City employment.<sup>104]</sup>

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<b>DPCOA</b>
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Effective in accordance with the specific date and terms of the Detroit Police Officers Association (DPOA) award in Act 312 No. D98 E-0840 (Chairman Donald F. Sugerman, dated July 21, 2000) the membership of this bargaining unit shall have the right to leave his/her withdrawn annuity in the pension system and accumulating interest, as provided therein.<sup>105</sup>

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<sup>103</sup> DFFA (§ 22.A.14.b.)(applicable to DPLSA and DPCOA allied members); DPCOA (§ 39.A-H, J.); DPLSA (§ 48.A-H, J.).

<sup>104</sup> DFFA (§ 22.A.14.b.); DPCOA (§ 39.G.); DPLSA (§ 48.H.).

<sup>105</sup> DPCOA (§§ 39.I.).

## **ARTICLE VII.**

### **Method of Financing.**

The funds of the retirement system shall be the Annuity Savings Fund, Annuity Reserve Fund, Pension Accumulation Fund, Pension Reserve Fund and the Survivors Benefit Fund. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VII.)

#### **Sec. 1. Annuity Savings Fund.**

- (a) The Annuity Savings Fund shall be the fund in which shall be accumulated at regular interest, the contributions deducted from compensation of members to provide for their annuities. The contributions of a member as defined in article IV, section 1 (a), (b) or (c) shall be five percent of a member's compensation until the member has acquired twenty-five years of creditable service. The contribution of a member as defined in article IV, section 1(d) shall be five per cent of his compensation until he has acquired at least twenty-five years of creditable service (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) and attained age fifty-five. No member shall have the option of choosing to receive the compensation required to be contributed hereunder directly instead of having such amounts paid by the City to the Annuity Savings Fund.
- (b) The officer or officers responsible for making up the payroll shall cause the contributions provided for in paragraph (a) above to be deducted from the compensation of each member on each and every payroll, for each and every payroll period, from the date of his entrance in the system to the date he ceases to be a member.
- (c) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein, and payment of his salary or compensation, less said deduction, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payments, except as to the benefits provided under this chapter. The amounts to be deducted shall be deducted by the city treasurer and when deducted shall be paid into the Annuity Savings Fund and shall be credited to the individual account of the member from whose compensation said deduction was made.
- (d) If, under the provisions of this chapter, any person shall withdraw or be paid any part or all of his accumulated contributions and shall thereafter again become a member, he shall, in addition to the contributions provided

for in paragraph (a) above, redeposit in the Annuity Savings Fund, by an increased rate of contribution to be determined by the board of trustees, or by a single payment, such amount that his accumulated contributions at the date of his eligibility for retirement will be the same amount it would have been had no withdrawal or payment been made therefrom.

- (e) Except as is otherwise provided in this chapter, upon the death or retirement of a member, his accumulated contributions shall be transferred from the Annuity Savings Fund to the Annuity Reserve Fund. (As amended September 1, 1964. In effect September 15, 1964. As amended November 5, 1968. In effect January 1, 1969.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VII, § 1.)

## **Sec. 2. Annuity Reserve Fund.**

The Annuity Reserve Fund shall be the fund from which shall be paid all annuities payable as provided in this chapter, except annuities which are payable from the Survivors Benefit Fund. Should a disability beneficiary be restored to active service, his annuity reserve at the time shall be transferred from the Annuity Reserve Fund to the Annuity Savings Fund and credited to his individual account therein. (As amended September 1, 1964. In effect September 15, 1964.) (1918 Detroit City Charter, Title IX, Ch. VII, Art. VII, § 2.)

## **Sec. 3. Alternative Financing Method.**

Except as provided regarding the survivors benefit fund, the pension accumulation fund shall be the fund in which shall be accumulated reserves for the pensions and other benefits payable from contributions made by the city, and from which transfers shall be made as provided in this section.

- (a) **Accrued Liability Fund.** Pursuant to Ordinance No. 05-05, which authorizes the creation of the Detroit Police and Fire Retirement System Service Corporation, the City has entered into a transaction ("the Pension Funding Transaction") to obtain funds as an alternative to those available through the traditional funding mechanism described in Section 4. The proceeds generated by the Pension Funding Transaction (or any Additional Pension Funding Transaction, as described below) that will be deposited into the System will be termed the "Funding Proceeds." The Funding Proceeds will be deposited into a new Fund in the System to be called the Accrued Liability Fund. The purpose of the Funding Proceeds will be to fund all or part of the heretofore unfunded accrued liabilities ("UAAL") of the System, as determined as of a date certain, i.e., the "Determination Date," pursuant to the System's actuarial valuation as of that date. The Funding Proceeds will be assets of the System and will be applied, together with all other assets of the System, to fund the System's obligation to pay accrued benefits.

This Accrued Liability Fund shall contain only the Funding Proceeds of the Pension Funding Transaction, and any earnings thereon. Should the City, by future ordinance, choose to raise additional monies by additional pension funding transactions (“Additional Pension Funding Transactions”) in order to fund the then existing UAAL of the System as of a future date certain, a new and separate Accrued Liability Fund shall be created within the System to contain the proceeds, and any earnings thereon, of any Additional Pension Funding Transactions, and a new Accrued Liability Fund will be created for each successive Additional Pension Funding Transaction entered into by the City, if any. The treatment of any Additional Accrued Liability Funds shall be the same as described below.

- (b) The Funding Proceeds deposited in the applicable Accrued Liability Fund will be subject to the oversight and investment direction of the Board of Trustees of the Police and Fire Retirement System, consistent with the Board’s obligations under Article VIII (Management of Funds). The Board will invest the Funding Proceeds as part of the System’s overall assets, and will not differentiate the Funding Proceeds from other System assets for investment purposes.
- (c) All Interest, dividends and other income derived from the investment of the Funding Proceeds shall be credited annually to the Accrued Liability Fund on a total System rate of return basis, determined by crediting the applicable Accrued Liability Fund with the investment return experienced by the System in total for all of its investments for the year. This shall be done by first determining the rate of return for the total assets of the System for the fiscal year, and then crediting back to each Accrued Liability Fund an amount that is determined by multiplying that rate of return times the balance in the Accrued Liability Fund as of the beginning of the fiscal year.

The interest, dividends and other income derived from the investment of the Funding Proceeds deposited in any Accrued Liability Fund will not be credited to any Funds other than the Pension Accumulation Fund. Moreover, because the Accrued Liability Fund has been impressed with a certain and definite purpose, it shall be accounted for separately as provided for in Section 8, Maintenance of Reserves.

- (d) Upon the creation of an Accrued Liability Fund and the deposit of the Funding Proceeds into the applicable Accrued Liability Fund, there shall be established a schedule for transferring assets of the applicable Accrued Liability Fund by crediting them to the Pension Accumulation Fund on an annual basis over the period required to fully amortize the System’s UAAL determined as of the applicable Determination Date.

The System’s UAAL determined as of the Determination Date shall be the “Determined Accrued Liability.” The period over which the Determined

Accrued Liability is to be fully amortized, as specified in the System's actuarial valuation as of the applicable Determination Date, is the "Amortizing Period." The amount to be transferred each fiscal year to the Pension Accumulation Fund from the Accrued Liability Fund is the "Scheduled Amortizing Amount."

With respect to the Pension Funding Transaction and any Additional Pension Funding Transactions, the Scheduled Amortizing Amount will equal a level percentage of the City's payroll for each fiscal year. The level percentage of the City payroll that will be used to determine the Scheduled Amortizing Amount shall be a level percentage that is equal to the percentage that is specified in the actuarial valuation as of the applicable Determination Date as being the percentage of City's annual payroll required to amortize the Determined Accrued Liability over the Amortizing Period, multiplied by a fraction. The numerator of the fraction shall be the amount of the applicable Funding Proceeds up to the full amount of the Determined Accrued Liability as of the Determination Date. The denominator of the fraction shall be the System's Determined Accrued Liability on that date.

**Commentary:** By way of example only, the Scheduled Amortizing Amount would be determined as follows: (1) the Determination Date is June 30, 2004, (2) the Funding Proceeds are deposited into the System during the 2004-2005 Fiscal Year, (3) the June 30, 2004 actuarial valuation produced a UAAL of \$600 million, (4) the City's contribution required to amortize that UAAL is 21% of the City's payroll, and (5) the Funding Proceeds are \$400 million, then the Scheduled Amortizing Amount for Fiscal Year 2005-06 would be 21% times (\$400 million/\$600 million) times the City's payroll for 2005-2006. This would be 14% times the City's payroll for that fiscal year.

With respect to the Pension Funding Transaction or any Additional Pension Funding Transactions, where the applicable Determination Date occurs after the date of the actuarial valuation that determines the City's contribution for the fiscal year during which the applicable Funding Proceeds are deposited into the System, for each fiscal year, there will be transferred from the applicable Accrued Liability Fund to the Pension Accumulation Fund, an amount that is specified in such actuarial valuation as being the City's required contribution needed to amortize the System's UAAL as of the date of such actuarial valuation, multiplied by a fraction. The numerator of the fraction shall be the amount of the applicable Funding Proceeds up to the full amount of the UAAL specified in such actuarial valuation, and the denominator of the fraction shall be the System's total UAAL as set forth in that same actuarial valuation.

**Commentary:** By way of example only, the Scheduled Amortizing Amount in this case would be determined as follows: (1) the

Determination Date is June 30, 2004, (2) the Funding Proceeds had been deposited into the System during the 2004-2005 Fiscal Year, (3) the June 30, 2003 actuarial valuation produced a UAAL of \$516 million, (4) the City's contribution required to amortize that UAAL is 19.07% of the City's payroll and (5) the Funding Proceeds are \$400 million, then the Scheduled Amortizing Amount for Fiscal Year 2004-2005 would be 19.07% times (\$400 million/\$516 million) times the City's payroll for 2004-2005. This would be 14.77% times the City's payroll for that fiscal year.

Should the Board at some future time adopt a different period for amortizing the System's UAAL (a "Revised Amortizing Period"), the Scheduled Amortizing Amount for ensuing years may change. If the Revised Amortizing Period provides for a longer period during which to amortize the System's UAAL (i.e., an "Extended Amortizing Period"), then the Amortizing Period initially used to amortize the applicable Determined Accrued Liability will also be revised. There will then be established a new schedule for amortizing the Determined Accrued Liability and the Scheduled Amortizing Amount will be based on the level percentage of the City's payroll being equal to what it would be if the then unamortized balance of the Determined Accrued Liability were re-amortized over the Extended Amortizing Period. If the Revised Amortizing Period is changed so that the System's UAAL is to be amortized over a shorter period than the one initially used to amortize the applicable Determined Accrued Liability, then that Scheduled Amortizing Amount will not be changed.

- (e) Each year, when the City is required to make its annual contribution to the System — the amount of which is to be determined pursuant to Section 4 and the timing of which is set forth in Section 4(b) — the Board will transfer the Scheduled Amortizing Amount from the Accrued Liability Fund and credit it to the Pension Accumulation Fund; provided, however, that this transfer cannot occur unless and until the Board has been notified pursuant to the Pension Funding Transaction, or any Additional Pension Funding Transaction, that the City is current on the service payments required under the applicable Pension Funding Transaction.
- (f) Should the Scheduled Amortizing Amount not be available for transfer because of the City's failure to make a timely service payment as required by the applicable Pension Funding Transaction, the Board will take any permitted action, including the filing of a civil action against the City, as contemplated in Article VIII, Section 7, to effectuate the transfer of the Scheduled Amortizing Amount.

Should the City's Finance Director certify to the Board by a duly attested notice that the City has no available funds to make the service payments required by the applicable Pension Funding Transaction, in that specific circumstance, the Board shall be authorized to transfer the Scheduled



Amortizing Amount for that fiscal year to the Pension Accumulation Fund, absent the notice requirement set forth in Section 3(e).

- (g) Since the Funding Proceeds are to be considered assets of the System and are intended to fund the applicable Determined Accrued Liability, the City shall be required to make only a proportional contribution for any fiscal year ending after the date the Funding Proceeds are deposited into the applicable Accrued Liability Fund, but prior to a fiscal year whose corresponding actuarial valuation includes the Funding Proceeds in the System's total assets. The proportional contribution to fund the System's then existing UAAL, if any, shall be the level percentage of the City's payroll specified in the actuarial valuation for the applicable fiscal year as the City's required contribution needed to amortize the System's then existing UAAL, multiplied by a fraction. The numerator of the fraction shall be the amount of the System's total UAAL as determined in such actuarial valuation minus the amount of the applicable Funding Proceeds, but not less than zero. The denominator of the fraction shall be the amount of the System's total UAAL in such valuation. Actuarial valuations following the deposit of the applicable Funding Proceeds into the System shall include the Funding Proceeds in the total assets of the System to determine any ensuing UAAL of the System, and the Funding Proceeds shall offset any such actuarial liability accordingly.

**Commentary:** By way of example, the following indicates how the procedure describe above would operate. Assume the following facts — (1) the Determination Date was June 30, 2004, (2) the June 30, 2004 actuarial valuation produced a UAAL of \$600 million and a contribution toward the UAAL of 21% of the City's payroll, (3) the Funding Proceeds were \$400 million and were deposited in the System during the 2004-2005 Fiscal Year, (4) the first actuarial valuation which included the Funding Proceeds in the System's assets was as of June 30, 2005 and (5) the June 30, 2003 valuation which determines the City's required contribution for fiscal 2004- 05 produced a total UAAL of \$516 million and a contribution toward that UAAL of 19.07% of the City's payroll. Then:

- The fiscal year ending after the date of deposit would be the year ending June 30, 2005, or the 2004-2005 Fiscal Year
- The first fiscal year whose corresponding valuation reflected the Funding Proceeds in its assets would be the 2006- 2007 year.
- Thus, the City's required UAAL. contribution for fiscal 2004-2005 would be 19.07% of the payroll times (\$516 million — \$400 million) divided by \$516 million, or 4.3% of payroll. The City's required UAAL contribution for fiscal 2005-06 would be 21% of payroll times (\$800 million — \$400 million) divided by \$600 million, or 7% of the City's payroll.

- Beginning with the Fiscal Year 2006- 2007, whose contribution is determined by the June 30, 2005 actuarial valuation, the City's required UAAL contribution would be the percentage of payroll developed in the corresponding actuarial valuation that included the Funding Proceeds as being part of the System's assets.

Any contribution the City has made to the System for any fiscal year prior to the date the Funding Proceeds from any applicable Pension Funding Transaction have become assets of the System. Where the amount of the contribution is equal to or less than the normal cost of that fiscal year it shall be deemed to have been made in satisfaction of the City's obligation to contribute an amount equal to the System's normal cost for that fiscal year, and not as payment towards any portion of its obligation to pay an amortized portion of the System's UAAL due in that fiscal year. The term "normal cost" as used in this Section 3(g), shall be given its generally accepted actuarial meaning.

To the extent the City's contribution for that fiscal year exceeds its required contribution for the normal cost owed in that fiscal year, its excess contributions shall be deemed as having been made for that immediately following fiscal year, and shall offset the City's normal cost contribution obligation for that immediately following fiscal year.

**Commentary:** By way of example, the following indicates how the procedure described in the preceding paragraphs would operate. Assuming the same facts as in the prior Commentary, and the City contributed \$40 million for the 2004-2005 Fiscal Year and the total normal cost for that year was \$40 million:

- The entire \$40 million would be deemed as payment of the required normal cost for 2004-2005, and
- No part of the \$40 million contribution would be deemed payment toward UAAL, as no UAAL contribution is required for that year.

Now assume that the facts remain the same, but that the City had contributed a total of \$45 million for 2004-2005:

- The City's total required contribution for 2004-2005 would be deemed paid in full, and
- \$5 million, i.e., \$45 million minus \$40 million, would be deemed prepayment of the City's required normal cost for 2005-2006 and its required normal cost contribution for 2005-2006 would be reduced accordingly.

- (h) The System's auditor shall verify (1) the assets credited to the Pension Accumulation Fund and any Accrued Liability Fund at the beginning and



end of each fiscal year, (2) that each Fund had been properly credited, and (3) that transfers from the Accrued Liability Fund(s) to the Pension Accumulation Fund had occurred as intended, under this Section 3.

- (i) Should the System's auditor certify that the total assets then remaining in the System, not including the assets of any Accrued Liability Fund, together are insufficient to pay the benefits then currently due under the System, the System's auditor will then determine and certify the minimum amount needed to fund the benefits then due and owing (the "Minimum Necessary Amount"). In this limited circumstance, the Board is authorized to transfer the Minimum Necessary Amount from the Accrued Liability Fund to the Pension Accumulation Fund absent the notification required pursuant to Section 3(e).

At the end of the Amortizing Period, or the end of the Extended Amortizing Period, if applicable, should there be any moneys that remain credited to the Accrued Liability Fund, the Board may transfer, at its discretion, any such remaining funds, in whole or in part, by crediting them to the Pension Accumulation Fund. The Pension Accumulation Fund is the only Fund into which the remaining moneys credited to the Accrued Liability Fund may be transferred.

(Ord. No. 04-05, Sec. 54-43-4.)

#### **Sec. 4. Contributions to and payments from pension accumulation fund.**

Contributions to and payments from the pension accumulation fund shall be made as follows:

- (a) Upon the basis of such assumptions as to future financial experiences as the board of trustees shall from time to time adopt, the actuary shall annually compute the city's contribution, expressed as a percent of active member contributions, to provide the pension reserves covering the pensions or other city-financed benefits to which members might be entitled or which might be payable at the time of their discontinuances of city employment; provided, such contribution percents shall not be less than amounts which, expressed as percents of active member compensations, will remain level from generation to generation of Detroit citizens. Upon the retirement or death of a member, the pension reserve for any benefits payable on his behalf shall be transferred from the pension accumulation fund to the pension reserve fund, to the extent of there being assets in the pension accumulation fund.
- (b) The board of trustees shall annually ascertain and report to the mayor and the council the amount of contributions due the retirement system by the city, and the council shall appropriate and the city shall pay such contributions to the retirement system during the ensuing fiscal year.

When paid, such contributions shall be credited to the pension accumulation fund.

(Ord. No. 04-05, Sec. 54-43-5; Ord. No. 76-H, Sec. 54-43-4.)

**Sec. 5. Retiree payments from Pension Reserve Fund; reinstatement of disability retirees to active service.**

Except as to the survivor's benefit fund, the pension reserve fund shall be the fund from which shall be paid pensions on account of members. Should a disability retiree be reinstated to active service, the member's pension reserve, at that time, shall be transferred from the pension reserve fund to the pension accumulation fund. (Ord. No. 04-05, Sec. 54-43-6; Ord. No. 76-H, Sec. 54-43-5.)

**Sec. 6. Expense Fund.**

The Expense Fund shall be the fund to which shall be credited all money provided by the City to pay the administration expenses of the system, and from which shall be paid all the expenses necessary in connection with the administration and operation of the System. (1918 Detroit City Charter, Title IX, Ch. VII, Art. VII, § 5.)

**Sec. 7. Appropriations.**

- (a) The Board of Trustees shall certify the amount of the appropriation necessary to pay to the various funds of the System the amounts payable by the City as enumerated in this amendment, according to legal budget procedure.
- (b) To cover the requirements of the System temporarily, such amounts as shall be necessary to cover the needs of the System shall be paid into the Pension Accumulation Fund and the Expense Fund by special appropriations or transfers to the System; provided, however that no transfers can be made from the accrued liability fund other than the annual transfer of the scheduled amortizing amount, or transfers under special circumstances pursuant to Sections 3(f) and 3(I).

(Ord. No. 04-05, Sec. 54-43-7; 1918 Detroit City Charter, Title IX, Ch. VII, Art. VII, § 6.)

**Sec. 8. Maintenance of reserves.**

The maintenance of the annuity reserves in the Annuity Reserve Fund and the pension reserves in the Pension Reserve Fund are hereby made obligations of the Pension Accumulation Fund. All income, interest, and dividends derived from deposits and investments authorized by this ordinance, excluding any amounts credited to the Accrued Liability Fund, which are not required for the allowance of interest to the funds of the System as provided herein, shall be credited to the Pension Accumulation Fund. The moneys credited to the Accrued Liability Fund shall be credited to the Pension Accumulation Fund only to the extent of the annual transfer of the Scheduled Amortizing Amount or the special circumstance transfers authorized pursuant to

Sections 3(f) and 3(i). Any contributions by the City to the System from any Fund impressed by law with a certain and definite purpose shall be accounted for separately. (Ord. No. 04-05, Sec. 54-43-8; 1918 Detroit City Charter, Title IX, Ch. VII, Art. VII, § 7.)

## **Sec. 9. Survivors Benefit Fund.**

- (a) The Survivors Benefit Fund shall be the fund in which shall be accumulated, at regular interest, the reserves for survivors benefits provided for in article VI, part E, section 2, hereof, and from which such benefits shall be paid.
- (b) After June 30, 1965 and prior to July 1, 1986, each member shall contribute to the Survivors Benefit Fund one per cent of his compensation paid by the city until he has acquired twenty-five years of creditable service. The officer or officers responsible for making up the payroll shall cause the said contributions to be deducted from the member's compensation, on each and every payroll, for each and every payroll period so long as he remains a member and has not acquired twenty-five years of creditable service. Each and every member shall be deemed to consent and agree to the said deductions. Said contributions, when deducted, shall be credited to the Survivors Benefit Fund and shall in no case become a part of the said member's accumulated contributions, nor be subject to refund.
- (c) Each member who retires after June 30, 1965, under part B, section 1 of article VI shall, prior to July 1, 1986, contribute to the Survivors Benefit Fund one per cent of his final compensation as defined until he would have had a total of twenty-five years of creditable service had he continued in active service. The officer or officers responsible for making up the retirement roll shall cause the said contribution to be deducted from the pension of each such retired member on each and every retirement roll, for each and every retirement roll period, so long as he is receiving a pension under part B, section 2(a) of article VI. Each and every such retired member who is receiving a pension under part B, section 2(a) of article VI shall be deemed to consent and agree to said deductions. Said contributions, when deducted, shall be credited to the Survivors Benefit Fund and shall in no case become a part of said member's accumulated contributions, nor be subject to refund.

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<b><u>By Agreement</u></b>
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### **Survivor's Benefit Fund**

The contributions, required by Article VII, Section 8(b) and 8(c) of the Policemen and Firemen Retirement System, to the Survivor's Benefit Fund shall be eliminated for Union members.<sup>106</sup>  
**[The City shall make the contributions necessary to maintain the benefit level by**

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<sup>106</sup> DFFA (§ 22.A.14.g.); DPCOA (§ 41.B.); DPLSA (§ 51.B.); DPOA (§ 33.L.).

contributing that amount necessary to replace the members' contributions to the Survivor's Benefit Fund.<sup>107]</sup>

[This provision shall be effective July 1, 1986.<sup>108]</sup>

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- (d) Upon the basis of such mortality and other tables of experience, and regular interest, as the board of trustees shall from time to time adopt, the actuary shall annually compute the liabilities for benefits being paid from the Survivors Benefit Fund. The board of trustees shall report to the mayor and the common council the amount of contributions to be made by the city to the Survivors Benefit Fund, and the council shall appropriate and the city shall pay such amount to the retirement system during the ensuing fiscal year. When paid, such appropriations shall be credited to the Survivors Benefit Fund. If the balance in the fund is not sufficient to fully cover the liabilities so computed, the city shall appropriate and pay, in the ensuing fiscal year, the amount of such insufficiency.
  - (e) Upon the death of a member, on whose account survivors benefits become payable as provided in article VI, part B, section 2, hereof, his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his death shall be transferred from the Annuity Savings Fund to, and shall become a part of, the Survivors Benefit Fund, notwithstanding any provisions in this chapter to the contrary. (As amended September 1, 1964. In effect September 15, 1964.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. VII, § 8.)

**Sec. 10. Computation of annuity and pension reserve liabilities for members, retirants and beneficiaries.**

In computing the annuity and pension reserve liabilities for members, retirants and beneficiaries, the board of trustees shall cause the following annual decrement probabilities, salary factors and interest assumption to be used.

- (a) The annual decrement probabilities and salary factors to be used in evaluating the annuity and pension liabilities for members shall be as shown in Tables 1 and 2 hereinafter set forth.
- (b) The total of active member annual compensations shall be assumed to increase three percent per annum, compounded annually.

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<sup>107</sup> DFFA (§ 22.A.14.g.); DPOA (§ 33.L.).

<sup>108</sup> DPOA (§ 33.L.).

- (c) The mortality assumption for retirants and beneficiaries shall be the mortality rates contained in the 1971 group annuity male mortality table, without setback for men and set back five years for women.
- (d) The investment return assumption shall be five percent per annum, compounded annually.

**TABLE 1.**

**City of Detroit Policemen and Firemen  
Retirement System  
Active Member Annual Decrement Probabilities  
and Salary Factors**

Age	Withdrawal from Service	Death in Service	Salary Factors
18	.04120	.00098	.10561
19	.04090	.04099	.11327
20	.04030	.00100	.12126
21	.04000	.00101	.12988
22	.03960	.00102	.13913
23	.03910	.00103	.14913
24	.03890	.00104	.15971
25	.03840	.00105	.17068
26	.03800	.00107	.18204
27	.03700	.00108	.19347
28	.03600	.00111	.20527
29	.03480	.00113	.21712
30	.03340	.00117	.22916
31	.03200	.00121	.24124
32	.03000	.00126	.25321
33	.02730	.00133	.26522
34	.02370	.00143	.27753
35	.01990	.00154	.29015
36	.01500	.00168	.30306
37	.01160	.00184	.31637
38	.00850	.00204	.32995
39	.00600	.00227	.34405
40	.00390	.00252	.35851
41	.00210	.00281	.37333
42	.00090	.00313	.38861
43	.00000	.00348	.40435
44	.00000	.00387	.42051
45	.00000	.00429	.43709
46	.00000	.00475	.45395
47	.00000	.00526	.47144

Age	Withdrawal from Service	Death in Service	Salary Factors
48	.00000	.00582	.48929
49	.00000	.00643	.50750
50	.00000	.00710	.52639
51	.00000	.00783	.54560
52	.00000	.00864	.56535
53	.00000	.00953	.58548
54	.00000	.01051	.60612
55	.00000	.01157	.62711
56	.00000	.01270	.64867
57	.00000	.01392	.67066
58	.00000	.01520	.69319
59	.00000	.01656	.71610
60	.00000	.01802	.73939
61	.00000	.01959	.76316
62	.00000	.02133	.78747
63	.00000	.02322	.81211
64	.00000	.02526	.83715
65	.00000	.02750	.86258
66	.00000	.03000	.88848
67	.00000	.03277	.91514
68	.00000	.03584	.94264
69	.00000	.03919	.97094
70	.00000	.04278	1.00000

**TABLE 2.**

**City of Detroit Policemen and Firemen  
Retirement System  
Annual Probabilities of Age and Service  
Retirement Applicable to Members  
Who Are Eligible to Retire**

Age	Probabilities of Retirement
45	25%
46	25
47	25
48	25
49	25
50	25
51	25
52	25
53	25
54	20

55	20
56	15
57	10
58	15
59	30
60	100

(Ord. No. 77-H, Sec. 54-2-2; Ord. No. 462-f, Sec. 2.)

**Sec. 11. Determination of city's annual contribution — Disability pension liabilities.**

The city's annual contribution, expressed as a percent of active member compensations, to finance disability pensions shall be determined by dividing the average of the pension reserve liabilities for disability retirements incurred, during the three fiscal years ending with the date of the valuation by one percent of the active members' annual compensation used in the valuation. (Ord. No. 77-H, Sec. 54-2-3; Ord. No. 462-F, Sec. 3.)

**Sec. 12. Determination of city's annual contribution — Death pension liabilities.**

The city's annual contribution, expressed as a percent of active member compensations, to finance death-in-service pensions shall be determined by dividing the average of the pension, reserve liabilities for death-in-service claims incurred during the three fiscal years ending with the date of the valuation by one percent of the active member's annual compensations used in the valuation. (Ord. No. 77-H, Sec. 54-2-4; Ord. No. 462-F, Sec. 4.)

**Sec. 13. Determination of city's annual contribution — Actuarial evaluation of annuity and pension reserve liabilities.**

The annuity and pension reserve liabilities for members, retirants and beneficiaries shall be actuarially evaluated as set forth in this article. (Ord. No. 77-H, Sec. 54-2-5.)

**Sec. 14. Determination of city's annual contribution — Service pension liabilities.**

- (a) The service pension liabilities for members shall be determined using the entry age-normal cost method of actuarial valuation.
- (b) The city's annual contribution, expressed as a percent of active member compensations, to finance the prospective service pension liabilities shall be determined by dividing the total of the individual annual normal costs of the active members by one percent (1%) of the active members' annual compensations used in the valuation.
- (c) The city's annual contribution, expressed as a percent of active member compensations, to finance any unfunded accrued service pension liabilities, including instances in which assets exceed liabilities, shall be determined by dividing such unfunded accrued service pension liabilities by one percent (1%) of the present value of future compensations payable during a period of future years. Such period of future years shall be thirty



(30) years for the actuarial valuation as of June 30, 1974, decreasing one (1) year at each subsequent June 30th until a twenty (20) year period is reached, which twenty (20) year period shall be used in each subsequent actuarial valuation until June 30th, 2004 when the period shall again be thirty (30) years.

(Ord. No. 39-05, Sec. 54-43-3; Ord. No. 77-H, Sec. 54-2-6; Ord. No. 462-F, Secs. 5, 6.)

**Sec. 15. Board of trustees to compute city's annual contribution.**

Based upon the provisions of this article, including any amendments, the board of trustees shall compute the city's annual contributions, expressed as a percent of active member compensations, to the retirement system for the fiscal year beginning July 1, 1975, using actuarial valuation data as June 30, 1974, and for each subsequent fiscal year using actuarial valuation data as of the June 30th date which date is a year and a day before the first day of such fiscal year. The board shall report to the mayor and to the city council the contribution percents so computed, and such contribution percents shall be used in determining the contribution dollars to be appropriated by the city council and paid to the retirement system. For each fiscal year beginning July 1, 1975 and each fiscal year thereafter, such contribution dollars shall be determined by multiplying the applicable contribution percent for such fiscal year by the member compensations paid for such fiscal year; provided for the one fiscal year beginning July 1, 1975 and ending June 30, 1976 such member compensations so used shall not exceed 106.09 percent of the active members' annual compensations used in the actuarial valuation determining such contribution percent. (Ord. No. 77-H, Sec. 54-2-7; Ord. No. 462-F, Sec. 8.)

**Sec. 16. Repealed.** (Ordinance No. 77-H, Sec. 54-2-8).

**Sec. 17. Refunds for certain members.**

Effective July 1, 1974, a member of the policemen and firemen retirement system who holds the rank of police inspector and above and who is not covered by a collective bargaining agreement shall, notwithstanding any other pension provisions to the contrary, have the right to elect to receive on the effective date of his service retirement a partial or total refund of his accumulated contributions. Effective as of March 8, 2007, a DPOA and fire equivalent retiree who elects not to withdraw his accumulated contributions as of the effective date of his service retirement shall have the option of receiving a quarterly payment of interest credited to his accumulated contributions or to receive periodic withdrawals of the contributions such retiree made to the plan. If a member makes such an election, an annuity payable under any retirement allowance or reduced retirement allowance shall be reduced proportionately. If the total accumulated contributions are withdrawn no annuity shall be payable. The limitations of fifteen twenty-seconds of the maximum earnable compensation of a patrolman and fireman continues in effect. For purposes of determining the fifteen twenty-seconds limitation, a computation based on the annuity which is an actuarial equivalent of the accumulated contributions standing to an above-defined member's credit in the annuity savings fund prior to any partial or total refund will be used. This provision affords the members as defined above a similar option available to members of the general retirement system pursuant to 1973 Charter Amendment K. No other benefits or amounts payable pursuant to other provisions of the policemen and firemen



retirement system are increased by this section. The mechanical steps involved in computing the service retirement allowance of a member as defined above shall be determined by the board of trustees of the policemen and firemen retirement system subject to approval of the law department. (Ord. No. 29-H, § 1; Sec. 54-2-9.)

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<b><u>By Agreement</u></b>
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### **Employer Contribution**

[Effective January 1, 1987<sup>109</sup> or upon issuance of the 1986-89 Act 312 Award<sup>110</sup>] the employee contributions to the Policemen and Firemen Retirement System Annuity Fund, although designated as employee contributions, shall be paid by the City of Detroit in lieu of contributions by the employee. The employee shall not have the option of choosing to receive the contributed amount directly instead of having them paid by the employer to the annuity fund. There shall be no additional contribution expense to the City of Detroit, and the amounts so contributed by the employer on behalf of the employee shall be treated, for tax purposes, as employer contributions and thus shall not be taxable to the employee until these amounts are distributed or made available to the employee.

This provision shall not affect the amount or benefit level of the retirement allowance, or the City of Detroit's obligation thereto.<sup>111</sup>

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<sup>109</sup> DFFA (§ 22.A.14.h.); DPLSA (§ 51.J.).

<sup>110</sup> DPOA (§ 33.O.).

<sup>111</sup> DFFA (§ 22.A.14.h.); DPCOA (§ 41.K.); DPLSA (§ 51.J.); DPOA (§ 33.O.).

## **ARTICLE VIII.**

### **Management of Funds.**

#### **Sec. 1. Board named Trustees for various funds.**

The Board shall be the Trustee of the several funds provided for in this Article, and shall have full power to invest and reinvest such funds subject to all terms, conditions, limitations, fiduciary duties, and restrictions imposed by The Public Employee Retirement System Investment Act, as amended, provided, that notes, bonds, or obligations of the City shall not be subject to said restrictions or limitations. The Board shall have the power to purchase notes, bonds, or obligations of the City before or after the same are offered to the public and with or without advertising for bids. (Ord. No. 04-05, Sec. 54-43-9(a); 1918 Detroit City Charter, Title IX, Ch. VII, Art. VIII, § 1.)

#### **Sec. 2. Purchase, sale, etc., of securities and investments.**

The Board shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments of the Retirement System, as well as the proceeds of said investments and any moneys belonging to the System. (Ord. No. 04-05, Sec. 54-43-9(b); 1918 Detroit City Charter, Title IX, Ch. VII, Art. VIII, § 2.)

#### **Sec. 3. Annual interest.**

The Board annually shall allow Regular Interest on the mean amount of assets in each of the Funds for the preceding year. The amounts so allowed shall be due and payable to said Funds, and shall be annually credited thereto by the Board from interest and other earnings on the moneys of the System; provided, however, that the balance in any Accrued Liability Fund shall not be included in determining the mean amount of assets of the System when the Board makes this determination, and no Regular Interest on the mean amount of assets in the Accrued Liability Fund shall be credited to other Funds in the System until transferred to the Pension Accumulation Fund pursuant to Article VII, Section 3(e) or under special circumstances pursuant to Article VII, Sections 3(f) and 3(i). Any additional amount, required to meet the Regular Interest on the Funds of the System, shall be paid by the City and any excess of earnings, over such amount required, shall be a portion of the amounts to be contributed by the City. (Ord. No. 04-05, Sec. 54-43-9(c); 1918 Detroit City Charter, Title IX, Ch. VII, Art. VIII, § 3.)

#### **Sec. 4. Custodian of funds.**

The City Treasurer or other person or entity designated by the Board shall be the custodian of the Funds of the Police and Fire Retirement System. All payments from such Funds shall be made by the Treasurer or other designated custodian. Payments made by the System shall be based upon vouchers signed by two persons designated by the Board. A duly attested copy of a resolution of the Board designating such persons and bearing upon its face specimen signatures of such persons, shall be filed with the Finance Director and the custodian of the Funds as their authority for making payments upon such vouchers. No voucher shall be drawn unless it shall have been previously authorized by a specific or continuing resolution adopted by

the Board. (Ord. No. 04-05, Sec. 54-43-9(d); 1918 Detroit City Charter, Title IX, Ch. VII, Art. VIII, § 4.)

**Sec. 5. Available funds shall be kept upon deposit.**

Available funds shall be kept on deposit for the purpose of meeting disbursements for pensions, annuities, and other payments. (Ord. No. 04-05, Sec. 54-43-9(e); 1918 Detroit City Charter, Title IX, Ch. VII, Art. VIII, § 5.)

**Sec. 6. Prohibition against reversion of funds to the City.**

This pension plan and trust has been created for the exclusive benefit of the members and beneficiaries as set forth herein. The funds thereof have been established for the benefit of the members and for the operation of the pension system. No part of the principal and income of any of the funds of this plan and trust shall revert to or be returned to the city prior to the satisfaction of all liabilities, hereunder to all members, beneficiaries and anyone claiming by or through them. (Ord. No. 153-H, Sec. 54-45-6.)

**Sec. 7. Enforcement; Civil Action.**

A civil action for relief against any act or practice which violates the state law, the 1997 Detroit City Charter, the 1984 Detroit City Code or the terms of the System, may be brought by:

- (a) A member or retiree who is or may become eligible to receive a benefit under the System;
- (b) A beneficiary who is or may become eligible to receive a benefit under the System;
- (c) A Plan fiduciary, including a Trustee; or
- (d) The Finance Director, on behalf of the City as sponsor of the System.

(Ord. No. 04-05, Sec. 54-43-10.)

## **ARTICLE IX.**

### **Miscellaneous.**

#### **Sec. 1. Assignments prohibited.**

The right of a person to a pension, an annuity, or a retirement allowance, to return of contributions, the pension, annuity, or retirement allowance itself, an optional benefit, any other right accrued or accruing to any person under the provisions of this amendment and the moneys in the various funds created by this amendment shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever and shall be unassignable except as in this amendment specifically provided. (1918 Detroit City Charter, Title IX, Ch. VII, Art. IX, § 1.)

#### **Sec. 2. Protection against fraud.**

Whoever with intent to deceive, shall make any statement or report required under this amendment which is untrue, or shall falsify or permit to be falsified any record or records of this System, or who shall otherwise violate with intent to deceive, any of the terms or provisions of this amendment, upon conviction thereof, shall be fined not to exceed five hundred dollars or imprisoned in the Detroit House of Correction for a period not to exceed ninety days, or both. (1918 Detroit City Charter, Title IX, Ch. VII, Art. IX, § 2.)

#### **Sec. 3. Errors.**

Should any change or error in the records result in any member or beneficiary receiving from the System, more or less than he would have been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and as far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid. (1918 Detroit City Charter, Title IX, Ch. VII, Art. IX, § 3.)

#### **Sec. 4. Recall of beneficiaries during emergencies.**

During an emergency declared by the Commissioner of Police or the Board of Fire Commissioners, the Commissioner or the Board, as the case may be, shall have power, with the consent of a beneficiary, to recall to active duty a beneficiary for such period of service as the commissioner or the Board shall deem advisable; provided, however, that the foregoing power shall not apply in the case of a beneficiary who has reached the age of sixty-four years, and provided further, that any beneficiary so recalled may, at any time, separate from active duty on his own application or by order of the Commissioner or the Board. A beneficiary so recalled shall serve in the rank at which he retired, or a higher rank, and shall receive the pay of such rank without deduction. On subsequent separation from active duty, such beneficiary shall resume the beneficiary status held by him prior to such recall. (1918 Detroit City Charter, Title IX, Ch. VII, Art. IX, § 4.)

## **Sec. 5. Limitation of other statutes.**

No other provision of law, Charter or Ordinance, which provides wholly or partly at the expense of the City for pensions or retirement benefits for Policemen or Firemen, their widows, or other dependents, shall apply to members or beneficiaries of the System established by this amendment, their widows, or other dependents.

- (a) All provisions of laws, inconsistent with the provisions of this amendment, are hereby repealed to the extent of such inconsistency.
- (b) This amendment shall not apply to any person who, at the effective date of this amendment shall be receiving a pension or other benefit from the City under the provisions of Chapter XV or XXI of Title IV of the 1918 Detroit City Charter, or who is excluded from membership in this System as provided by article IV, section 1 (a) of this amendment.
- (c) Savings clause. If any part, article, chapter, section, subsection, sentence, clause or phrase of this amendment is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining parts, articles, chapters, sections, subsections, sentences, clauses and phrases of this amendment or the amendment as an entirety.
- (d) Effective date. The 1940 amendments of this chapter are effective July 1, 1941.

The 1951 amendments to this chapter are effective November 15, 1951.

The 1953 amendments to this chapter are effective November 13, 1953.

The 1964 amendments to this chapter are effective July 1, 1965.

The 1968 amendments to this chapter are effective January 1, 1969.

- (e) (Adopted November 5, 1940. In effect November 15, 1940. As amended November 5, 1968. In effect January 1, 1969) (Historical Reference: Certain amendments and benefits became effective per defacto operation due to historical administration and collective bargaining agreements. Public Employment Relations Act became effective in 1965. Supreme Court ruling that pensions are a mandatory subject of bargaining was issued on February 1, 1974.)

(1918 Detroit City Charter, Title IX, Ch. VII, Art. IX, § 5.)

- (f) System provisions are subject to Public Act 314 of 1965 as amended and applicable case law.
- (g) Distributions. The System will apply the minimum distribution requirements of IRC 401(a)(9) in accordance with the final regulations under IRC 401(a)(9), notwithstanding any provision in the System to the contrary. Pursuant to IRC 401(a)(9), a member's interest must begin to be distributed by the later of (i) April 1 of the calendar year following the

calendar year that he attains the age of 70-1/2, or (ii) April 1 of the calendar year he retires. Distributions will be made in accordance with this Section and Regulations 1.401(a)(9)-2 through 1.401(a)(9)-9. The provisions of this Section and the regulations cited herein and incorporated by reference override any inconsistent plan distribution options. Pursuant to Code Section 401(a)(9)(H), Annuity Savings Fund minimum required contributions otherwise required for 2009 ("2009 RMDs") will not be distributed for 2009 unless the member so chooses to receive them and 2009 RMDs will be treated as eligible rollover distributions.

- (h) Termination. Upon System termination or upon complete discontinuance of contributions under the System, the rights of all employees to benefits accrued to the date of such termination or discontinuance to the extent then funded, or the amounts credited to the employees' accounts are nonforfeitable.

## **Sec. 6. Tax Qualified Plan.**

The Retirement System is intended and has been administered to be a qualified pension plan under § 401 of the Internal Revenue Code, as amended ("IRC" or "Code"), or successor provisions of law, including the Tax Reform Act of 1986 (TRA '86); the Technical and Miscellaneous Revenue Act of 1988 (TAMRA); the Unemployment Compensation Amendments of 1992 (UCA); the Omnibus Budget Reconciliation Acts (OBRA); the Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA); the Uruguay Round Agreements Act of 1994 (GATT); the Small Business Job Protection Act of 1996 (SBJPA '96); the Taxpayer Relief Act of 1997 (TRA '97); the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA '98); the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and other applicable laws, regulations and administrative authority. The Retirement System is a governmental plan under IRC § 414(d) and is administered for the exclusive benefit of the plan's participants and their beneficiaries. The Retirement System trust is an exempt organization under IRC §501. All applicable provisions of the Internal Revenue Code are incorporated by herein by reference and such IRC provisions supercede any contrary provisions of the Retirement System.

## **Sec. 7. Definition of Compensation**

Compensation will mean compensation as that term is defined in Article II, Sections 14 and 15 of the Plan. For any self-employed individual covered under the Plan, compensation will mean earned income. Compensation shall include only the compensation which is actually paid to the participant during the determination period. The determination period shall be the plan year.

Notwithstanding the above, compensation shall not include any amount which is contributed by the employer pursuant to a salary reduction agreement and which is not includible in the gross income of the employee under sections 125, 402(e)(3), 402(h) or 403(b) of the Internal Revenue Code.

The term compensation means the compensation of the member (participant) from the employer for the year consistent with Article II, Sections 14 and 15. The term "compensation" shall include any elective deferral (as defined in IRC Section 402(g)(3)) and any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of IRC Sections 125, 132(f)(4), or 457.

For purposes of the Internal Revenue Code Section 415 limits, Compensation is defined pursuant to IRC Section 415(c)(3), by incorporating by reference the definition of Compensation pursuant to Treas. Reg. 1.415(c)-2. (Note: Notwithstanding that IRC 415(c)(3) applies only to defined contribution plans, this language is added to the defined benefit plan to satisfy the requirements of the Internal Revenue Service.)

## **Sec. 8. Limitation of Compensation**

The Plan is subject to IRC 401(a)(17) and applicable regulations, as amended which currently provide:

Compensation shall not include any amount which is contributed by the employer pursuant to a salary reduction agreement and which is not includible in the gross income of the employee under sections 125, 402(e)(3), 402(h) or 403(b) or other applicable sections of the Internal Revenue Code.

For years beginning on or after January 1, 1989, and before January 1, 1994, the annual compensation of each participant taken into account for determining all benefits provided under the plan for any plan year shall not exceed \$200,000. This limitation shall be adjusted by the Secretary at the same time and in the same manner as under section 415(d) of the Internal Revenue Code, except that the dollar increase in effect on January 1 of any calendar year is effective for plan years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990.

For years beginning on or after January 1, 1994, the annual compensation limit of each participant taken into account for determining all benefits provided under the plan for any determination period shall not exceed \$150,000, as adjusted for the cost-of-living in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year.

If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

If compensation for any prior determination period is taken into account in determining a participant's benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. For this purpose, in determining benefits in plan years beginning on or after January 1, 1989, the annual compensation limit in effect for determination periods beginning before that date is \$200,000. In addition, in determining benefits in plan years beginning on or after January 1,



1994, the annual compensation limit in effect for determination periods beginning before that date is \$150,000.

For year beginning on and after July 1, 2001, the annual compensation of a member taken into account for determining benefits for any plan year shall not exceed \$200,000.00.

#### **Sec. 9. Limitation of Benefits.**

The amount of annual benefits and contributions that is credited a member in any given year shall be subject to the following limitations:

- (a) **Defined Benefit Plans.** The maximum permissible Annual Pension Benefit with respect to any member shall be in accordance with IRC §415(b) which provides that such Annual Pension Benefit shall not exceed \$90,000, as adjusted for inflation, which for 2002 is \$160,000 (the “Dollar Limit”).

- (1) Special Dollar Limitations. If the benefit is payable prior to age 62, the dollar limitation shall be reduced to the actuarial equivalent of a benefit commencing at age 62. In the case of any full-time police or fire employee who is a Qualified Participant as defined in IRC §415(b)(2)(G), there is no reduction in the dollar limitation. If the benefit is not payable until after age 65, the dollar limitation shall be increased to the actuarial equivalent of a benefit commencing at age 65.

- (2) In the case of an employee who has less than ten (10) years of participation in the Plan, the Dollar Limitation shall be reduced 1/10 for each year of participation in accordance with IRC §415(b)(5).

- (b) **Defined Contribution Plans.**

- (1) For limitation years beginning after December 31, 1986 the term “annual addition” means, for purposes of this section the sum, credited to a participant’s account for any limitation year, of:

- a. Employer contributions;
    - b. Employee contributions; and
    - c. Forfeitures.

- (2) Annual additions that may be contributed or allocated to a participant’s account for a limitation year will not exceed the lesser of:

- a. 100% percent of participant’s compensation, within the meaning of IRC §415(c)(3), or



- b. \$40,000, as adjusted for increases in the cost of living pursuant to IRC §415(d).

## **Sec. 10. Direct Rollovers.**

The defined benefit plan does not currently provide for lump sum payments. However, to the extent lump sum payments are allowed, the plan will meet the following requirements regarding IRC 401(a)(31).

- (a) **Direct Rollovers.** This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this part, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (b) **Eligible rollover distribution:** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code; any hardship distribution described in section 401(k)(2)(B)(i)(iv) received after 12-31-98; the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than \$200 during a year.
- (c) **Eligible retirement plan:** An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified plan described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity. On and after January 1, 2008, an eligible retirement plan, for purposes of accepting a rollover, shall include a Roth IRA to the extent permitted by Code Section 408A, and the regulations promulgated thereunder.
- (d) **Distributee:** A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the

employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. On and after January 1, 2008, the retirement system shall allow nonspousal beneficiary transfers to an individual retirement plan in accordance with and subject to Internal Revenue Code Section 402(c)(11).

- (e) **Direct rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

## **ARTICLE X.**

### **Collective Bargaining Agreements.**

Collective Bargaining Agreement Provisions. Under Michigan Law if there is any conflict between the Retirement System provisions and collective bargaining agreement provisions, the terms of the collective bargaining agreement control.

- (a) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the 1998-2001 collective bargaining agreement between the City of Detroit and the Detroit Police Officers Association with respect to police officers covered by said collective bargaining agreement. Said provisions are attached as Exhibit A.
- (b) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the 1998-2001 collective bargaining agreement between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association. Said provisions are attached as Exhibit B.
- (c) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the July 1, 1996 - June 30, 2004 collective bargaining agreement between the City of Detroit and the Detroit Police Command Officers Association. Said provisions are attached as Exhibit C.
- (d) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the July 1, 1998 - June 30, 2001 collective bargaining agreement between the City of Detroit and the Detroit Fire Fighters Association. Said provisions are attached as Exhibit D.

## **ARTICLE XI.**

### **Compliance With USERRA.**

USERRA. The Retirement System shall comply with applicable, required provisions of Internal Revenue Code Section 414(u). On and after January 1, 2007, notwithstanding anything to the contrary herein, if a member dies while performing qualified military service (as defined in Internal Revenue Code Section 414(u)), to the extent required by Internal Revenue Code Section 401(a)(37) the survivors of the member are entitled to any additional benefits (if any, and other than benefit accruals relating to the period of qualified military service) provided under the Retirement System as if the member had resumed and then terminated employment on account of death.

Notwithstanding anything to the contrary herein, on and after January 1, 2009, if the City decides to provide Differential Wage Payments to individuals who are performing service in the uniformed services (as defined in Chapter 43 of Title 238, United States Code) while on active duty for a period of more than 30 days, such Differential Wage Payment will be treated as compensation under Code Section 415(c)(3) limits, but not for purposes of Plan benefit accruals. For these purposes the term "Differential Wage Payment" means a payment defined in Code Section 3401(h)(2) that is made by the Retirement System to an individual who is performing service in the uniformed services while on active duty for a period of more than 30 days.

## ARTICLE XII.

### Deferred Retirement Option Plan.

The following provisions are hereby established as the Deferred Retirement Option Plan ("Drop") Program with respect to those members of the Retirement System who are covered by a collective bargaining agreement with a DROP Program (currently DPOA, DPCOA and DFFA and non-union executives of the Police Department and Fire Department).

- (a) In lieu of terminating employment and accepting a service retirement allowance under the plan provisions, any applicable member of this system who is eligible for the DROP Program and who is eligible to immediately receive a 25 year service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of retirement benefits in accordance with the provisions of this resolution. This DROP feature is effective for DROP eligible members retiring on or after March 1, 2002 or after IRS approval of the DROP provisions, whichever is later.
- (b) No additional service credit shall be earned by a participant in the DROP program.
- (c) There is no limit to the duration of participation in the DROP program.
- (d) Participation in the DROP program shall be consistent with applicable collective bargaining agreements. For DPOA members, Section 33N of the 1998-2001 collective bargaining agreement between the DPOA and the City of Detroit shall be controlling unless modified by future collective bargaining agreement.
- (e) Upon the effective date of the commencement of participation in the plan, active membership in the Retirement System shall terminate. However employer contributions shall continue to be paid into the Retirement System for the DROP participant as if the DROP participant was not a DROP participant. For purposes of this section, compensation and credit service shall remain as they existed on the effective date of commencement of participation in the DROP program. Seventy-five (75%) percent of the monthly retirement benefits (including applicable escalator increases) that would have been payable, had a member elected to cease employment and receive a service retirement allowance, shall be paid into the deferred retirement option plan (DROP) account. Upon termination of employment, deferred benefits (i.e. the DROP account balance) shall be paid as provided by this resolution.
- (f) The ICMA Retirement Trust has been selected as the initial DROP depository entity.
- (g) The Deferred Retirement Option Plan applicable amounts shall be invested as directed by the member within the investment choices as provided by the ICMA Retirement Trust (or substitute entity).
- (h) The fees for the DROP account shall be determined by the ICMA Retirement Trust (or substitute entity), which fees shall be paid by the DROP participant per deduction from the DROP account.

- (i) Upon termination of employment, a participant in the DROP program shall receive, at his or her option either a lump sum payment from the DROP account equal to the payments to the account plus earnings adjusted for any losses or a true annuity based upon his or her adjusted account, or he or she may elect any other method of payment allowed by the ICMA Retirement Trust (or substitute entity); provided, notwithstanding anything to the contrary herein, the Participant's adjusted DROP account balance at termination of employment shall not be less than total system DROP payments into his or her account (not including earnings and losses). The participant's monthly benefits that would have otherwise been paid at retirement prior to participation in the DROP program (i.e. 100%) shall begin to be paid to the retiree. Termination of employment includes termination of any kind, such as, resignation, discharge or disability.
- (j) If a participant dies during the period of participation in the DROP program a lump sum payment equal to his or her account balance shall be paid to his or her named beneficiary, or if none, to his or her estate; provided, notwithstanding anything to the contrary herein, the Participant's adjusted DROP account balance at death during the period of participation shall not be less than total system DROP payments into his or her account (not including earnings and losses).
- (k) In the event that a member dies prior to termination of employment while participating in the DROP, the member's designated beneficiary(ies) shall be entitled to the funds in the DROP account. In addition, the member's retirement allowance, with escalators, will be restored to one hundred percent (100%) of the amount that would have been paid, but for the member's decision to participate in the DROP program shall be paid in accordance with the deceased member's election option; provided, notwithstanding anything to the contrary herein, the Participant's adjusted DROP account balance at death shall not be less than total system DROP payments into his or her account (not including earnings and losses)..
- (l) If an employee becomes disabled after the period of participation in the DROP program but while still an employee and his employment is terminated because he is disabled, he or she (A) shall be immediately retired with the form of retirement selected by the employee at the commencement of the DROP program plus any applicable pension improvement increases, and (B) shall be entitled to the funds in the DROP account (as a lump sum or other allowed method). Such employee shall not be entitled to disability retirement benefits.
- (m) The ICMA Retirement Trust (or substitute entity), consisting of five (5) pages which are attached hereto, will receive the DROP funds and the funds of each participant shall be invested as directed by the member within the investment choices provided by the ICMA Retirement Trust (or substitute entity).
- (n) The Board of Trustees of the Policemen and Firemen Retirement System will enter into an Administrative Services Agreement with the International City Management Association Retirement Corporation "RC" (or substitute entity) which will serve as Investment Advisor to the ICMA Retirement Trust (or substitute entity).

- (o) The ICMA Retirement Trust (or substitute entity) will offer a series of separate funds for the investment of DROP account assets as referenced in the ICMA Retirement Trust's (or substitute entity) disclosure documents.
- (p) Any matters relating to the DROP program not covered by the July 21, 2000 DPOA Act 312 Act Award, collective bargaining provisions, the ICMA Retirement Trust (or substitute entity) or any applicable law or authority shall be resolved by decision of the Board of Trustees of the Policemen and Firemen Retirement System.
- (q) The Board of Trustees may replace the ICMA Retirement Trust with an equivalent trust type vehicle subject to approval of the applicable collective bargaining associations.
- (r) The effective date of the foregoing DROP Program provisions are subject to confirmation from the Internal Revenue Service that the DROP Program does not adversely affect the qualified status of the Defined Benefit Plan of the Policemen and Firemen Retirement System. The appropriate forms applying for a qualified plan determination letter with the DROP provisions shall be filed by the Retirement System and any other applicable party.

The DROP program is subject to all applicable Internal Revenue Service rules, regulations, authority and applicable provisions of the Internal Revenue Code.

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<b>By Agreement</b>
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### **Deferred Retirement Option Program (DROP)**

**[The Deferred Retirement Option Program (DROP) plan option shall be discontinued and no longer available to members not currently enrolled in the plan. The plan shall remain in effect for all members currently enrolled.<sup>112</sup>]**

**[Effective July 1, 2003<sup>113</sup> or July 21, 2000<sup>114</sup>] a Deferred Retirement Option Program (DROP) plan option shall be made available as a retirement option with the following features:**

- (a) [To participate in the program a member must have at least twenty-five (25) [or twenty (20)<sup>115</sup>] years of [active<sup>116</sup>] service with the City as a member of the Policemen and Firemen Retirement System.<sup>117</sup> [Members entering the DROP Plan after the date of the Award must remain in a full-duty status for the duration of their participation in the DROP Plan. If a member is not able to return to full-duty**

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<sup>112</sup> DPCOA (§ 43.A.).

<sup>113</sup> DPLSA (§ 51.O.).

<sup>114</sup> DPOA (§ 33.R.).

<sup>115</sup> DPOA (§ 33.R.1.).

<sup>116</sup> DPOA (§ 33.R.1.).

<sup>117</sup> DFFA (§ 22.A.14.r.); DPLSA (§ 51.O.1.).



**status within six months, their participation in the DROP Plan shall terminate and he/she shall revert to a regular pension.<sup>118]</sup>**

- (b) There will be no limit on the number of years a member may participate in the program. **[For members of the bargaining unit entering into the DROP Plan after the date of this Award, participation in the DROP Plan shall be limited to ten (10) years.<sup>119]</sup>**
- (c) If a member is injured to the point that the member is disabled and placed off on a duty disability per the Retirement System, the member will revert to his regular pension.
- (d) A DROP accumulation account will be established with an outside investment company chosen by the Union.
- (e) The amount paid into the DROP accumulation account shall be 75% of the member's regular retirement allowance plus the applicable annual escalator **[of 2.25% times that portion of any retirement allowance earned prior to the date of the Award.<sup>120]</sup> [applicable to the credited service years.<sup>121]</sup> [(applicable escalator x the full regular retirement allowance x 75%)<sup>122]</sup> [or (2.25% x the full regular retirement x 75%).<sup>123]</sup>**
- (f) Once a member has chosen to place his DROP proceeds into the DROP accumulation account, the member shall not be allowed to remove those funds until the member permanently retires.
- (g) Upon permanent retirement, the member shall be given the right to remove funds from the DROP accumulation account.
- (h) When the member permanently retires, the member will receive a regular retirement allowance calculated as if the member retired on the day the DROP account started. The member's retirement allowance shall include all annual escalator amounts **[(2.25%)<sup>124</sup> or subject to Article 31(K)<sup>125]</sup>** that would have been added while the member was participating in the DROP plan.<sup>126</sup>

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<sup>118</sup> DPLSA (§ 51.O.1.)(All references to "the Award" in this section mean the Act 312 Award in MERC Case No. D09 G-0786, as cited in the CBA.)

<sup>119</sup> DPLSA (§ 51.O.2.).

<sup>120</sup> DPLSA (§ 51.O.5.).

<sup>121</sup> DPOA (312 Award # 1, Issue # 62, pgs. 120–21 deleted the reference to 2.25%; Issue # 64, pgs. 121–24 modified the language to the current version.).

<sup>122</sup> DPCOA (§ 43.A.4.).

<sup>123</sup> DFFA (§ 22.A.14.r.).

<sup>124</sup> DFFA (§ 22.A.14.r.); DPLSA (§ 51.O.8.). Although referenced by DPOA (§ 33.R.8.), 312 Award # 1, Issue # 62, pgs. 120–21 deleted the reference to 2.25%.

<sup>125</sup> DPOA (as modified by 312 Award # 1, Issue # 65, pgs. 121–24. It is unclear whether this intends to reference Section 33.K. of the DPOA CBA.).

<sup>126</sup> DFFA (§ 22.A.14.r.); DPCOA (§ 43.); DPLSA (§ 51.O.); DPOA (§ 33.R.).



- (i) [This program will not be put into effect unless it is certified by the IRS that it will not affect the tax exempt status of the Retirement System under the Internal Revenue Code.
  - (j) This program shall be effective only for as long as it is cost-neutral to the City, provided however, that the DROP Plan shall continue during the pendency of proceedings, described below, designed to restore the Plan to cost neutrality.
  - (k) If the City contends that the program is costing it money, including, but not limited to, making the City's annual contribution to the P&F Pension System higher than it would be if the DROP Plan was not in effect, the parties, along with the Plan's actuary as well as an actuary appointed by the City, shall meet and confer in good faith regarding the cost. If the parties are unable to reach an understanding, the matter shall be submitted to a third, independent, actuary, chosen or agreed upon by the Plan's actuary and the City's actuary who will be an associate or a fellow of the Society of Actuaries and a member of the American Academy of Actuaries. This actuary, when rendering a decision, will be limited to ordering implementation of changes necessary to make the program cost neutral. Upon the implementation of changes necessary to make the program cost neutral, participants shall have thirty days to elect (a) retiring from active employment or (b) withdraw from the DROP Plan, continuing active employment and resuming participation in the regular retirement plan. The Board shall notify the participant of these changes prior to implementation. Those resuming participation in the regular retirement plan shall not accumulate service credit for any time that they were participating in the DROP Plan. Those not making either election shall remain participants in the DROP Plan.
  - (l) In the event the DROP Plan cannot be changed to restore cost neutrality, it shall be discontinued and participants shall have the option of either (a) retiring, or (b) continuing active employment and resuming participation in the regular retirement plan.<sup>127</sup>]
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<sup>127</sup>

DEFA (§ 22.A.14.r.9-12.); DPLSA (§ 51.O.9-12.); DPOA (§ 33.R.9-12.).

## ARTICLE XIII.

### Participant Annuity Savings Fund Loan Program

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<b>By Agreement</b>
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#### Participant Annuity Savings Fund Loan Program

The undersigned parties have agreed that a Participant Annuity Savings Fund Loan Program (Participant Loan Program) will be established and available to bargaining unit members. Its terms will be as follows:

- (a) **Established:** Any loans granted or renewed shall conform to the requirements of Section 72(p) of the Internal Revenue Code, 26 U.S.C.1 et seq. Such loan program shall be established in writing by the Board of Trustees of the Police and Fire Retirement System, in conformity with the terms of this Memorandum of Agreement, and must include, but need not be limited to the following:
  - 1. The identity of the administrator of the Participant Loan Program;
  - 2. A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
  - 3. The procedure under the program for determining a reasonable rate of interest;
  - 4. The events constituting default and the steps that will be taken to preserve plan assets.
- (b) **The Loan Program:** The Participant Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the City of Detroit Police and Fire Retirement System for prospective participants in the program. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective participating members of the system in the offices of the Police and Fire Retirement System.
- (c) **Eligibility:** Subject to the rules and procedures established by the Police and Fire Retirement System Board, loans may be made to bargaining unit members from such member's contributions to the Annuity Savings Fund. Former participants, spouses of participants, and beneficiaries are not eligible to receive any loans from the Plan. Subject to rules and procedures established by the Board, a participant who has been in the plan for twelve (12) months or more is eligible to apply for a loan from this plan.
- (d) **Amount of Loan:** A participant who has satisfied applicable rules and procedures may borrow from his or her annuity savings fund account an amount, which does not exceed fifty percent (50%) of the participant's vested accumulated balance, up to fifteen thousand dollars (\$15,000.00) reduced by the excess, if any, of: (1) the highest

outstanding balance of loans from the trust during the one (1) year period ending on the day before the date on which the loan is made, or (2) the outstanding balance of loans from the trust on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).

(e) **Terms and Conditions:** In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:

1. Loan applications shall be in writing.
2. All loans shall be memorialized by a promissory note made to the Police and Fire Retirement System and properly executed by the participant.
3. Loan shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period.
4. Each loan shall be made against the assignment of the participant's entire right, title, and interest in and to the trust supported by the participant's collateral promissory note for the amount of the loan, including interest payable to the order of the trustee.
5. Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among participants in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the pension system's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the pension trust of administering the trust. The loan interest rate shall be calculated in a manner that will not negatively affect the City's costs to the trust or the return to trust members.
6. Loan repayments shall be suspended under this plan as permitted by Section 414(u)(4) of the Internal Revenue Code, 26 U.S.C. 414(u)(4). A participant who has an outstanding loan balance from the plan who is absent from employment with the employer, and who has satisfied the requirements of 26 USC 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the fund during said periods of absence.

(f) **Renewal of Loan:** Any loans granted or renewed shall be made and administered pursuant to the participant loan program and Section 72(p) of the Internal Revenue Code, 26 U.S.C. 72(p) and the regulations thereunder.

(g) **Loan Balance:** A participant's outstanding loan balance shall be considered a directed investment by the participant and interest payments shall be credited to the participant's account balance (provided that the interest credited shall be reduced appropriately to

cover the administrative cost of the loan program and avoid negatively affecting the City's costs or the trust's investment returns), and shall not be part of net investment income or part of the participant's account balance for the purpose of allocation of net investment income under [Article VII].

- (h) **Distribution:** No distributions shall be made to a participant, former participant, or beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been liquidated.
- (i) **Annual Report:** The Police and Fire Retirement System shall include, in their annual report to all members, an accounting of the loan program established by this section, which contains *the* number and amount of loans made, the costs of administering the program, the amount of payments made including interest received by the trust, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in the fiscal year covered the costs of administering the program.

The parties agree that eligibility for participation in said loan program will be in accordance with the provisions contained herein, and shall be effective immediately upon the signing of this Memorandum of Understanding. All necessary steps shall be taken to ensure that the implementation date of the Employee Loan Program for members of this bargaining unit shall occur as soon as administratively possible so that it coincides with the initial implementation date established by the Police and Fire Retirement System.

The parties agree that this Memorandum of Understanding represents the sole and complete agreement regarding the Participant Loan Program for members of this bargaining unit, that this Agreement shall be incorporated in the Labor Agreement and shall remain in full force for the duration of said agreement, and that no modifications can be made unless collectively bargained and mutually agreed between the parties hereto.<sup>128</sup>

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<sup>128</sup> DPLSA (MOU, pg. 87.); DPOA (MOU, pg. 108.).

## LEGEND TO FOOTNOTES

As used in the footnotes to this compilation, the acronyms below refer to the following documents:

- **DDFA** means the Master Agreement between the City of Detroit and the Detroit Fire Fighters Association (2009–2013). Although the CBA is expired, the Director of Labor Relations kept the current terms in place until a subsequent agreement is negotiated in a letter dated June 28, 2013, “Re: Terms and Conditions of employment following the expiration of the 09-13 Collective Bargaining Agreement (CBA).”
- **DPCOA** means the City Employment Terms Between the City of Detroit and Detroit Police Command Officers Association, executed on July 18, 2012.
- **DPLSA** means the Master Agreement Between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association (2009–2013), as modified by the Act 312 Award executed March-April, 2011 in the matter of CITY OF DETROIT and DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION, MERC Case No. D09 G-0786 before Chairman Thomas W. Brookover.
- **DPOA** means the Master Agreement Between the City of Detroit and the Detroit Police Officers Association (2009–2012).
- **312 Award # 1** means the Act 312 Award effective March 25, 2013 in the Matter of CITY OF DETROIT and DETROIT POLICE OFFICERS ASSOCIATION, MERC Case No. D12 D-0354 before Chairman George T. Roumell, Jr. This Award invalidated the City Employment Terms between the City of Detroit and Detroit Police Officers Associated, executed on July 18, 2012, and reinstated the Master Agreement Between the City of Detroit and the Detroit Police Officers Association (2009–2012), subject to the modifications made by the Award. See pg. 6 of 312 Award # 1.
- **312 Award # 2** means the Act 312 Award effective January 15, 2010 in the Matter of CITY OF DETROIT and DETROIT COMMAND OFFICERS ASSOCIATION, MERC Case No. D07 K-1456 before Chairman Mark J. Glazer.
- **DPLSA MOU** means the Memorandum of Understanding Between the City of Detroit and Detroit Police Lieutenants and Sergeants Association regarding Adding Unused Sick Leave to Average Final Compensation, dated May 13, 2008.

LAI-3214123v5

**EXHIBIT I.A.287**

RESTORATION TRUST AGREEMENT

## CITY OF DETROIT PENSION RESTORATION TRUST

THIS TRUST AGREEMENT, entered into effective \_\_\_\_\_, 2014, by and among, the City of Detroit (“Detroit” or the “City”) acting by and through **[Kevyn Orr acting as the appointed Emergency Manager pursuant to PA 436, M.C.L. §141.1541 et seq./Mayor Michael E. Duggan]** and each member of the Board of Trustees named herein.

### WITNESSETH:

WHEREAS, Detroit filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 in the United States Bankruptcy Court for the United States Bankruptcy Court Eastern District of Michigan, Case No. 13-53846 (the “Court”);

WHEREAS, pursuant to the Plan for the Adjustment of Debts of the City of Detroit (as confirmed by the Court, the “Plan of Adjustment”), the City agreed to establish a trust upon the Effective Date of the Plan of Adjustment (i) to hold the DWSD CVR (as defined in the Plan of Adjustment) and enforce rights related to its terms, and to consult with the trustees and investment committee of the Police and Fire Retirement System for the City of Detroit (“PFRS”) and the General Retirement System for the City of Detroit (“GRS”), respectively in connection with General Restoration and Special Restoration relating to the DWSD CVR, each as defined below;

WHEREAS, Detroit hereby establishes this City of Detroit Pension Restoration Trust (the “Trust”);

WHEREAS, the Board of Trustees shall be responsible for maintaining and administering this Trust and managing the property held by this Trust;

WHEREAS, the members of the Board of Trustees are willing to exercise the authority and rights of consultation granted to it herein with regard to the Trust; and

NOW THEREFORE, in consideration of the premises and the covenants contained herein, Detroit and the members of the Board of Trustees agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1 Board of Trustees or Board. The Board of Trustees is the body described in Article VII to which Detroit has delegated responsibility for: (i) maintaining and administering this Trust and managing the property held by this Trust; and (ii) exercising the duties and responsibilities of the Board of Trustees set forth in this Trust Agreement. The Board of Trustees shall be constituted in accordance with Article VII and shall have the duties and authorities described in Article V.

Section 1.2 Code. Means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.3 Beneficiaries. Means the beneficiaries of this Trust, which beneficiaries shall be the GRS, the PFRS and the participants in GRS and PFRS entitled to the benefits of the Restoration Plan.

Section 1.4 DWSD CVR. Has the meaning given to that term in the Plan of Adjustment.

Section 1.5 General Restoration. Means the potential restoration or replacement of benefit reductions imposed by the Plan of Adjustment pursuant to the terms of the Restoration Plan.

Section 1.6 GRS. Means the General Retirement System for the City of Detroit.

Section 1.7 Holder of Pension Claims. Has the meaning given to that term in the Plan of Adjustment.

Section 1.8 Plan of Adjustment. Means the Plan for the Adjustment of Debts of the City of Detroit, as confirmed by order of the Court dated [---], a copy of which is attached hereto as Exhibit A.

Section 1.9 PFRS. Means the Police and Fire Retirement System for the City of Detroit.

Section 1.10 Qualifying DWSD Transaction. Has the meaning given to that term in the Plan of Adjustment.

Section 1.11 Restoration Plan. Means the general rules governing pension benefit restoration to the PFRS and the GRS as set forth in Exhibit II.B.3.q.ii.C and Exhibit II.B.3.r.ii.C of the Plan of Adjustment. A copy of the Restoration Plan is attached hereto as Exhibit B.

Section 1.12 Retiree Committee. Has the meaning given to that term in the Plan of Adjustment.

Section 1.13 Special Restoration. Means the potential restoration or replacement of benefit reductions imposed by the Plan of Adjustment in connection with a Qualifying DWSD Transaction, as described in Section IV.F of the Plan of Adjustment.

Section 1.14 Trust Agreement. This agreement as it may be amended hereafter from time to time by the parties hereto.

Section 1.15 Trust or Trust Fund. The City of Detroit Pension Restoration Trust established by this Trust Agreement, comprising all property or interests in property held by, or under the custody and control of, the Board from time to time under this Trust Agreement.



## ARTICLE II ESTABLISHMENT OF TRUST

Section 2.1 Purpose. The Trust is established to receive and hold the DWSD CVR and enforce rights related to its terms, and to consult with the trustees and investment committee of the PFRS and the GRS, respectively in connection with General Restoration and Special Restoration relating to the DWSD CVR.

Section 2.2 Receipt of Funds. The Board shall accept all sums of money and other property contributed to the Trust by Detroit pursuant to Article III. The Board shall hold, manage and administer the Trust Fund without distinction between principal and income.

Section 2.3 Inurement and Reversion Prohibited. At no time shall any part of the principal or income of the Trust Fund be used for, or diverted to, any purpose other than distributing proceeds from the DWSD CVR in the manner described by Section IV.F of the Plan of Adjustment. Nothing in this Trust Agreement shall be construed in such a way as to prohibit the Board from using the assets of the Trust Fund to pay reasonable fees and other expenses and obligations incurred in maintaining and administering the Trust or to maintain a reserve of funds needed to pay reasonable fees and expenses expected to be incurred in the future.

Section 2.4 No Residual Interest. Detroit shall not have any legal or equitable interest in the assets of the Trust Fund at any time, including following the termination of the Trust.

## ARTICLE III CONTRIBUTIONS TO THE TRUST FUND

Section 3.1 Detroit Contributions. The Board will accept the City's contribution of the DWSD CVR to the Trust Fund pursuant to the Plan of Adjustment. Apart from the contribution of the DWSD CVR (and any amounts payable to the Trust Fund pursuant to the terms of the DWSD CVR), Detroit shall have no further obligation to contribute to the Trust.

## ARTICLE IV PAYMENTS FROM THE TRUST FUND

Section 4.1 Payments from the Trust Fund.

(a) Subject to paragraph (b) below, the Board shall within a reasonable time after receiving proceeds from the DWSD CVR distribute such proceeds (less the amount retained by the Trust Fund in the sole discretion of the Board to pay reasonable fees and expenses previously incurred or expected to be incurred to maintain and administer the Trust) directly to the GRS and PFRS in the manner described in Section IV.F of the Plan of Adjustment.

(b) The Board may retain or withhold all or any part of any payment as the Board in the exercise of its reasonable discretion may deem proper, to protect the Board and the Trust against any liability or claim on account of any income or other tax whatsoever; and with all or any part of any such payment so retained or withheld, may discharge any such liability. Any part of any such payment so retained or withheld by the Board that may be determined by

the Board to be in excess of any such liability will upon such determination by the Board be paid to the GRS and PFRS in the manner described in Section IV.F of the Plan of Adjustment.

Section 4.2 Excessive Payments. If the payment of any distributions under the Trust is determined to have been excessive or improper, and the recipient thereof fails to make repayment to the Board or Board's agent of such excessive or improper payment upon the Board's request, the Board shall deduct the amount of such excessive or improper payment from any other benefits thereafter payable to such person. Until repaid to the Board or Board's agent, the amount of said excessive or improper payment shall not be included in the Trust Fund.

## **ARTICLE V BOARD POWERS AND DUTIES**

Section 5.1 Powers of the Board Generally. The Board has whatever lawful powers are required to discharge its obligations and to accomplish any of the purposes of this Trust Agreement, including (but not limited to) the powers specified in the following Sections of this Article, and the powers and authority granted to the Board under other provisions of this Trust Agreement. The enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Board.

Section 5.2 Powers Exercisable by the Board. The Board is authorized and empowered to exercise the following powers at its discretion in satisfaction of the duties imposed on it under this Trust Agreement:

(a) To place securities orders, settle securities trades, hold securities in custody, deposit securities with custodians or securities clearing corporations or depositories or similar organizations, and other related activities as shall be necessary and appropriate in performing its duties under this Trust Agreement. Trades and related activities conducted through a broker shall be subject to reasonable fees and commissions established by the broker, which may be paid from the Trust Fund or netted from the proceeds of trades.

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(c) To cause any investment in the Trust Fund to be registered in, or transferred into, the name of any institutional custodian appointed by the Board, or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Board shall at all times show that all such investments are part of the Trust Fund, and the Board shall be fully responsible for any misappropriation in respect of any investment held by its nominee or held in unregistered form; and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States;

(d) To receive, hold, invest and reinvest Trust Fund assets and income under provisions of law from time to time existing and in accordance with Article V;

(e) To exercise or abstain from exercising any option, privilege or right attaching to any Trust Fund assets;

(f) To make payments from the Trust Fund in accordance with Article IV and for the payment of expenses as provided in Section 5.5;

(g) To employ suitable agents and depositaries (domestic or foreign), public accountants, brokers, custodians, ancillary trustees, appraisers, legal counsel and other expert advisors as shall be necessary and appropriate, and to pay their reasonable expenses and compensation;

(h) To pay any income or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on income of the Trust, if any, out of the Trust Fund;

(i) To file all reports and returns that are required to be made with respect to the Trust:

(j) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund; and

(k) To accept, compromise or otherwise settle any obligations or liability due to or from the Trust as the Board hereunder, including any claim that may be asserted for taxes, assessments or penalties under present or future laws, or to enforce or contest the same by appropriate legal proceedings.

Notwithstanding the foregoing, the Board shall not (i) assign, transfer, convey or sell its interest in the DWSD CVR except for an assignment due to the appointment of successors to members of the Board in accordance with Section 7.2; and (ii) invest any assets in real estate or real estate securities

Section 5.3 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Board.

Section 5.4 General Duties and Obligations of Board.

(a) In accordance with Article II but subject to Section 4.1, the Board shall hold all property received by it and any income and gains thereupon. In accordance with this Article, the Board shall manage, invest and reinvest the Trust Fund, shall collect the income therefrom, and shall make payments or disbursements in accordance with Section 4.1.

(b) The Board shall confer with the trustees and investment committee of the GRS and PFRS, respectively, with respect to the Special Restoration and General Restoration; provided, however, that the Board shall not have any right to initiate any enforcement

proceedings against the trustees or investment committee of either GRS or PFRS with respect to Special Restoration or General Restoration.

(c) The Board shall discharge its duties in the interests of the Beneficiaries and for the exclusive purpose of making distributions to the GRS and PFRS as provided in Section 4.1 and defraying reasonable expenses of administering the Trust and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims.

Section 5.5 Payment of Expenses. The Board shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses) reasonably incurred by the Board in connection with maintaining and administering the Trust, including attendance at meetings related thereto. The expenses of the Board shall constitute a lien on the Trust Fund.

Section 5.6 No Board Compensation. Except as provided in Section 5.5, the members of the Board shall serve without compensation.

## **ARTICLE VI BOARD ACCOUNTS**

Section 6.1 Records. The Board shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to the Trust, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by interested persons at the principal office of the Trust.

Section 6.2 Annual Audit. The Trust Fund shall be audited annually by an independent firm of certified public accountants, and a statement of the results of such audit shall be provided to the Board and also made available for inspection by interested persons at the principal office of the Trust.

Section 6.3 No Interest by Beneficiaries. In no event shall any Beneficiary have any interest in any specific asset of the Trust Fund. At no time shall any account or separate fund be considered a savings account or investment or asset of any particular Beneficiary, or class of Beneficiaries, and no Beneficiary shall have any right to any particular asset which the Board may have allocated to any account or separate fund for accounting purposes.

Section 6.4 Accounting Year, Cash Basis. The accounting year of the Trust shall be the calendar year. All accounts of the Board shall be kept on a cash basis.

**ARTICLE VII**  
**COMPOSITION OF AND PROCEDURES FOR THE BOARD OF TRUSTEES**

Section 7.1 Number and Appointment of Members. The Board of Trustees shall consist of five (5) voting members. The Retiree Committee has selected the following initial members of the Board of Trustees:[\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.]

By execution of this Trust Agreement each Board member hereby acknowledges his or her appointment and acceptance of the duties and responsibilities set forth in this Trust Agreement.

Section 7.2 Term of Office. Each member of the Board shall serve a period of four years until the termination of the Trust, or if earlier, until his or her death, incapacity to serve hereunder, or resignation. In the event of a vacancy, the replacement Board member shall be appointed pursuant to procedures established by the Board.

Section 7.3 Resignation. A Board member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least ninety (90) days' advance written notice to the remaining Board Members stating a date when such resignation shall take effect, which notice or time period may be waived by the Board.

Section 7.4 Operation of the Board; Quorum. The Board shall select from among its members a chair and a vice chair. The Board shall hold regular meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. Each Board Member shall be entitled to one vote on each question before the Board. Three (3) members shall constitute a quorum at any meeting. A majority vote of the members present at a meeting of the Board at which a quorum exists shall be necessary for a decision by the Board.

Section 7.5 Reliance on Written Instruments. Each member of the Board shall be fully protected in acting upon any instrument, certificate or paper believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 7.6 No Individual Liability on Contracts. The members of the Board shall not be liable personally for any debts, obligations, or undertakings contracted by them, or for the breach of any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that the Board shall not be exempt from personal liability for willful misconduct, intentional wrongdoing, breach of applicable fiduciary duty, negligence or fraud, and the Trust shall not indemnify the Board for such liabilities, or to the extent that application of this sentence would violate any law.

Section 7.7 City Not Liable for Conduct of Board. The Board is not, in its capacity as the Board of Trustees, an officer, agent, employee, or representative of Detroit. In its capacity as the Board of Trustees, the Board is a principal acting independently of the City, which shall not be liable for any act, omission, contract, obligation, or undertaking of the Trust, the Board or its officers, agents, or representatives.

Section 7.8 Liability Insurance. The Board may obtain and keep current a policy or policies of insurance, insuring the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under this Trust Agreement or the Plan. To the extent permitted by applicable law, the premiums on such policies may be paid from the Trust Fund.

Section 7.9 Reimbursement for Defense of Claims. To the extent permitted by applicable law and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Board, employees of the Board and persons acting on the Board's behalf pursuant to an express written delegation (each separately, the "Indemnified Party") shall be reimbursed by the Trust Fund for reasonable expenses, including without limitation attorneys fees, incurred in defense of any claim that seeks a recovery of any loss to the Plan or Trust Fund or for any damages suffered by any party to, or beneficiary of this Trust Agreement (a) for which the Indemnified Party is adjudged not liable, or (b) which is dismissed or compromised in a final settlement, where the Board or, where required by applicable law, an independent fiduciary determines that the settling Indemnified Party was not primarily responsible (in such cases, all or only a portion of the settling Indemnified Party's reasonable expenses may be reimbursed, as directed by the Board or an independent fiduciary), provided that, the Board shall have the right to approve of the retention of any counsel whose fees would be reimbursed by the Trust Fund, but such approval shall not be withheld unreasonably.

## **ARTICLE VIII AMENDMENT, TERMINATION AND MERGER**

Section 8.1 Duration of the Trust. Unless terminated earlier pursuant to Section 8.3, this Trust Agreement shall terminate automatically on the earlier of: (a) the eighth anniversary of the Effective Date of the Plan of Adjustment if the City and the Board shall have agreed in writing that no Qualifying DWSD Transaction has occurred; or (b) the later of (i) written notice from GRS and PFRS of the death of the last individual who was a participant in such pension plans on the Effective Date of the Plan of Adjustment or (ii) the 90th anniversary of the effective date of this Trust Agreement.

Section 8.2 Amendment. The Trust Agreement may be amended at any time in writing by the Board or by Court order upon proper motion by the Board or the City, provided, however, that no amendment may impose a contribution obligation on the City beyond that specified in Section 3.1. No amendment to the Trust Agreement shall modify the responsibilities of the Board hereunder unless the Board has first consented to such amendment.



### Section 8.3 Termination.

(a) Notwithstanding Section 8.1, the Trust and this Trust Agreement may be terminated at any time in writing by the Board with a copy of such written instrument to be provided to the City, or by Court order upon proper motion. Upon termination of this Trust Agreement, the assets of the Trust Fund, if any, shall be paid out at the direction of the Board to the GRS and PFRS as provided in Section IV.F of the Plan of Adjustment. Neither Detroit nor the Board shall have any beneficial interest in the Trust Fund. If the Trust Fund has assets at the time of its termination, it shall remain in existence only until all such assets have been distributed.

(b) Upon termination of the Trust pursuant to Section 8.1 or 8.3, the Board shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

## ARTICLE IX MISCELLANEOUS

Section 9.1 Rights in Trust Fund. No Beneficiary or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right against the Board, the Board, or Detroit, except as may be otherwise expressly provided in this Trust Agreement.

Section 9.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Beneficiary to any future distributions under the provisions of the GRS or PFRS shall not be subject to attachment or garnishment or other legal process by any creditor of any such Beneficiary, nor shall any such Beneficiary have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingent or otherwise, under GRS or PFRS.

Section 9.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 9.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.

Section 9.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 9.6 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of receipt if served personally or by confirmed facsimile or other similar confirmed electronic communication; (b) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (c) on the fourth business

day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the City:

**[insert name and address]**

If to the Board:

**[insert name and address]**



IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

**CITY OF DETROIT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**MEMBERS OF THE BOARD OF TRUSTEES**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,  
Signature \_\_\_\_\_  
Printed name \_\_\_\_\_

Notary public, State of Michigan, County of  
My commission expires \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,  
Signature \_\_\_\_\_  
Printed name \_\_\_\_\_

Notary public, State of Michigan, County of  
My commission expires \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,  
Signature \_\_\_\_\_  
Printed name \_\_\_\_\_

Notary public, State of Michigan, County of  
My commission expires \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,

Signature \_\_\_\_\_

Printed name \_\_\_\_\_

Notary public, State of Michigan, County of \_\_\_\_\_

My commission expires \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,

Signature \_\_\_\_\_

Printed name \_\_\_\_\_

Notary public, State of Michigan, County of \_\_\_\_\_

My commission expires \_\_\_\_\_

**EXHIBIT A**  
**PLAN OF ADJUSTMENT**

**EXHIBIT B**  
**RESTORATION PLAN**

**EXHIBIT C**  
**CONFIRMATION ORDER**

**EXHIBIT I.A.293**

RETIREE HEALTH CARE SETTLEMENT AGREEMENT

## SETTLEMENT AGREEMENT

Plaintiffs, the Official Committee of Retirees of the City of Detroit, Michigan (the “Committee”), Detroit Retired City Employees Association, Retired Detroit Police and Fire Fighters Association, and AFSCME Sub-Chapter 98, City of Detroit Retirees (collectively with the Committee, the “Plaintiffs”) and Defendants, the City of Detroit, Michigan (the “City”) and Kevyn Orr, individually and in his official capacity as Emergency Manager of the City of Detroit, Michigan (collectively with the City, the “Defendants”), hereby enter into this Settlement Agreement as of the 14<sup>th</sup> day of February, 2014 (the “Agreement”), which contains the following terms:

### I. GENERAL PROVISIONS

1. **Agreement Modifies March 1, 2014 Plan.** The City agrees to make the changes listed in Part II herein to the City of Detroit Retiree Health Care Plan for the period March 1, 2014 through December 31, 2014. The changes enumerated in Part II are modifications to the City of Detroit Retiree Health Care Plan described in the 2014 Health Care Plan Options Booklet (“Booklet”) distributed approximately January 2, 2014. These modifications are premised on the terms summarized in the Booklet going into effect on March 1, 2014, subject only to the modifications set forth in this Agreement, which resolves the Plaintiffs’ claims in Adversary Proceeding No. 14-04015 (the “Adversary Proceeding”).

2. **Modifications Will Not Decrease Benefits Offered in March 1, 2014 Plan.** None of the modifications in Part II reduces or eliminates any of the benefits in the City of Detroit Retiree Health Care Plan for the period March 1, 2014 through December 31, 2014 as described in the Booklet, except as specified in Part II(4)(a) and (b) below.

3. **Effective Date of Plan Modifications.** The modifications listed in Part II of this Agreement shall be effective with the beginning of the plan on March 1, 2014 unless otherwise noted in the Agreement.

4. **Aggregate Caps.** Unless specifically noted below, there is no cap on the amount that the City will spend to fulfill the modifications listed in Part II. For the two modifications listed in Part II(3)(a)/(b) and (d)/(e) that expressly include capped funds of \$2,500,000 and \$3,000,000, respectively, the City shall aggregate those caps to a total of \$5,500,000 such that if one capped fund is exhausted the City must draw from the other capped fund to the extent that the other capped fund has not been exhausted.

5. **Conditions on Agreement.** This Agreement, and the additional benefits set forth herein, are conditioned upon the City receiving debtor in possession financing that can be used for quality of life purposes on or before May 1, 2014 (the “DIP”). In the event the DIP is not in effect on or before May 1, 2014 and the City is unable to otherwise perform under this

Agreement, this Agreement shall be null and void and the parties shall be returned to their respective positions.

## **II. MODIFICATIONS TO THE CITY'S RETIREE HEALTH CARE PLAN FOR THE PERIOD MARCH 1, 2014 THROUGH DECEMBER 31, 2014**

### **1. Modification of Dental and Vision Coverage.**

- (a) **Dental Coverage.** The City will make available an additional dental benefits option in addition to the dental benefits coverage option described in the Booklet. The additional option will be offered by Golden Dental Inc. ("Golden"). The premium charged for this group coverage option will be no greater than \$23.73 per month for single coverage, \$38.83 per month for two-person coverage, and \$57.17 per month for family coverage, and the benefits will be as described in Exhibit 1 hereto; provided, however, that the amount charged to the retiree shall be increased to include an additional administrative charge, which administrative charge shall not exceed 20% of the applicable premium. The enrolling retiree will be fully responsible to pay the premium associated with this dental option, including the additional administrative charge, and the City shall allow the retirees to utilize the pension reduction feature for payment of the monthly premium. The City will use Reasonable Efforts to have such coverage effective June 1, 2014, including taking Reasonable Efforts to notify retirees by mail of this option as soon as practicable, and taking Reasonable Efforts to minimize the administrative charge. Reasonable Efforts, as used in this Agreement, requires the City to use good faith and reasonable diligence in light of its capabilities.
- (b) **Vision Coverage.** The City will make available an additional vision benefits option in addition to the vision benefits coverage option described in the Booklet. The additional option will be offered by Heritage Vision Plans, Inc. ("Heritage"). The premium for this group coverage option will be no greater than \$6.95 per month for single coverage and \$13.75 per month for 2 or more person coverage; provided, however, that the amount charged to the retiree shall be increased to include an additional administrative charge, which administrative charge shall not exceed 20% of the applicable premium. The option shall be a national network vision option similar to the option that the City provides to active employees. The enrolling retiree will be fully responsible to pay the premium associated with this vision option, including the additional administrative charge, and the City shall allow the retirees to utilize the pension reduction feature for payment of the monthly premium. The City will use Reasonable Efforts to have such coverage effective June 1, 2014, including taking Reasonable Efforts to notify retirees by mail of this option as soon as practicable, and taking Reasonable Efforts to minimize the administrative charge.

### **2. Modifications for Retirees Eligible for Medicare.**

- (a) **Extension of Enrollment Deadline to Opt Out of Medicare Advantage Plan Coverage.** For retirees of the City who are enrolled in Medicare and receive



coverage under a City-sponsored Medicare Advantage Plan through February 28, 2014, the date to opt out of such coverage was extended to February 7, 2014. Such retirees may opt out by hand delivery (no later than close of business February 7) or first-class mail delivery (post-marked on or before February 7) of the designated opt out form to the City Benefits Administration Office at Suite 1026, 2 Woodward Avenue, Detroit MI 48226. Retirees were permitted to request the designated opt out form by calling the City's Benefit Administration Customer Service Line or contacting the City Benefits Administration Office at the address above. The City will use Reasonable Efforts to process any such opt outs for which it receives timely notice in a manner so as to eliminate such Medicare Advantage Plan coverage effective March 1, 2014. To the extent the City is not able to process the timely sent opt out notices in a manner so as to eliminate such coverage effective March 1, 2014, such coverage shall be eliminated effective April 1, 2014. Retirees who did not opt out by February 7, 2014 will be enrolled in a City-sponsored Medicare Advantage Plan as described in the Booklet.

- (b) **HRA Contribution for Medicare-Eligible Retirees Who Opt Out.** For each Medicare-eligible retiree who opted out of coverage under the City-sponsored Medicare Advantage Plans on or prior to February 7, 2014, the City shall automatically enroll such retiree in a City-sponsored Health Reimbursement Arrangement ("HRA"). The HRA shall be administered by Flex Plan, Inc. The City will provide each electing enrollee with a vested \$115 monthly contribution credit to his or her HRA during the remainder of 2014, which will carry forward until used by the retiree or otherwise forfeited under terms to be negotiated by the parties hereto. The City will make all Reasonable Efforts to implement the HRA credits effective May 1, 2014, retroactive to March 1, 2014. The initial monthly credit for May 2014 shall be in an amount equal to the total of \$115 multiplied by the number of months starting March 2014 for which the enrolled retiree did not have Medicare Advantage Plan coverage (e.g., if John Smith had City-sponsored Medicare Advantage Plan coverage until February 28, 2014, the initial monthly credit for May 2014 will be \$345, covering March, April, and May; thereafter, the payments shall be \$115 per month for each month in 2014).
- (c) **Medicare Advantage Plan Catastrophic Drug Expenses.** Each of the Medicare Advantage Plans sponsored by the City for the period March 1, 2014 through December 31, 2014 include Medicare Part D prescription drug coverage, under which, once the \$4,550 out-of-pocket threshold is met, the participant's cost sharing obligation is limited to the greater of 5% of the cost of the prescription, or \$2.55 per prescription for generic and preferred multi-source drugs or \$6.35 per prescription for all other prescription drugs; provided, that the participant's cost sharing obligation shall never be greater than the cost sharing that applied prior to the participant meeting such threshold. For each participant who meets the \$4,550 out-of-pocket threshold while enrolled in one of the City's Medicare Advantage Plans during the period March 1, 2014 through December 31, 2014, the City will reimburse the amount of this cost sharing obligation to the related

retiree. For the avoidance of doubt, participant means both retiree and any retiree's spouse who is covered by the City's Medicare Advantage Plans.

**3. Modifications for Retirees Not Eligible for Medicare.**

**(a) Additional Stipend to Retirees With \$75,000 or Lower Household Income Who Acquire Health Care Coverage on an Exchange.** The City will provide non-duty disabled retirees who are not eligible for Medicare a \$125 stipend that they may use to purchase health care coverage. The City will increase this stipend by \$50 for any non-Medicare eligible retiree who either (i) was enrolled in the City's retiree health program on December 31, 2013 or (ii) transitioned from active City benefits to retiree City benefits on or after November 1, 2013; but only to the extent such retiree described in (i) or (ii) above meets the following requirements:

- i) Not eligible for Medicare or Medicaid;
- ii) Not eligible for a benefit under Part II(4);
- iii) Not a duty-disabled retiree (duty-disabled retirees are eligible for higher stipends as provided for in the Booklet);
- iv) Under 65 years old (non-Medicare eligible retirees age 65 and older may receive an increased stipend under Part II(3)(c) below);
- v) Household income is \$75,000 or less, as demonstrated by satisfaction of the process set forth in Part II(3)(b);
- vi) Does not acquire a City-offered group health plan as set forth in Part II(3)(f); and
- vii) Purchases or is covered by a health insurance policy acquired through a health insurance exchange ("Exchange") established pursuant to the Patient Protection and Affordable Care Act.

**(b) Process to Obtain Additional \$50 Monthly Stipend.**

- i) The City will retain Aon Hewitt to administer the eligibility process for the additional \$50 monthly stipend set forth above in Part II(3)(a). Retirees will be given a 30-day notice period, to expire no later than April 30, 2014, during which they shall provide to Aon Hewitt the following:
  - (1) Submission of having purchased an insurance policy through an Exchange that covers such retiree. Such submission shall include information necessary to validate the retiree's eligibility, including the name of the insurer, monthly premium amount, and the amount of federal

subsidy, if any, that the retiree is to receive in connection with such Exchange-acquired coverage; and

- (2) If the proof of Exchange-acquired coverage shows that the retiree's premium does not also include a federal subsidy amount, such retiree shall also submit a copy of his or her most recently filed federal income tax return with proof of filing, but in no event a return prior to the 2011 tax year. If such federal income tax return shows household income in excess of \$75,000 and the retiree believes that household income in 2013 was below \$75,000, the retiree shall also submit – along with a copy of the most recently filed federal income tax return – proof sufficient for Aon Hewitt to conclude that his or her household income in 2013 was less than \$75,000.
- ii) Aon Hewitt shall submit to the City its list of retirees eligible for the additional \$50 monthly stipend and the monthly stipends shall be paid to the approved eligible retirees beginning in the month of June 2014 or as soon thereafter as administratively practical, with payments retroactive to March 1, 2014. For example, if the first payment is made in June 2014, it will be in the amount of \$200 for the months of March, April, May, and June; thereafter, the payments shall be \$50 per month for each succeeding month in 2014. The list provided by Aon Hewitt shall be final and no changes shall be made to such list for the remainder of 2014.

*The City shall cap the amount that it pays for this additional \$50 stipend during the period from March through December 2014 at \$3,000,000. In the event that there are more retirees meeting the requirements in Part II(3)(a) and (b) (i.e., retirees listed on the final list) than can be paid in full for \$3,000,000, each retiree will have his or her stipend amount reduced pro rata, unless there are additional funds that can be used as detailed in Part I(4).*

- (c) **Additional Payment to Non-Medicare Eligible Retirees Age 65 and Older.**  
The City will increase the stipend that it gives non-Medicare eligible retirees who are 65-years-old and older to \$300/month. For such purposes, a non-Medicare eligible retiree is any retiree age 65 or older who is not – directly or through his or her spouse – eligible to automatically enroll in and obtain premium-free coverage under Part A of Medicare as evidenced by a denial letter from the Centers for Medicare and Medicaid Services (“CMS”). Retirees who have previously submitted such a letter to the City will not be required to resubmit it. Non-Medicare eligible retirees who are duty-disabled will not be eligible for this increase because their stipend is already \$300 or more. The City will coordinate with Blue Cross Blue Shield of Michigan to determine the number of non-Medicare eligible retirees who are eligible for this \$300 stipend. The increased stipend will apply for each month from March 2014 through December 2014. The City will make all Reasonable Efforts to implement the \$300 increased

monthly stipend beginning April 1, 2014, with payment of the increased amount over the stipend otherwise paid for prior months being retroactive to March 1, 2014; thereafter, the stipend shall be \$300 per month for each succeeding month in 2014. Such eligible retirees will not receive any other stipend amounts from the City that are described in the Booklet or this Agreement.

(d) **\$125 Monthly Stipend For City Retirees' Spouses Who are Under Age 65, With \$75,000 or Lower Household Income, and Are Enrolled in Health Care Coverage on an Exchange.**

The City will provide a \$125 stipend to certain married retirees whose spouses either (i) were enrolled in the City's retiree health program on December 31, 2013 or (ii) transitioned from active City benefits to retiree City benefits on or after November 1, 2013; but only to the extent such spouse described in (i) or (ii) above meets the following requirements:

- i) Not eligible to enroll in one of the City's Medicare Advantage Plans;
- ii) Not eligible for Medicaid;
- iii) Not eligible for a benefit under Part II(4);
- iv) Under 65 years old;
- v) Household income is \$75,000 or less, as demonstrated by satisfaction of the process set forth in Part II(3)(e);
- vi) Does not acquire a City-offered group health plan as set forth in Part II(3)(f); and
- vii) Purchases or is covered by a health insurance policy acquired through an Exchange.

(e) **Process to Obtain \$125 Monthly Spouse Stipend.**

- i) The City will retain Aon Hewitt to administer the eligibility process for the \$125 monthly spouse stipend. Retirees will be given a 30-day notice period, to expire no later than April 30, 2014, during which they shall provide to Aon Hewitt the following proof:
  - (1) Submission of proof that their spouse is covered under an insurance policy purchased through an Exchange, including information necessary to validate the retirees' eligibility, including the name of the insurer, monthly premium amount, and the amount of federal subsidy, if any, that the spouse is to receive in connection with such Exchange-acquired coverage; and
  - (2) If the proof of Exchange-acquired coverage shows that the spouse's premium does not also include a federal subsidy

amount, such retiree shall also submit a copy of his or her most recently filed federal income tax return with proof of filing, but in no event a return prior to the 2011 tax year. If such federal income tax return shows household income in excess of \$75,000 and the retiree believes that household income in 2013 was below \$75,000, the retiree shall also submit – along with a copy of the most recently filed federal income tax return – proof sufficient for Aon Hewitt to conclude that his or her household income in 2013 was less than \$75,000.

- ii) Aon Hewitt shall submit to the City its list of retirees who are eligible for this \$125 monthly stipend and the monthly stipends shall be paid to the approved married retirees beginning in the month of June 2014 or as soon thereafter as administratively practical, with payments retroactive to March 1, 2014. For example, if the first payment is made in June 2014, it will be in the amount of \$500 for the months of March, April, May, and June; thereafter, the payments shall be \$125 per month for each succeeding month in 2014. The list provided by Aon Hewitt shall be final and no changes shall be made to such list for the remainder of 2014, except as follows:

- (1) if an eligible retiree ceases to be married (whether by death or divorce), the retiree's spouse will cease to be eligible for this stipend and the retiree shall be removed from the list effective as of the month immediately following such event; and
- (2) if a retiree's spouse transitions from active City benefits to retiree City benefits during 2014 and meets the eligibility provisions described in Part II(3)(d) and is approved as eligible pursuant to the process described in Part II(3)(e), the related retiree shall be added to the list effective as of the month in which the transition to retiree City benefits occurs, provided there is sufficient availability under the Aggregate Caps as described below.

*The City will cap the amount that it pays for spousal stipends at \$2,500,000.* In the event that there are more retirees initially satisfying the requirements in Part II(3)(e) (i.e., retirees listed on the first list submitted by Aon Hewitt to the City) than can be paid in full for \$2,500,000, each such retiree will have his or her stipend amount reduced pro rata, provided that if there are additional funds that can be used as detailed in Part I(4), each such retiree will only have his or her stipend amount reduced pro rata to the extent the aggregate amount is not sufficient to satisfy the full amount of such stipends. Retirees who become eligible for this spousal stipend during the year, as described above, shall only be eligible for a stipend to the extent there is sufficient availability under the

Aggregate Caps detailed in Part I(4). The addition or removal of retirees from the list shall not impact the amount of the stipend being paid to other eligible retirees.

- (f) **City Group Plan.** In 2014, the City agrees to contract with Blue Cross Blue Shield of Michigan to offer a fully-insured group health plan option to retirees who are not eligible for Medicare. Such plan option shall be reasonably equivalent to the coverage offered by the City to active employees in 2014. The enrolling retiree will be fully responsible to pay the monthly premium associated with this option. The premium cost to retirees of such policy will include the cost to the City of enrollment and administration related to this policy option, so that the City will not incur any additional expense in offering this policy. The parties will use Reasonable Efforts to have such coverage effective May 1, 2014. The City shall provide a monthly stipend of \$100 to each retiree who enrolls in the City group plan, beginning with the May 1, 2014 payment. No other stipend amounts from the City that are described in the Booklet or this Agreement shall be available to retirees enrolling in this group option, unless either (i) the retiree is duty-disabled, in which case, he or she will instead receive the stipend available to duty-disabled retirees described in the Booklet, or (ii) the retiree is eligible for the stipend described in Part II(3)I, in which case, he or she will instead receive such stipend.

**4. Modifications for Retirees Below the Federal Poverty Level.**

- (a) **Coverage for Michigan Resident Retirees Eligible For Medicaid Coverage On or After April 1, 2014.** The parties recognize that CMS has approved the State of Michigan's request to operate the "Healthy Michigan" program for adults who will become eligible for Medicaid under Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, and that on April 1, 2014 Michigan will provide Medicaid coverage to all adults residing in the State with income up to and including 133% of the Federal Poverty Level. "Federal Poverty Level" means the applicable poverty guideline based on state of residence and household size issued annually by the U.S. Department of Health and Human Services. For those retirees who are eligible for Medicaid under the scheduled April 1, 2014 expansion, the City will facilitate their transition in the following manner: Within 10 days of the effective date of this Agreement, the City shall contact by letter those non-Medicare eligible retirees, who, according to the Retirement Systems' records, reside in Michigan and whose annual pension income is in an amount less than 100% of the Federal Poverty Level. Such retirees will be given a 30 day opportunity to submit to Aon Hewitt proof that their income falls below the Federal Poverty Level. Upon receipt by Aon Hewitt of a list of such retirees falling below the Federal Poverty Level, the City shall provide payment to such retirees of the amount equal to the value of the federal subsidy for the month of March that they would have received in connection with the second lowest cost Exchange-purchased silver plan, had such retiree, and to the extent the retiree is married, such retiree's spouse, been eligible for such subsidy for the month of March 2014 for such plan based on a determination of household income at 100% of the Federal Poverty Level. A similar payment will be made by the City in



connection with insurance coverage for April 2014 if such retiree and spouse are not covered by Medicaid. To the extent that the Medicaid expansion rules in Michigan have not provided such retirees the opportunity to migrate into the Michigan Medicaid program by May 1, 2014, the City shall cease its continued payment but the parties agree to negotiate in good faith an additional reasonable accommodation to such retirees that balances the City's and such retirees' interests. *Retirees eligible for payments under this subsection are not eligible for any other payment offered by the City as set forth in the Booklet or as set forth in this Agreement.*

- (b) **Coverage for Non-Medicare Eligible Retirees in States that Have Not Expanded Medicaid.** The City recognizes that not all States have chosen to expand Medicaid coverage in accordance with Title II of the Patient Protection and Affordable Care Act, and certain non-Medicare eligible retirees residing outside the State of Michigan whose incomes fall below 133% of the Federal Poverty Level will not be eligible for Medicaid coverage. Accordingly, in connection with such retirees, the City will pay a monthly amount equal to the lesser of: (1) the second lowest cost monthly premium for a silver plan for such retiree and spouse purchased through an Exchange in their place of residence; or (2) the ratable monthly amount necessary to increase the retiree's annual household income to 100% of the Federal Poverty Level. Within 10 days of the effective date of this Agreement, the City shall contact by letter those retirees, who, according to the Retirement Systems' records, reside in states that do not provide Medicaid coverage to adults up to the Federal Poverty Level, and whose annual pension income is in an amount less than 100% of the Federal Poverty Level. Such retirees will be given a 30 day opportunity to submit to Aon Hewitt proof that their income falls below the Federal Poverty Level. The City shall commence such payments as soon as reasonably practicable after receiving a list of such retirees from Aon Hewitt. *Retirees eligible for payments under this subsection are not eligible for any other payment offered by the City as set forth in the Booklet or as set forth in this Agreement.*

### III. RELEASES, FUTURE LEGAL PROCEEDINGS, AND MISCELLANEOUS

1. **Future Claims in City Plan Confirmation Proceedings.** This Agreement is entered into without prejudice to any party to this litigation with respect to any issue involving the rights, claims, obligations, and payments of health care and other post-employment benefits ("OPEB"); provided that the City will not seek to recover directly from the retirees any postpetition OPEB payments made to or on behalf of retirees. Each party expressly reserves its rights on OPEB issues in connection with negotiations of a plan of adjustment, and the Plaintiffs are free to pursue, and the City to oppose, their position that the postpetition OPEB payments the City made to or on behalf of retirees were a business necessity.

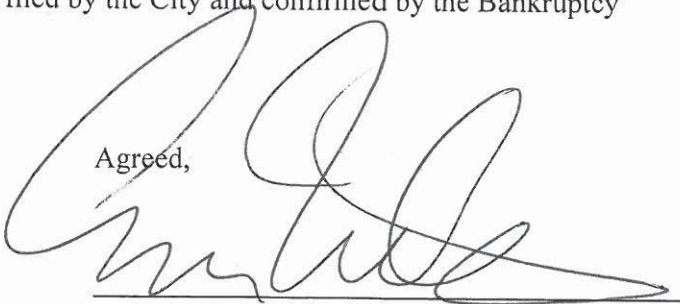
2. **Release.** Following the execution of this Agreement, the Plaintiffs will promptly dismiss the lawsuit – which solely addresses 2014 retiree health care benefits – with prejudice; provided, however, that any party to the lawsuit may bring an action in the Bankruptcy Court to enforce the terms of this Agreement resolving the lawsuit (an "Enforcement Action") and if the

conditions contained in the last sentence of Part I(5) occur, then Plaintiffs are free to reinstate the Adversary Proceeding. Solely for purposes of an Enforcement Action, the City consents, pursuant to 11 U.S.C. § 904, to the Bankruptcy Court's hearing and deciding such Enforcement Action.

3. **Counterparts.** This Agreement may be signed in counterparts, and each counterpart shall be treated as an original.

4. **Good Faith.** As evidenced by the undersigned acknowledgment of Judge Wiley Daniel, Mediator, this Agreement was negotiated and entered into by all parties in good faith.

5. **Plan of Adjustment.** The terms of this Agreement, including Part III(4), shall be incorporated into any plan of adjustment filed by the City and confirmed by the Bankruptcy Court in 2014 in this bankruptcy case.

Agreed,  
  
Evan Miller, attorney for Defendants

\_\_\_\_\_  
Sam J. Alberts, attorney for the Committee

\_\_\_\_\_  
Brian O'Keefe, attorney for Detroit Retired City  
Employees Association and Retiree Police and  
Fire Fighters Association

\_\_\_\_\_  
Richard Mack, attorney for AFSCME Sub-  
Chapter 98, City of Detroit Retirees

Acknowledged:

\_\_\_\_\_  
Judge Wiley Daniel, Mediator



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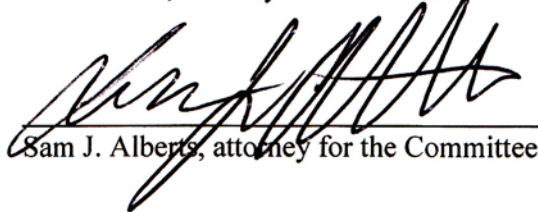
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Evan Miller, attorney for Defendants

  
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Sam J. Alberts, attorney for the Committee

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Employees Association and Retiree Police and  
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\_\_\_\_\_  
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Judge Wiley Daniel, Mediator

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3. **Counterparts.** This Agreement may be signed in counterparts, and each counterpart shall be treated as an original.

4. **Good Faith.** As evidenced by the undersigned acknowledgment of Judge Wiley Daniel, Mediator, this Agreement was negotiated and entered into by all parties in good faith.

5. **Plan of Adjustment.** The terms of this Agreement, including Part III(4), shall be incorporated into any plan of adjustment filed by the City and confirmed by the Bankruptcy Court in 2014 in this bankruptcy case.


Agreed,

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Evan Miller, attorney for Defendants

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Sam J. Alberts, attorney for the Committee



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Brian O'Keefe, attorney for Detroit Retired City Employees Association and Retiree Police and Fire Fighters Association

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Richard Mack, attorney for AFSCME Sub-Chapter 98, City of Detroit Retirees

Acknowledged:

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Judge Wiley Daniel, Mediator

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Richard Mack, attorney for AFSCME Sub-Chapter 98, City of Detroit Retirees

Acknowledged:

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Judge Wiley Daniel, Mediator

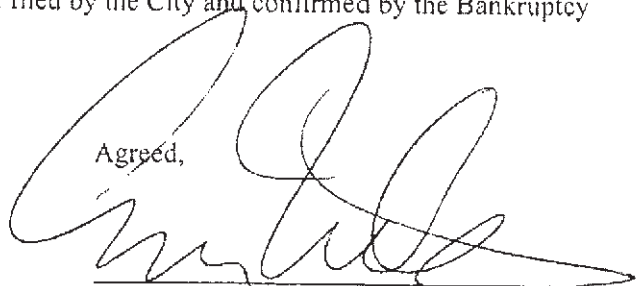
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Agreed,



Evan Miller, attorney for Defendants

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Sam J. Alberts, attorney for the Committee

\_\_\_\_\_  
Brian O'Keefe, attorney for Detroit Retired City  
Employees Association and Retiree Police and  
Fire Fighters Association

\_\_\_\_\_  
Richard Mack, attorney for AFSCME Sub-  
Chapter 98, City of Detroit Retirees

Acknowledged:



Judge Wiley Daniel, Mediator

## **EXHIBIT 1**

(See next page)



January 2014

## Certificate of Coverage City of Detroit Retirees

### **CLASS I**

#### **Diagnostic and Preventive:**

Exams, X-Rays, Prophylaxis, Fluoride -up to age 19

**100%**

### **CLASS II**

#### **Restorative:**

Fillings, Root Canals, Routine Extractions

**100%**

### **CLASS III**

#### **Prosthetics:**

Crowns, Bridges, Partials, Dentures, Space Maintainers

**80%**

### **CLASS IV**

#### **Specialty Care:**

Periodontics

Endodontics

Oral Surgery

**70%**

### **ORTHODONTICS** (Interceptive excluded)

Lifetime Benefit Maximum: Dependents up to age 19

**\$3,000**

Lifetime Benefit Maximum: Subscriber and Spouse

**\$3,000**

### **Out-Of-Area Emergency Coverage \$100 reimbursement**

**Annual Maximum:** \$1,600.00

**Annual Renewal:** 07/01

**Membership Card Reads:** Detroit Retirees

Rate Type	Current Rates
Single Person	\$23.73
Family of two	\$38.83
Family	\$57.17

**EXHIBIT I.A.300**

SCHEDULE OF SECURED GO BOND DOCUMENTS

**SCHEDULE OF SECURED GO BOND DOCUMENTS**

<b>Secured GO Bond Documents</b>	<b>Series of Secured GO Bonds</b>	<b>Balance as of Petition Date</b>
<p>Resolution of the City Council adopted February 23, 2010</p> <p>Finance Director's Order dated March 11, 2010</p> <p>Master Debt Retirement Trust Indenture dated as of March 1, 2010, as supplemented and amended (the "<u>Master Indenture</u>"), between the City of Detroit and U.S. Bank National Association, as trustee</p>	<p>Distributable State Aid General Obligation Limited Tax Bonds, Series 2010</p>	<p>\$252,475,366</p>
<p>Resolution of the City Council adopted July 20, 2010</p> <p>Finance Director's Order dated December 9, 2010</p> <p>Master Indenture</p>	<p>Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds – Direct Payment)</p>	<p>\$101,707,848</p>
<p>Resolution of the City Council adopted March 27, 2012</p> <p>Finance Director's Order dated March 28, 2012 (Series 2012(A2) and Series 2012(B2))</p> <p>Finance Director's Order dated July 3, 2012 (Series 2012 (A2) and Series 2012(B2))</p> <p>Finance Director's Order dated August 16, 2012 (Series 2012(A2-B), Series 2012 (A2) and Series 2012(B2))</p> <p>Master Indenture</p>	<p>Self Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A2)</p>	<p>\$39,254,171</p>
<p>Resolution of the City adopted March 27, 2012</p> <p>Finance Director's Order dated August 16, 2012 (Series 2012(A2-B), Series 2012 (A2) and Series 2012(B2))</p> <p>Master Indenture</p>	<p>Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B)</p>	<p>\$31,037,724</p>



Secured GO Bond Documents	Series of Secured GO Bonds	Balance as of Petition Date
Resolution of the City Council adopted March 27, 2012 Finance Director's Order dated March 28, 2012 (Series 2012(B)) Finance Director's Order dated July 3, 2012 (Series 2012(B)) Finance Director's Order dated August 16, 2012 (Series 2012(B)) Master Indenture	General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation), Series 2012(B)	\$6,469,135
Resolution of the City Council adopted March 27, 2012 Finance Director's Order dated March 28, 2012 (Series 2012(A2) and Series 2012(B2)) Finance Director's Order dated July 3, 2012 (Series 2012 (A2) and Series 2012(B2)) Finance Director's Order dated August 16, 2012 (Series 2012(A2-B), Series 2012 (A2) and Series 2012(B2)) Master Indenture	Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2)	\$54,055,927

**EXHIBIT I.A.327**

STATE CONTRIBUTION AGREEMENT

**EXECUTION VERSION**

**CONTRIBUTION AGREEMENT**

This Contribution Agreement (“Agreement”), dated as of \_\_\_\_\_, 2014, is made by and among the Michigan Settlement Administration Authority, a Michigan body public corporate (the “Authority”), the General Retirement System of the City of Detroit, the Police and Fire Retirement System of the City of Detroit and the City of Detroit (the “City”).

**RECITALS**

A. The City filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 (the “Chapter 9 Case”) in the United States Bankruptcy Court for the Eastern District of Michigan (the “Court”).

B. During the course of the Chapter 9 Case, the City has asserted that the City’s Police and Fire Retirement System (the “PFRS” or a “System”) and the General Retirement System (the “GRS” or a “System” and collectively with the PFRS, the “Systems”) are underfunded.

C. During the course of the Chapter 9 Case, there have been suggestions that the State of Michigan (the “State”) may be obligated to pay all or a portion of the underfunding of pension benefits payable to retirees, a suggestion the State vigorously disputes.

D. As part of the mediation process in the Chapter 9 Case, the mediators asked the State and other parties to assist in reducing the amount of underfunding in the PFRS and GRS pension funds by providing settlement funds for the benefit of pensioners that would not be otherwise available.

E. As part of its determination that the City was eligible to file the Chapter 9 Case, the Court determined that pension obligations of the City can be impaired or diminished in the Chapter 9 Case and are not protected from such impairment or diminution by the State Constitution.

F. In support of confirmation of the City’s Fourth Amended Plan of Adjustment dated May 5, 2014 (as may be further amended from time to time, the “Plan”), the State has agreed, subject to satisfaction of the terms and conditions set forth herein and in the Plan, to make a contribution to the GRS and PFRS in return for releases from, among others, the GRS and PFRS as set forth in the Support and Release Agreement entered into by the State and each of the Systems in connection with this matter.

G. On June 20, 2014, the Authority was established as the disbursement agent for the State with respect to the State Contribution (as defined below).

H. Capitalized terms used in this Agreement but not defined have the same meanings as set forth in the Plan.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. State Contribution. On the later of (a) the date on which the Conditions Precedent have been satisfied, and (b) 60 days after the Effective Date of the Plan, the Authority shall disburse \$98,800,000 to GRS and \$96,000,000 to PFRS (collectively, the “State Contribution”) for the purpose of increasing the assets of the PFRS and GRS. The total aggregate State Contribution is equal to the net present value of \$350,000,000 payable over 20 years determined using a discount rate of 6.75%, which results in a total contribution by the State of \$194,800,000. The State Contribution shall only be used to fund payments to holders of GRS Pension Claims and PFRS Pension Claims, each as defined in the Plan.

2. Governance Requirements of the GRS and PFRS. At all times during the 20 year period following the disbursement of the State Contribution to the GRS and PFRS, the GRS and PFRS each must establish an investment committee (the “Investment Committee”) for the purpose of making recommendations to, and approving certain actions by, the respective System's board of trustees and/or making determinations and taking action under and with respect to Investment Management, as set forth in the terms and conditions enumerated on **Exhibit A** and **Exhibit B**, respectively, each attached to and incorporated by reference into this Agreement. Further, the Emergency Manager for the City and any subsequently appointed emergency manager for the City, appointed under PA 436 or under any successor or replacement statutes to PA 436, shall not seek to exercise any powers granted under section 12(1)(m) of PA 436 (or equivalent provision under any successor or replacement statute) against the Board of GRS or the Board of PFRS until the earlier of (a) one year following entry of an order confirming the Plan, and (b) December 31, 2015.

3. Income Stabilization Funds and Income Stabilization Payments. The City, GRS and PFRS shall establish an income stabilization program and amend the governing documents for GRS and the governing documents for PFRS to include the following:

- a. A supplemental pension income stabilization payment (the “Income Stabilization Payments”) payable on an annual basis beginning not later than 120 days after the Effective Date, to each Eligible Pensioner equal to the lesser of (a) the amount needed to restore the Eligible Pensioner's reduced pension benefit to the amount of the pension benefit that the Eligible Pensioner received from GRS or PFRS in 2013, or (b) the amount needed to bring the total annual household income of the Eligible Pensioner up to 130% of the Federal Poverty Level in 2013.
- b. In addition, to the extent an Eligible Pensioner's Estimated Adjusted Annual Household Income in any calendar year is less than 105% of the Federal Poverty Level in that year, the Eligible Pensioner will receive an additional benefit (“Income Stabilization Benefit Plus”). The Income Stabilization Benefit Plus shall be equal to the lesser of either (a) 100% restoration of pension benefits, including escalators and cost of living adjustments; or (b) the amount needed to bring the Eligible Pensioner's Estimated Adjusted Annual Household Income in that calendar year up to 105% of the Federal Poverty Level in that year.

- c. An Eligible Pensioner's "Estimated Adjusted Annual Household Income" shall be calculated as follows: (i) the annual pension benefit amount paid in 2013 shall be subtracted from the Eligible Pensioner's 2013 total household income (per their (or in the case of minor children, their legal guardian's) 2013 income tax returns or equivalent documentation) as adjusted for inflation or Social Security COLA increases to create a base additional income amount, plus (ii) the following three items as applicable, (x) the reduced pension benefit that GRS will pay the Eligible Pensioner for that year, (y) any GRS pension restoration due to an improved GRS funding level, and (z) the Eligible Pensioner's Income Stabilization Benefit. Notwithstanding the foregoing, Income Stabilization Payments, including the Income Stabilization Benefit Plus, under both GRS and PFRS shall not exceed \$20 million in aggregate.
- d. A separate recordkeeping sub-account called the "Income Stabilization Fund" will be set up under each of GRS and PFRS for the sole purpose of paying the Income Stabilization Payments to Eligible Pensioners. The assets credited to the sub-accounts will be invested on a commingled basis with the applicable System's assets and will be credited with a pro-rata portion of the System's earnings and losses.
- e. Amounts credited to the Income Stabilization Fund, including the Assigned UTGO Bond Tax Proceeds, may not be used for any purpose other than the payment of Income Stabilization Payments to Eligible Pensioners, except as expressly provided in subparagraph (f) below.
- f. In 2022, provided that the State has not issued a certificate of default with respect to a System at any time prior to 2022, the Investment Committee for that System shall conduct a valuation to determine the Income Stabilization Payments anticipated to be made from the System in the future, in order for the System to fulfill the obligation to make Income Stabilization Payments (the "Estimated Future Liability"). In the event that 75% of the independent members of the Investment Committee determine that the GRS or PFRS Income Stabilization Fund is credited with assets in excess of its Estimated Future Liability (the "Excess Assets"), the Investment Committee may, in its sole discretion, recommend to the Board of Trustees that the Excess Assets, but not more than \$35 million, be used to fund each System's payment of Adjusted Pension Amounts. The Investment Committee shall have the right to engage professionals to assist in this task as necessary, and such expenses shall be paid by the Systems. If any funds remain in the GRS or PFRS Income Stabilization Fund on the date upon which no Eligible Pensioners under their respective System are living, the remainder of each System's Income Stabilization Fund shall be used to fund each System's payment of Adjusted Pension Amounts.

- g. “Eligible Pensioners” are those retirees or surviving spouses who are at least 60 years of age or those minor children receiving survivor benefits from GRS or PFRS, each as of the Effective Date, whose pension benefit from GRS or PFRS will be reduced by the confirmed Plan, and who have a total household income equal to or less than 140% of the Federal Poverty Line in 2013 (per their (or in the case of minor children, their legal guardian’s) 2013 income tax returns or equivalent documentation). No new persons will be eligible to receive an Income Stabilization Payment at any time in the future, and any minor child receiving survivor benefits shall cease to be an Eligible Pensioner after he or she turns 18 years of age.
- h. The initial determination of Eligible Pensioners, and the amounts of Income Stabilization Payments payable to Eligible Pensioners shall be made by the State in its sole discretion. The State shall transmit the list of Eligible Pensioners to the Investment Committee and the Board of Trustees of GRS and PFRS, as applicable. The Board of Trustees, with the assistance of the Investment Committee of GRS and PFRS, shall be responsible for properly administering the respective Income Stabilization Fund and annually certifying to the Treasurer that it has properly administered the requirements for eligibility and payment of benefits with respect to Eligible Pensioners.

4. Conditions Precedent. The Authority’s obligations under this Agreement are not effective or enforceable until each of the following conditions (the “Conditions Precedent”) have been met to the satisfaction of the Authority and the Treasurer, unless any one or more of such conditions are waived in a writing executed by the Authority and the Treasurer:

- a. The Authority receives the State Contribution from the State.
- b. An endorsement of the Plan by the Official Retiree Committee which will include a letter from the Official Retiree Committee as part of the Plan solicitation package recommending to Classes 10 and 11 a vote in favor of the Plan, or equivalent assurances from member organizations representing a majority of retirees in the respective classes.
- c. Cessation of all litigation, including the cessation of funding of any litigation initiated by any other party, as it relates to the City (a) challenging PA 436 or any actions taken pursuant to PA 436, including but not limited to, a dismissal with prejudice of the cases set forth on **Exhibit D**, or (b) seeking to enforce Article IX, Section 24 of the Michigan Constitution; provided, however, (i) until the State Contribution is received by the Systems, the Systems agree to stay any pending litigation described in this subparagraph, and (ii) that as a condition precedent to the GRS and the PFRS dismissing any pending litigation described in this subparagraph that they are prosecuting, the GRS and the PFRS have the right to receive written confirmation from the Authority

that the Authority is prepared and authorized to disburse the State Contribution in accordance with this Agreement and the Plan, subject only to the dismissal by the GRS and PFRS of any pending litigation described in this subparagraph that they are prosecuting.

- d. Active support of the Plan by, a release of and covenant not to sue the State from, and an agreement not to support in any way (including funding) the litigation described in subparagraph 4(c) by the parties listed on **Exhibit C**, or equivalent assurance of litigation finality (which, as to the Systems, shall be deemed satisfied by the execution of the Support and Release Agreement to be entered into by the State and each of the Systems in connection with this matter).
- e. Classes 10 and 11 accept the Plan.
- f. By December 31, 2014, the Court enters a final, non-appealable order confirming the Plan that includes, at a minimum, the following:
  - i. A release of the State and State Related Entities by each holder of a Pension Claim of all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities.
  - ii. A requirement that the governing documents of GRS and the governing documents of PFRS be amended to include:
    - a) the governance terms and conditions set forth in Paragraph 2, Exhibit A and Exhibit B of this Agreement; and
    - b) the Income Stabilization Payments and Income Stabilization Fund described in Paragraph 3 of this Agreement.
  - iii. Approval of, and authority for the City to enter into, the UTGO Settlement.
  - iv. A requirement that the City irrevocably assigns the right to receive not less than an aggregate amount of \$20,000,000 of the payments on the Reinstated Stub UTGO Bonds to the Income Stabilization Funds of the GRS and PFRS. Such payments will be made to the Income Stabilization Funds in the form of annual installment payments over a 14 year period, pursuant to a payment schedule approved by the State.



- v. Approval of, and authority for the City to enter into, the DIA Settlement.
- vi. Agreement to and compliance with MCL 141.1561 and cooperation with the transition advisory board appointed pursuant to MCL 141.1563, or compliance with any new legislation that is enacted regarding post-bankruptcy governance.
- g. Evidence satisfactory to the State of an irrevocable commitment by:
  - i. The Foundations to fund \$366,000,000 (or the net present value thereof) as part of the DIA Settlement; and
  - ii. The DIA Corp. to fund \$100,000,000 (or the net present value thereof) as part of the DIA Settlement.
- h. The Plan Effective Date occurs on or before April 1, 2015.

5. Non-occurrence of Conditions Precedent. If the Conditions Precedent are not met to the satisfaction of the Authority and the Treasurer on or before April 1, 2015, upon written request of the Treasurer, the Authority shall remit the State Contribution to the Department and shall have no further obligations under this Agreement.

6. Default by GRS and PFRS; Cure Period; Remedies.

- a. A System will be in default if the System has not materially complied with any of the terms and conditions set forth in (i) the Plan, (ii) the Governing Documents, or (iii) this Agreement, including, but not limited to, failing to make the required Income Stabilization Payments or using funds in the Income Stabilization Fund for unauthorized purposes. For the purposes of this Agreement, "Governing Documents" shall mean, (x) for the GRS, the Combined Plan for the General Retirement System of the City of Detroit, Michigan, and (y) for the PFRS, the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan. Notwithstanding subparagraph 'e' below, there shall not be an event of default for purposes of this paragraph 6 unless and until the Treasurer delivers to the alleged defaulting System a written notice declaring and specifically identifying the facts of an alleged default (the "Default Notice"). Nothing herein shall prohibit the subject System from contesting the alleged default; provided, however, until the contest over the alleged default is resolved, the subject System may not include its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored.
- b. In the event of a default by a System, the System shall have 100 days after receiving the Default Notice in accordance with subparagraph 'a' above (the "Cure Period") to cure such default by remedying the damages sustained as a result of the default, as well as making any delinquent



Income Stabilization Payments, and restoring any funds improperly removed from any other fund maintained by the System, including the Income Stabilization Fund, as applicable. Prior to the expiration of the Cure Period, at least six of the seven total aggregate votes of the Investment Committee for the defaulting System must certify to the Treasurer that (i) the default has been cured, and (ii) that no material damages have been caused by the default that have not otherwise been remedied (the “Cure Certification”). During the Cure Period, the defaulting System may not include its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored.

- c. If the Investment Committee for the defaulting System provides the Cure Certification to the Treasurer in accordance with subparagraph ‘b’ above, then the default will be deemed cured and the defaulting System may once again include its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored.
- d. If the Investment Committee for the defaulting System fails to provide the Cure Certification to the Treasurer in accordance with subparagraph ‘b’ above, then no portion of the total State Contribution to the defaulting system, as adjusted for earnings and losses, may be taken into consideration by the System during the remainder of the 20 year period following the date of such default for purposes of determining whether benefits reduced by the Plan may be restored. Notwithstanding the foregoing, if at any time during or after the Cure Period the Investment Committee certifies by a simple majority vote, that (i) the default has been cured; and (ii) that no material damages have been caused by the default that have not otherwise been remedied, then the Treasurer may consent to the defaulting System once again including its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored, which consent shall not be unreasonably withheld.
- e. Each Investment Committee shall provide compliance reports to the Treasurer on a semi-annual basis and at such other times as the Treasurer reasonably may request (each, a “Compliance Report”) that certifies that the Investment Committee is not aware of any defaults, or, if the Investment Committee is aware of a default, specifically identifying the facts of such default. After review of a Compliance Report, the Treasurer shall provide to the System either a certificate of compliance or a Default Notice.
- f. Notwithstanding the foregoing, in the event of a default, the Treasurer and the Authority shall have the right to pursue all available legal and

equitable remedies against the Board of Trustees for the defaulting System, the Investment Committee, or any other person.

7. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

8. Governing Law/Jurisdiction. This Agreement shall be construed in accordance with the laws of the State of Michigan, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws. The Bankruptcy Court of the Eastern District of Michigan shall have exclusive jurisdiction over any action or proceeding solely with respect to this Agreement, and each party, to the extent permitted by law, agrees to submit to such jurisdiction and to waive any defense based on venue or jurisdiction of such court.

9. Amendment. This Agreement may be amended, modified, superseded or canceled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived only by an instrument in writing signed by each of the Parties.

10. Limitation of Liability. The obligation to make the State Contribution is not a general obligation or indebtedness of the State or the Authority and is subject to satisfaction of the conditions described herein. Furthermore, neither the State nor the Authority has any liability or obligation arising from or related to the contributions and funding of the Income Stabilization Fund of each System. Notwithstanding anything contained herein to the contrary, no State Related Entity or board member of the Authority shall have any liability for the representations, warranties, covenants, agreements or other obligations of the State or the Authority hereunder or in any of the certificates, notices or agreements delivered pursuant hereto.

11. Severability. If any one or more of the covenants, agreements or provisions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of any such covenants, agreements and provisions shall in no way affect the validity or effectiveness of the remainder of this Agreement, and it shall continue in force to the fullest extent permitted by law.

12. Headings. Any headings preceding the text of the several articles and sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

[Remainder of Page Intentionally Left Blank – Signatures on Following Page]

**MICHIGAN SETTLEMENT ADMINISTRATION  
AUTHORITY**

By: \_\_\_\_\_  
Title: Authorized Officer

**GENERAL RETIREMENT SYSTEM OF THE  
CITY OF DETROIT**

By: \_\_\_\_\_  
Title: Authorized Officer

By: \_\_\_\_\_  
Title: Authorized Officer

**POLICE AND FIRE RETIREMENT SYSTEM OF  
THE CITY OF DETROIT**

By: \_\_\_\_\_  
Title: Authorized Officer

By: \_\_\_\_\_  
Title: Authorized Officer

**CITY OF DETROIT**

By: \_\_\_\_\_  
Title: Emergency Manager

## **EXHIBIT A – GRS Governance Terms**

## **EXHIBIT B – PFRS Governance Terms**

## **EXHIBIT C**

1. General Retirement System
2. Police and Fire Retirement System
3. AFSCME
4. UAW
5. Detroit Police Officers Association
6. Detroit Police Command Officers Association
7. Detroit Police Lieutenants and Sergeants Association
8. Detroit Fire Fighters Association
9. Retired Detroit Police and Fire Fighters Association
10. Retired Detroit Police Members Association
11. Detroit Retired City Employees Association
12. Official Retirees Committee
13. City of Detroit

## EXHIBIT D

Cases to be dismissed:

1. GRS et al. v. Emergency Manager of Detroit (Ingham County Circuit Court)
2. Webster et al. v. State of Michigan, Governor, and State Treasurer (Ingham County Circuit Court)
3. Detroit Library Commission v. Governor, State Treasurer, and Detroit Public Schools Emergency Manager (Ingham County)
4. Flowers et al. v. Governor, State Treasurer, and State of Michigan (Ingham County Circuit Court)
5. DPOA v. City of Detroit (Michigan Court of Appeals)

The settling parties will not attempt to amend to include the City of Detroit or its Emergency Manager as a defendant, or collaterally or retroactively attack the Detroit bankruptcy or actions of Detroit or its EM, or otherwise participate, support, fund or appeal in the following cases:

1. Phillips et al v. Governor and State Treasurer (E.D. Mich.)
2. Michigan AFSCME Council 25 v. Governor, State Treasurer, et al. (E.D. Mich.)
3. NAACP v. Governor, State Treasurer, and Secretary of State (E.D. Mich.)
4. Robert Davis/Citizens United Against Corrupt Government v. Governor, State of Michigan, Dept. of Treasury, Dept. of State Police, et al. (Ingham County Circuit Court)
5. Robert Davis/Citizens United Against Corrupt Government v. Michigan Department of Treasury and Carla Robert (Wayne County Circuit Court)
6. Robert Davis v. Local Emergency Financial Assistance Loan Board (Ingham Court)
7. Robert Davis v. Weatherspoon, Governor, Attorney General, and State Treasurer (E.D. Mich.)
8. Allen Park Retirees v. EM Parker, City of Allen Park (Wayne Circuit)
9. Allen Park Retirees v. State (Court of Claims)
10. Deborah Moore-El v. Snyder (E.D. Mich.)
11. Faith, et al. v. Snyder (E.D. Mich.)
12. Sarella Johnson, et al. v. Snyder (E.D. Mich.)
13. United Retired Government Employees (URGE) et al. v. Governor, et al. (E.D. Mich.)

DETROIT 56620-1 1314985v13

**EXHIBIT I.A.338**

FORM OF SYNCORA SETTLEMENT DOCUMENTS



## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (this “Agreement”) is entered into as of September \_\_, 2014, among the City of Detroit, Michigan (the “City”), Syncora Guarantee, Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”). The City and Syncora are referred to herein each individually as a “Party” and collectively as the “Parties”.

**WHEREAS**, the Detroit General Retirement System Service Corporation, a Michigan nonprofit corporation (“DGRS”), and the Detroit Police and Fire Retirement System Service Corporation, a Michigan nonprofit corporation (“PFRS” and, together with DGRS, each a “Service Corporation” and collectively the “Service Corporations”) created each of (i) the Detroit Retirement Systems Funding Trust 2005 (the “2005 Pension Funding Trust”) pursuant to the Trust Agreement, dated June 2, 2005, among the Service Corporations and U.S. Bank National Association as trustee and (ii) the Detroit Retirement Systems Funding Trust 2006 (the “2006 Pension Funding Trust”) pursuant to the Trust Agreement, dated June 12, 2006, among the Service Corporations and U.S. Bank National Association as trustee;

**WHEREAS**, the 2005 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2005 (the “2005 Pension Funding Securities”) and the 2006 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2006 (the “2006 Pension Funding Securities” and collectively with the 2005 Pension Funding Securities, the “Certificates of Participation”);

**WHEREAS**, the Service Corporations are parties to swap transactions under certain ISDA Master Agreements referred to as the COP Swap Agreements;

**WHEREAS**, the City issued \$44,020,000 in General Obligation Bonds (Unlimited Tax), Series 2003-A;

**WHEREAS**, Syncora has issued insurance policies in respect of certain of the Certificates of Participation;

**WHEREAS**, Syncora has issued insurance policies in respect of certain of the Swap Agreements;

**WHEREAS**, Syncora has issued insurance policies in respect of certain of the General Obligation Bonds (Unlimited Tax), Series 2003-A;

**WHEREAS**, Syncora beneficially owns or insures Certificates of Participation in the amounts set forth herein;

**WHEREAS**, the Parties and their representatives have engaged in good faith, arm’s length settlement discussions regarding a consensual resolution of their disputes under or in respect of the Certificates of Participation and the COP Swap Agreements;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **Section 1            Definitions and Interpretations.**

**1.1    Plan Definitions.** Capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to such terms in the POA.

**1.2    Additional Definitions.** The following terms have the respective meanings set forth below for all purposes of this Agreement.

“Class 9” means that class of claims associated with COPs as set forth in the Sixth Amended POA.

“POA” means that certain Plan for the Adjustment of Debts of the City of Detroit, as amended in accordance herewith.

“Sixth Amended POA” shall mean that certain Sixth Amended Plan for the Adjustment of Debts of the City of Detroit, as filed with the Bankruptcy Court.

**1.3    Other Definitional and Interpretive Provisions.** The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections and Schedules are to Sections and Schedules of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”, whether or not they are in fact followed by those words or words of like import. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law”, “laws” or to a particular statute or law shall be deemed also to include any and all applicable law.

## **Section 2            Plan.**

**2.1    Proofs of Claim.** The Parties agree Section 2, Section 4 and Section 5 hereof fully resolve, address, satisfy and discharge Proofs of Claim # 1352 and 1354; provided that, except as expressly provided to the contrary herein, this Agreement shall have no effect regarding any UTGO Claims asserted in such Proofs of Claim or otherwise held or insured by Syncora, and any such UTGO Claims shall receive the treatment provided for all UTGO Claims by the POA and the UTGO Settlement Agreement. The City shall not file or otherwise assert any objection to such Proofs of Claim.

**2.2    Voting.** All votes cast by Syncora to accept or reject the Sixth Amended POA shall be deemed to have been cast as accepting the POA.

**2.3 Approval.** The City shall (i) use its best efforts to seek approval of this Agreement in connection with confirmation of the POA, and (ii) seek a Confirmation Order, which Confirmation Order shall be in form and substance reasonably acceptable to Syncora (solely with respect to any terms thereof that affect the rights of Syncora or any Related Entity with respect to Syncora), that approves (A) this Agreement and all transactions contemplated hereby, (B) the Development Agreement and all transactions contemplated thereby, and (C) the assumption of the Tunnel Lease, as amended pursuant to the First Amendment to Lease dated as of \_\_\_, 2014 between the City of Detroit and the Detroit Windsor Tunnel LLC.

**2.4 Plan Support.**

(a) Syncora shall (i) use commercially reasonable efforts to support the City's efforts to seek approval of this Agreement in connection with confirmation of the proposed POA, (ii) support confirmation of the POA, and (iii) not object to confirmation of the POA and withdraw all objections, oppositions and reservations of rights to confirmation of the POA (collectively, the "Syncora Plan Objections"), including those objections filed with the Bankruptcy Court at ECF #'s 4679, 5706, 6009, 6651, 7041, 7150 and its participation in 7103 (A) without prejudice (and subject to Syncora's retaining the right to assert such objections in the event this Agreement is terminated) as soon as reasonably practicable after execution of this Agreement and (B) with prejudice as soon as reasonably practicable after Bankruptcy Court approval of this Agreement and confirmation of the POA.

(b) Without limiting the foregoing, Syncora shall withdraw all objections to the UTGO Settlement Agreement (including those contained in Syncora's objections to the Plan) (i) without prejudice (and subject to Syncora's retaining the right to assert such objections in the event this Agreement is terminated) as soon as reasonably practicable after execution of this Agreement and (ii) with prejudice as soon as reasonably practicable after Bankruptcy Court approval of this Agreement and confirmation of the POA. The City shall not alter or amend the treatment provided to holders of Allowed Class 8 Claims in the Plan.

(c) Without limiting the foregoing, Syncora shall not object to inclusion of the COP Swap Counterparties in the definition of "Exculpated Parties" under the POA.

**2.5 Plan Amendment.** The City shall not, without Syncora's prior written consent, amend the POA in a manner that (a) would have a materially adverse effect on Class 9 or (b) adversely affect Syncora.

**Section 3 Global Resolution; Litigation Support; Etc.**

**3.1 Global Resolution.** The Parties agree that this Agreement shall constitute a global resolution of all matters among the Parties as and to the extent set forth herein, and all litigation (including appeals) outstanding between the City and Syncora arising out of or related to the City's Chapter 9 Case shall be dismissed as and to the extent set forth herein.

**3.2 Withdrawal of Syncora Plan Objections.** Syncora shall withdraw the Syncora Plan Objections as set forth in Section 2.4 hereof.

**3.3 Stay and Withdrawal or Dismissal of Appeals.** As soon as reasonably practicable after execution of this Agreement, Syncora and the City shall file joint motions with the applicable courts requesting stays of those certain appeals styled: 2:14-cv-10501-BAF-PJK (PLA appeal); 2:14-cv-11995-BAF-PJK (PPF appeal); 2:14-cv-12062-BAF-PJK (COP Swap Settlement appeal); 2:13-cv-14305-BAF-PJK (property of the debtor appeal); and 2:14-cv-13044-BAF-PJK (Mediation Order Appeal) (collectively, the “Syncora Appeals”). As soon as reasonably practicable after Bankruptcy Court approval of this Agreement and the occurrence of the Effective Date with respect to the POA, Syncora will voluntarily dismiss with prejudice the Syncora Appeals.

**3.4 Litigation Support.** Syncora shall provide such reasonable, active support as may be reasonably requested by the City, the Litigation Trust or any successor plaintiffs in the COP Litigation.

**3.5 Retention of Counsel.** Syncora shall continue to retain Kirkland & Ellis LLP in connection with satisfying the support obligations set forth in Sections 2.4(a) and 3.2 hereof.

#### **Section 4            Class 9 Treatment.**

**4.1 Amendment to Sixth Amended POA.** The City shall amend the Sixth Amended POA as set forth on Schedule 1.

#### **Section 5            Swap Related Claims; Etc.**

**5.1 Swap Related Claims.** On the Effective Date or as soon thereafter as practical, the City shall pay the sum of \$5 million in full satisfaction of all of Claims filed or asserted against the City by Syncora relating to the COP Swap Agreements and any agreements related thereto, including the COP Swap Insurance Policies and the COP Swap Collateral Agreement.

#### **Section 6            Representations and Warranties.**

**6.1 Representations and Warranties of the City.** The City represents to Syncora that:

- (a) It is a municipal corporation of the State of Michigan.
- (b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken all necessary action to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets.
- (d) Other than (i) approvals by the City Council, the Emergency Loan Board, the State Treasurer, the execution of the Emergency Manager Order, and the approvals required by Section 19 of Act 436, and (ii) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of

the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

**6.2 Representations and Warranties of Syncora.** Syncora represents to the City that:

(a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and in good standing.

(b) It has the power to execute this Agreement, to deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets.

(d) All governmental consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) Syncora owns or insures COPs in the principal amount of \$299,155,000.00; Syncora paid insured principal claims in an amount not less than \$52,750,000.00; and, as of the Petition Date, Syncora paid insured interest claims in an amount not less than \$1,649,692.00.

(f) The *Stipulation by and Between the City of Detroit, Michigan and the COPs Creditors Regarding Certain Facts and the Admission of Certain Exhibits for the Confirmation Trial* remains in effect.

## **Section 7        No Admission.**

This Agreement is a proposed settlement of claims and disputes among the Parties and is the product of good faith, arm's length negotiations among the Parties hereto. If this Agreement is terminated, this Agreement will not be an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto will not be admissible into evidence in any proceeding. However, this Agreement will be admissible into evidence in any proceeding to obtain court approval of this Agreement or to enforce or interpret the terms of this Agreement, and, subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact. The admissibility of all negotiations related to this Agreement shall be governed by the *Mediation Order* [Docket No. 322] entered by the Bankruptcy Court, as the same has been amended and supplemented. Notwithstanding the foregoing, nothing herein shall limit the scope or effect of the Mediation Order.



## **Section 8            Termination.**

Any Party may terminate this Agreement upon one Business Day's prior written notice to the other Party if: (a) the Bankruptcy Court denies approval of this Agreement or the transactions contemplated hereby, the Development Agreement or the transactions contemplated thereby, or the assumption of the Tunnel Lease, as amended pursuant to the First Amendment to Lease dated as of \_\_\_, 2014 between the City of Detroit and the Detroit Windsor Tunnel LLC, or confirmation of the POA; (b) if the Confirmation Order is not in form and substance reasonably acceptable to Syncora (solely with respect to any terms thereof that affect the rights of Syncora or any Related Entity with respect to Syncora) or is vacated or reversed on appeal or, after entry, is modified without the terminating Party's consent, in any matter considered by the terminating Party to be adverse to the terminating Party; or (c) the other Party is in material breach of any provision of this Agreement, and such breach is continuing and has not been cured within 5 Business Days.

In the event that this Agreement is terminated as set forth herein, then neither this Agreement, nor any document filed with the Bankruptcy Court with respect to the approval of this Agreement, will have any res judicata or collateral estoppel effect or be of any force or effect, and each of the Parties' respective interests, rights, remedies and defenses will be restored without prejudice as if this Agreement had never been executed and the Parties will be automatically relieved of any further obligations under this Agreement. For the avoidance of doubt, in the event this Agreement is terminated, Syncora shall retain the right to make any arguments, objections, or other assertions (other than res judicata or collateral estoppel as set forth in the preceding sentence), pursue any litigation, appeals, or other disputes related to confirmation of the POA (or any other plan) or any other matter otherwise resolved by this Agreement.

## **Section 9            Miscellaneous.**

**9.1    Execution of this Agreement.** This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, will be deemed an original, and all of which together will constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

**9.2    Binding Obligation; Successors and Assigns.** This Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and will inure to the benefit of the Parties and their respective successors, assigns and transferees. This Agreement grants no rights to any third party.

**9.3    Complete Agreement; Interpretation.** This Agreement and the POA constitute the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto. This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement will interpret it in a neutral manner. There will be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party

having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

**9.4 Costs.** Each Party will bear its own costs and expenses (including legal and other professional fees and expenses) incurred in connection with all matters set forth herein, including in connection with Sections 2 and 3 of this Agreement. Syncora agrees to pay any Allowed Claim for COP Agent Fees held by the COP Agent in accordance with and as set forth in the POA.

**9.5 Amendment, Modification and Waiver.** This Agreement may be modified, altered, amended, or supplemented only by an agreement in writing signed by each Party. No waiver of any provision of this Agreement will be effective unless made in a writing signed by the Party making the waiver, nor will the waiver be extend to any other right, claim or remedy.

**9.6 Notices.** All notices and other communications required under this Agreement will be given in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as will be specified by like notice):

If to the City:

City of Detroit, Michigan  
1200 Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit, Michigan 48226  
Attention: CFO

with copies (which shall not constitute notice) to:

City of Detroit Law Department  
First National Building, Suite 1650  
660 Woodward Avenue  
Detroit, Michigan 48226  
Attention: Corporation Counsel

and

Jones Day  
222 East 41st Street  
New York, NY 10017-6702  
Attn: Corinne Ball (cball@JonesDay.com)

If to Syncora:

Syncora Guarantee, Inc.  
Syncora Capital Assurance Inc.  
Attn: Claude LeBlanc  
135 West 50th Street, 20th Floor

New York, NY 10020  
claude.leblanc@scafg.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP  
Attn: Ryan B. Bennett  
300 N. LaSalle  
Chicago, IL 60654  
rbennett@kirkland.com

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by telecopier will be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail will be effective upon oral or machine confirmation of receipt.

**9.7 Headings.** The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

**9.8 Governing Law and Jurisdiction.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement will be resolved by the Bankruptcy Court to the extent that the Bankruptcy Court then has jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.6 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

**9.9 Waiver of Jury Trial.** TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

[Signature Pages Follow]



**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first above written.

THE CITY OF DETROIT

By: \_\_\_\_\_  
Name:  
Title:

SYNCORA GUARANTEE, INC.

By: \_\_\_\_\_

Name:

Title:

SYNCORA CAPITAL ASSURANCE INC.

By: \_\_\_\_\_

Name:

Title:

## TUNNEL LEASE AMENDMENT

## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “**Amendment**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014 (the “**Date Hereof**”), by and between the City of Detroit, a Michigan municipal corporation (the “**City**”), and Detroit Windsor Tunnel LLC, a Michigan limited liability company (“**Tenant**”).

### RECITALS

A. The City, as landlord, and Tenant, as successor-in-interest to Detroit & Canada Tunnel Corporation (“**DCTC**”), as tenant, are parties to the Tube Lease, dated March 20, 1978 (the “**Tube Lease**”), whereby the City leases to Tenant the portion of the Detroit Windsor Tunnel (the entire such tunnel, the “**Tunnel**”) located in Detroit, which portion is more particularly defined in the Tube Lease and referenced herein as the “**Tube**.”

B. The City, as landlord, as successor-in-interest to Ford Motor Properties, Inc. as sublandlord, and Tenant, as tenant, as successor-in-interest to DCTC as subtenant, are parties to the Sublease, dated March 20, 1978 (the “**Plaza Lease**”; together with the Tube Lease, the “**Lease**”), whereby the City leases to Tenant certain property defined in the Plaza Lease as the “New Tunnel Plaza” (such premises, the “**Plaza Premises**”; together with the Tube, the “**Property**”).

C. The term of the Lease (the “**Term**”) expires on November 3, 2020, and the period commencing on the Effective Date through and including November 3, 2020 shall be referenced herein as the “**Existing Remainder Term**”.

D. The City desires to enter into a long-term agreement regarding the operation of the Property to assure that (i) the Tunnel will continue to provide to residents of Detroit and to other Tunnel passengers a safe and efficient route between Detroit and Windsor; (ii) the Property will be maintained and enhanced; and (iii), to promote such goals, there is transparency to the City regarding the operation of the Property.

E. In furtherance of the goals of the City, the Tenant desires to enter into a long-term agreement with the City regarding the leasing and operation of the Property.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms; Effective Date. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Plaza Lease. “**Effective Date**” means the first day of the month next succeeding the month in which occurs the Date Hereof.

2. Extension of Term. The term of the Tube Lease is extended for the period beginning November 4, 2020 and ending on December 31, 2040 (such period, the “**Extension Term**”), upon all the terms and conditions as contained in the Tube Lease and applicable during the Third Renewal Option (as defined in the Plaza Lease), except as amended hereby. The term

of the Plaza Lease is extended for the Extension Term, upon all the terms and conditions as contained in the Plaza Lease and applicable during the Third Renewal Option (as defined in the Plaza Lease), except as amended hereby.

3. Existing Term CapEx Credit; CapEx Schedule.

- (a) For any Capital Expenditures (as defined below) paid by Tenant during the Existing Remainder Term (the “**Existing Remainder Term Capital Expenditures**”), Tenant shall receive a credit equal to the amount of such Existing Remainder Term Capital Expenditures (a “**CapEx Credit**”) against the aggregate rentals payable by Tenant pursuant to Article IV of the Plaza Lease (such amounts, the “**Rent**”) during the Existing Remainder Term; *provided, however,* that the aggregate CapEx Credit to which Tenant is entitled pursuant to this Paragraph 3 shall not exceed the aggregate Rent payable by Tenant during the Existing Remainder Term. Tenant shall not claim a CapEx Credit for any Capital Expenditures paid in advance of the performance of the related work, other than for progress payments customary in the industry (or payments required due to emergency) without the City’s prior written approval, which shall not be unreasonably withheld, delayed or conditioned. Subject to Paragraph 5, Tenant may not take a CapEx Credit during the Extension Term for an Existing Remainder Term Capital Expenditure.
- (b) “**Capital Expenditures**” means (i) capital expenditures, as determined by generally accepted accounting principles consistently applied in the United States (“**GAAP**”), paid for work to or at the Plaza Premises and (ii) (x) while the Existing JOA (as defined herein) or any successor agreement between Tenant (or its affiliate) and the City of Windsor (or its instrumentality) (any such agreement, a “**D/W Agreement**”) is in effect, 50% of the total capital expenditures, determined in accordance with GAAP, paid by Tenant (or its affiliate) and the City of Windsor (or its instrumentality) pursuant to a D/W Agreement for work to or at all or any portion of the underground tube of the Tunnel (i.e., the tube from and including the Detroit portal to and including the Windsor portal; such tube, the “**Underground Portion**”); *provided, however,* that Capital Expenditures made to the Underground Portion while a D/W Agreement is in effect shall be made such that the Detroit side of the Underground Portion is in a condition commensurate with the condition of the Windsor side of the Underground Portion; or (y) if no D/W Agreement is in effect, 100% of the capital expenditures, determined in accordance with GAAP, paid by Tenant for work to or at all or any portion for the Tube.
- (c) Within ninety (90) days after the Effective Date, Tenant shall provide the City a detailed plan and schedule for the capital improvements planned to be made to the Tunnel during the year in which the Effective Date occurs and the approximately five (5) years following the Effective Date. On or before each January 31<sup>st</sup> during the Term, Tenant shall deliver to the City an annual update of such plan together with a plan for the succeeding five (5) years.

4. Extension Term CapEx Credit.

- (a) For any Capital Expenditures paid by Tenant during the Extension Term (the “**Extension Term Capital Expenditures**”), Tenant shall receive a CapEx Credit against the Rent payable by Tenant during the Extension Term equal to the amount of such Extension Term Capital Expenditures; *provided, however*, the aggregate CapEx Credit to which Tenant is entitled during the Extension Term pursuant to this Paragraph 4 shall not exceed \$8,000,000; and *provided, further*, that the annual CapEx Credit claimed by Tenant under this Paragraph 4 in any given calendar year of the Extension Term shall not exceed 75% of the Rent payable for such calendar year (but such annual limitation shall not in any way reduce the aggregate CapEx Credit to which Tenant is entitled under this Paragraph 4). If the Lease (as amended from time to time) terminates prior to December 31, 2040, other than due to a default by Tenant, then the City shall pay to Tenant, on thirty (30) days’ written notice from Tenant, the amount of CapEx Credits that have accrued to Tenant but have not been applied against the Rent.
- (b) No more than sixty (60) days prior to November 4, 2020, Tenant shall provide the City a high-level, strategic plan for the capital improvements that may be made to the Tunnel during the Extension Term to the extent such plan is known or is customary in the tunnel operations field.

5. CapEx Credit Documentation.

- (a) Tenant may offset the amount of any accrued but uncredited CapEx Credits against any monthly payments of Rent, subject to the limitations in Paragraphs 3 and 4. On or prior to the date of claiming any CapEx Credit (i.e., on or before the date of payment of any monthly installment of Rent, or if none is payable, on or before the date such monthly installment of Rent would otherwise have been payable) or requesting payment pursuant to the last sentence of Paragraph 4(a), Tenant shall submit to the City a notice setting forth the amount of the claimed CapEx Credit, together with reasonably detailed written documentation of the Capital Expenditures (and the work associated therewith) for which Tenant is entitled to a CapEx Credit (such notice, a “**CapEx Notice**”). Within five (5) days after receipt of any CapEx Notice, the City shall have the right to ask for reasonable additional information to verify such Capital Expenditures were paid and to determine the nature of work associated with such Capital Expenditure. If the City in good faith believes that a CapEx Credit was claimed for an expenditure that does not fall within the definition of “Capital Expenditure,” as such term is defined in Paragraph 3(b) above, then the City shall give Tenant notice thereof (a “**Dispute Notice**”) within fifteen (15) days after receipt of the applicable CapEx Notice, and the date on which Rent is due shall be extended by fifteen (15) days. If the City timely delivers a Dispute Notice, Tenant shall receive the portion of the CapEx Credit that is undisputed, if any, and shall pay the amount of disputed Rent, subject to the provisions of Article XVIII(2) of the Plaza Lease regarding disputed payments.

- (b) Notwithstanding anything to the contrary in the Lease, as amended hereby, if the City timely provides a Dispute Notice in connection with a CapEx Credit claimed for Existing Remainder Term Capital Expenditures, and if and to the extent such dispute is resolved in Tenant's favor, then the City shall promptly pay an amount equal to the formerly disputed CapEx Credit to Tenant, or at Tenant's option, Tenant may credit such formerly disputed CapEx Credit against the Rent next coming due; provided, however, if (i) the aggregate accrued but unapplied CapEx Credit to which Tenant is entitled under Paragraph 3, plus the formerly disputed CapEx Credit, exceed the aggregate Rent payable during the portion of the Existing Remainder Term commencing at the time the dispute is resolved; or (ii) at the time the dispute is resolved, the Existing Remainder Term has ended; then in addition to, and without in any way reducing, the CapEx Credits to which Tenant is entitled under Paragraph 4, Tenant may take such formerly disputed CapEx Credit as a credit against the Rents payable during the Extension Term. Notwithstanding the foregoing, in no event shall Tenant be entitled to aggregate CapEx Credits for the Existing Remainder Term Capital Expenditures in excess of the aggregate Rent payable during the Existing Remainder Term.
- (c) Notwithstanding anything to the contrary in the Lease, as amended hereby, if the City timely delivers a Dispute Notice in connection with a CapEx Credit claimed for Extension Term Capital Expenditures, and if and to the extent such dispute is resolved in Tenant's favor, then the City shall promptly pay an amount equal to the formerly disputed CapEx Credit to Tenant, or at Tenant's option, Tenant may credit such formerly disputed CapEx Credit against the Rent next coming due (in addition to, and not in limitation of, any CapEx Credit due under Paragraph 4). Notwithstanding the foregoing, in no event shall Tenant be entitled to aggregate CapEx Credits for Extension Term Capital Expenditures in excess of \$8,000,000.
- (d) The provisions of this Paragraph 5 shall survive the expiration or sooner termination of the Lease, as amended hereby.

6. Repair and Maintenance Standards. Notwithstanding anything to the contrary in the Lease, but subject to the casualty and condemnation provisions therein, Tenant shall maintain the Property in a good and safe condition and repair, in compliance with all applicable laws, and in accordance with the following sections of the Existing JOA (as defined below): Sections 8.1(d), (e) and (f), and the first grammatical paragraph of Section 8.1; Sections 8.3(a), (b) and (c); Section 8.4; Section 8.6; Section 9; Exhibit 8.1 and Sections 1, 2 and the first paragraph of Section 3 of Exhibit 9.1, provided that the second sentence of that first paragraph of Section 3 of Exhibit 9.1 shall be replaced with "The program shall include regular and customary cleaning and grounds maintenance." In the event that the Existing JOA is terminated or amended, these standards shall continue to apply (to the extent applicable).

7. Reporting. In addition to its reporting obligations under the Lease, but subject to Paragraph 10 hereof, Tenant shall deliver, at its sole cost and expense, the following reports and information to the City:



- (a) Within one hundred eighty (180) days following the end of each calendar year ending during the term of the Lease: (i) a copy of the audited balance sheets of Tenant at the end of each such calendar year and the related audited statements of income, calculation of annual rental, changes in equity and cash flows for such year, including, in each case, the notes thereto, together with the report thereon of the independent certified public accountants of Tenant, in each case in a manner and containing information consistent with Tenant's current practices and certified by Tenant's chief financial officer that such financial statements fairly present the financial condition and the results of operations, changes in equity and cash flows of Tenant as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles in the United States consistently applied; (ii) a report, in a format reasonably acceptable to the City, certified by the Tenant's chief financial officer, providing reasonably detailed information regarding any work associated with Capital Expenditures undertaken by the Tenant with respect to the Property, including such information as may be reasonably requested by the City, which shall include the type of work associated with such Capital Expenditures, the expected cost therefor, the expected completion date, the contractor engaged to perform such work associated with such Capital Expenditures, and any expected disruption of traffic in the Property as a result of the work associated with such Capital Expenditures; and (iii) a report, in a format reasonably acceptable to the City, detailing the amount of traffic through the Property on a weekly, monthly and quarterly basis, the make-up of that traffic and the Tenant's projections for the traffic in the upcoming calendar year and the Tenant's basis therefor;
- (b) Within thirty (30) days after the end of each six-month period, commencing with the six-month period ending June 30, 2015, a report, in a format reasonably acceptable to the City, detailing all material incidents that occurred in the Tunnel, including, but not limited to, vehicular accidents and hazardous material releases, but in each case only if such incidents materially impeded the normal operations of the Tunnel;
- (c) promptly after the occurrence thereof, an email report on any incident occurring in the Tunnel and causing material damage to property or injury to persons, if such incident results in the closure of any portion of the Tunnel for at least an hour;
- (d) within thirty (30) days after receipt by Tenant, a copy of (i) the engineering reports required by Sections 8.7 and 8.8 of the Joint Operating Agreement by and among the Corporation of the City of Windsor, the Windsor Tunnel Commission and Tenant (as successor-in-interest to DCTC and The Detroit and Windsor Subway Company, Ltd.) dated November 1, 1997 (the "**Existing JOA**"); or (ii) if the Existing JOA is amended or modified to change the requirements for those reports, (x) every year, an engineering report based on visual inspection of the Tunnel made by an independent, licensed engineer reasonably acceptable to Tenant and (y) every five (5) years a comprehensive engineering report on the Tunnel prepared by an independent, licensed engineer reasonably acceptable to

the City, which report shall include, but not be limited to, an analysis of the structural integrity of the Tunnel, a description of the current state of the Tunnel, including its fixtures and mechanical systems, recommended capital expenditures for the Tunnel and such other information as the City may reasonably request; and

- (e) Within thirty (30) days after such request, any information regarding the Property reasonably requested by the City, provided that such information is in the possession or control of Tenant.

8. Right to Inspect. The City shall have the right, upon at least three (3) business days' written notice to Tenant, at reasonable times, provided that such inspection does not unreasonably interfere with the normal operation of the Property (and as to any portion of the Property subleased as of the date hereof or subsequently subleased to a governmental authority, does not violate the applicable sublease) and at the City's sole cost and expense, to have the Property inspected by an engineer, who is (i) either employed directly by the City or with whom the City has contracted; and (ii) licensed and has at least ten (10) years' experience in engineering matters related to construction, maintenance and repair of infrastructure projects or tunnels. Inspections made pursuant to this Paragraph 8 may only be performed once in each calendar year, except such limitation shall not apply when Tenant is in default of its obligations under Paragraph 6 of this Amendment or any other of its obligations regarding the repair, maintenance and operation of the Tunnel. Tenant shall make the Property and a senior officer who is responsible for maintenance and/or operations of the Property reasonably available to such engineer for the purposes of such inspection and shall provide such engineer any documentation in Tenant's possession or control, reasonably requested by such engineer, subject to Paragraph 10. Without limiting any provision hereof, any such engineering inspections conducted by or on behalf of the City shall be performed in accordance with all applicable laws and with all reasonable operating rules and regulations applicable to the Property. The City shall cause any individual or firm performing an inspection pursuant to this Paragraph 8 to be bound by the confidentiality obligations of the City pursuant to the provisions of Paragraph 10 hereof.

9. Calculation of Net Operating Income. For the avoidance of doubt, in calculating "net operating income" as defined in Section IV(2)(b) of the Plaza Lease, Tenant shall not include any expenses that are not attributable to the operation, maintenance and repair of the Property or to Tenant's obligations under the Lease; and, to the extent Tenant or Tenant's affiliates incur costs that are only partially attributable to the Property, Tenant shall not include as an expense for Section IV(2)(b) of the Plaza Lease the portion of those costs that are not attributable to the Property. Allocations will be prepared consistent with GAAP and the specific methodology and allocation shall be reflected and set forth in the companies' audited financial statements.

10. Confidentiality.

- (a) Notwithstanding anything to the contrary in the Lease, no information or document provided by Tenant to the City pursuant to or in connection with the Lease, as amended hereby, shall be subject to any confidentiality restrictions, and the City may publicly disclose such information or disclose such information to

third parties as it deems appropriate in its sole discretion; *provided, however*, that Tenant shall have no obligation to deliver to the City (and Tenant may redact from information it delivers to the City) any Confidential Information (as defined below); and *provided, further*, that if Tenant delivers to the City any Confidential Information (and labels it as such), then the City shall not disclose such information to third parties (other than to its professional advisors, employees, third-party report providers, affiliates, officers, members, underwriters, agents, consultants, lenders, investors and legal counsel and as to those, only on a need-to-know basis, as reasonably determined by the City, provided such parties are bound by the confidentiality obligations of the City set forth in this Paragraph 10).

- (b) **“Confidential Information”** means information that (i) relates to maintaining national security and/or to maintaining security at the Tunnel; (ii) is required to be kept confidential by applicable law, regulation or order; or (iii) is a trade secret or is other information that is proprietary to Tenant (including, without limitation, information regarding Tenant’s proprietary toll and revenue collecting and accounting system and Tenant’s mobile app for express payments, and other technical and business information relating to Tenant’s proprietary ideas, patentable ideas, copyrights, and other proprietary systems and software).
- (c) If Tenant chooses to withhold Confidential Information from the City, Tenant shall promptly provide written notice that it has done so. The City, through its authorized representative, shall have the right, upon reasonable advance written notice to Tenant, to inspect any Confidential Information, which shall not be redacted, at the offices of Tenant within the City to verify during customary business hours that such information is Confidential Information and to review such Confidential Information, provided that the City may not make a copy of such Confidential Information.
- (d) Notwithstanding anything to the contrary in Lease (as amended hereby), in an effort to ensure that the City, Tenant and the City of Windsor can effectively and efficiently operate the Tunnel in an integrated and seamless manner, the City shall have the right to share with Windsor all information regarding the Tunnel it receives, and Tenant shall cause it and its affiliates to not restrict the City of Windsor, or its affiliates, from providing the City any information related to the Tunnel.
- (e) Nothing contained in this Lease (as amended hereby) shall be construed to limit or reduce the rights and powers of the State of Michigan or the United States of America.

11. **Ineligible Parties.** It shall be a default under the Lease, as amended hereby, if any Ineligible Party (as defined below) shall be involved in the operation, financing, construction or management of the Property or the improvements thereon, or if such Ineligible Party has a direct or indirect beneficial interest in Tenant. **“Ineligible Party”** means any individual or entity, or any entity controlled by, controlling or under common control with any individual or entity, maintaining a controlling interest in any crossing of the border between the State of Michigan

and Canada, such as any tunnel, bridge or other similar infrastructure; *provided, however* that the term “Ineligible Party” shall not include Pike Pointe Holdings, LLC; any entity controlled, controlling or under common control with Pike Pointe Holdings LLC; or Windsor.

12. Operation of an Integrated Tunnel. The parties acknowledge that it is in their respective and joint interests to cause the entire Tunnel to be operated in a harmonious and integrated manner. The City understands that to effect such operation, Tenant intends to negotiate a new or amended operating agreement with the City of Windsor (or an agency or instrumentality thereof), and that Tenant will negotiate such agreement in good faith (but that Tenant shall have no obligation to enter into such an agreement). The City also understands that achieving such purpose may require amendments to the Lease (as amended hereby) and agrees to be reasonable, and to act in good faith, in discussing and considering any such amendments. For avoidance of doubt, (i) Tenant will not have any obligation to enter into any such amendment that would (x) adversely affect (other than in a de minimis manner) its rights under the Lease, as amended hereby, (y) increase (other than in a de minimis manner) its obligations under the Lease, as amended from time to time or (z) decrease (other than in a de minimis manner) the City’s obligations under the Lease, as amended from time to time; and (ii) the City will not have any obligation to enter into any such amendment that would (x) adversely affect (other than in a de minimis manner) its rights under the Lease, as amended hereby, (y) increase (other than in a de minimis manner) its obligations under the Lease, as amended from time to time or (z) decrease (other than in a de minimis manner) Tenant’s obligations under the Lease, as amended from time to time.

13. Notices. Article XVIII(3) of the Plaza Lease and Article XV(3) of the Tube Lease are each amended and restated as follows:

3. All notices and other communications authorized or required hereunder, to be given to the City or the Tenant, shall be in writing and shall be given by hand delivery or by nationally recognized overnight courier to the following addresses:

If to the City, to

**The City of Detroit**  
Office of the Mayor  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, MI 48226  
Attn: Mayor

with a copy to (which will not constitute notice):

**The City of Detroit**  
Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, 5<sup>th</sup> Floor  
Detroit, MI 48226  
Attention: Corporation Counsel

If to Tenant, to

Detroit Windsor Tunnel LLC  
100 East Jefferson Avenue  
Detroit, MI 48226  
Attn: Neal Belitsky

with a copy to

Dykema Law Firm  
400 Renaissance Center  
Detroit, MI 48243  
Sherrie L Farrell, Esq.

Notices shall be effective if given by a party's attorneys. Any party may change its address for notices by a notice given in accordance with this section. Notices shall be deemed given and received on the date received, as evidenced by receipt.

14. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Conflict. In the event the terms of the Lease conflict with the terms of this Amendment, the terms of this Amendment shall control and govern in all instances.

16. Full Force and Effect. The Lease, as modified hereby, remains in full force and effect.

17. Severability. If any provision of this Amendment or the application thereof to any person or circumstances shall, to any extent, be declared invalid, illegal or unenforceable by a court of competence jurisdiction, all other provisions and applications hereof shall remain in full force and effect.

18. Inter-Governmental Authority. Expressly subject and subordinate to the terms of the Lease (as amended hereby and as amended from time to time), the City may enter into an agreement with Windsor to establish an intergovernmental authority concerning the Tunnel. For avoidance of doubt, no such agreement shall adversely affect (other than in a de minimis manner) Tenant's rights nor increase (other than in a de minimis manner) its obligations under the Lease, as amended from time to time.

19. Memorandum of Lease. This Amendment shall not be recorded; *provided*, *however*, that upon the request of either party, the other party shall join in the execution of a memorandum or short form of the Lease, as amended hereby, which shall describe the parties, the Demised Premises, the term of the Lease, and special provisions and shall incorporate the Lease, as amended hereby, only by reference.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**CITY:**

CITY OF DETROIT

By: \_\_\_\_\_

Name:

Title:

**TENANT:**

DETROIT WINDSOR TUNNEL LLC

By: \_\_\_\_\_

Name:

Title:

## OPTION AGREEMENT



## OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between Pike Pointe Holdings, LLC (“**Pike Pointe**”) and the City of Detroit, a Michigan municipal corporation (the “**City**”).

### RECITALS

A. The City owns that certain parking garage, commonly known as the Grand Circus Parking Garage, located at 1600-01 Woodward Avenue, Detroit, Michigan, as more particularly described in Exhibit 1 (the “**Circus Garage**”).

B. The Detroit Building Authority (the “**DBA**”) had previously owned the Circus Garage and had leased it to the City pursuant to the Contract of Lease No. 2 by and between the City and the DBA, dated October 1985, (as amended, the “**DBA Lease**”).

C. The DBA Lease has previously terminated pursuant to its terms, and pursuant to the terms of the DBA Lease, title to the property leased thereunder, including the Circus Garage, reverted back to the City.

D. Syncora Capital Assurance Inc. and Syncora Guarantee Inc. (collectively, “**Syncora**”) own the entire beneficial interest in Pike Pointe.

E. Syncora, through one or more of its affiliates, including Pike Pointe, owns and operates certain public infrastructure projects.

F. In connection with the continued improvement of the City, the City desires to grant an option to Pike Pointe with respect to the possibility of negotiating and entering into a mutually agreeable concession agreement for the operation and maintenance of the Circus Garage pursuant to the terms of this Agreement, and Pike Pointe desires to accept such option.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Option. Pike Pointe shall have the option, in its sole discretion, to enter into a concession for the Circus Garage (the “**Option**”) on the terms set forth herein. In order to exercise the Option, Pike Pointe must deliver written notice to the City notifying the City that Pike Pointe has exercised the Option (the “**Exercise Notice**”), which Exercise Notice must be delivered within one (1) year from the effective date of the Seventh Amended Plan for the Adjustment of Debts of the City of Detroit, as it may be further amended and as modified (the “**Plan of Adjustment**”). After delivery of the Exercise Notice, the City and Pike Pointe shall promptly and in good faith, negotiate a concession agreement in accordance with the terms set forth in Exhibit 2; provided, however, that neither party shall be obligated to execute a concession agreement. If, within ninety (90) days following the delivery of the Exercise Notice, an agreement has not been reached between the City and Pike Pointe regarding the Circus Garage, either party may, by delivery of notice to the other party, terminate this Option, and thereafter Pike Pointe shall have no right with respect to the Circus Garage.

2. Failure to Exercise. If Pike Pointe fails to send the Exercise Notice within one (1) year after the effective date of the Plan of Adjustment, Pike Pointe will be deemed to have not exercised the Option and will have no further right to do so nor shall it have any interest in the Circus Garage. At such time, this Agreement and the Option will have no further force or effect.

3. Anti-Assignment. Pike Pointe may not assign to any third party (other than a wholly owned subsidiary or other affiliate of Syncora in which Syncora is the direct or indirect beneficial owner (a “**Pike Pointe Affiliate**”), any interest in this Agreement or the Option without the City’s prior written consent, which consent may be withheld in the City’s sole discretion. Any attempted assignment without the City’s consent shall be void ab initio and of no force and effect, and such purported transferee shall have no right to exercise the Option nor shall it have any interest in the Circus Garage. Notwithstanding anything to the contrary in this Agreement, Pike Pointe shall have no right to exercise the Option if, at the time of such exercise and the execution of the Concession Agreement, Syncora is not a direct or indirect beneficial owner of Pike Pointe.

4. Title to Circus Garage. The City shall cause the DBA to execute such documentation as is necessary to confirm the transfer of ownership of the Circus Garage to the City promptly after execution of this Agreement. The City shall retain title to the Circus Garage during such time as Pike Pointe has the right to exercise the Option and shall maintain the Circus Garage in at least the same condition and repair as of the date hereof.

5. Development Agreements. Pike Pointe hereby acknowledges that the City has entered into certain development agreements with third party developers, which agreements contemplate that those developers will have the right to use parking spots within the Circus Garage at fair market rates (as determined by Pike Pointe from time to time and consistent with the rates provided to other patrons of the Circus Garage), and Pike Pointe agrees that it shall execute leases, licenses or other usage agreements with such developers on those terms. The City will provide the material terms and conditions of those development agreements with respect to developers’ use of Circus Garage as soon as is reasonably practicable following execution of this Agreement.

6. Due Diligence Activities.

(a) Prior to delivery of the Exercise Notice, Pike Pointe shall have a period commencing on the date hereof and continuing through and including the date of the delivery of the Exercise Notice or the expiration or termination of this Option, whichever is sooner, (the “Due Diligence Period”) to conduct its due diligence activities on the Circus Garage, which shall not unreasonably interfere with the use and operation of the Circus Garage. For purposes of this Agreement, “Due Diligence Activities” include but are not limited to the following:

(A) such physical inspections, soil borings and bearing tests, surveys, and possible relocation of utilities on or for the Circus Garage as Pike Pointe deems appropriate, all of which shall be completed at Pike Pointe’s expense;

- (B) investigations, environmental site assessments, including Phase I and Phase II site assessments, sampling and testing of soil, groundwater, surface water, soil vapors, indoor air, and building materials (such as Asbestos and lead-based paint), and/or a Baseline Environmental Assessment, (“BEA”), as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”), being MCL 324.20101 et seq., and such other investigations and assessments as Pike Pointe may deem needed in its sole discretion to determine the condition of the Circus Garage and the Circus Garage’s compliance with applicable law, all of which shall be completed at Pike Pointe’s expense; and
  - (C) a review of the title evidence, survey, entitlements, and payment of taxes and assessments, all of which shall be completed at Pike Pointe’s expense;
  - (D) a review of financing sources related to Pike Pointe’s proposed use of the Circus Garage, or any other matter that in Pike Pointe’s sole discretion is relevant to Pike Pointe’s use of the Circus Garage;
  - (E) a review of all City Information and all publicly-available information with respect to the Circus Garage;
  - (F) a review of available public and private utilities and public accesses necessary for the proposed use of the Circus Garage; and
  - (G) application and procurement of any zoning, site plan, elevation, special land use, environmental, conditional use or other municipal approvals or permits, or variances therefrom, required or appropriate for the proposed use of the Circus Garage. The City hereby authorizes Pike Pointe to submit and apply for all such approvals, permits, and variances upon the commencement of the Due Diligence Period.
- (b) Restoration of City Property. Promptly following completion of a Due Diligence Activity, Pike Pointe shall restore the Circus Garage and all property therein to the state in which it existed prior to the commencement of the Due Diligence Activity.
- (c) City Information. The City shall use reasonable efforts to make available to Pike Pointe all information in the City’s (or the City’s agencies’ or departments’) possession or control related to the Circus Garage within thirty (30) days following the effective date of the Plan of Adjustment, including but not limited to existing leases, licenses, permits, approvals, contracts, warranties, title searches and policies, surveys, appraisals, environmental audits, Phase I environmental site assessments, Phase II reports or other testing or sampling data, asbestos surveys, reports, specifications, from the Planning, Building, Assessing, Environmental

Affairs and Fire Departments, notices of violations of applicable laws, regulations and ordinances or other documents in the City's possession or control related to the Circus Garage, to the extent the City is not required by law or applicable agreement to keep such information confidential (collectively, the "**City Information**"). The City shall cooperate with Pike Pointe and use reasonable efforts to facilitate Pike Pointe's Due Diligence Activities, all at no material incremental cost to the City, including providing information, coordinating with third party users of the Circus Garage as applicable, and executing such documentation as may be reasonable and necessary for Pike Pointe's access to the site and completion of the Due Diligence Activities including the preparation of a BEA.

- (d) Insurance. Prior to entering onto the Circus Garage for any Due Diligence Activities, Pike Pointe or its contractors shall enter into a right-of-entry agreement regarding the entry into the Circus Garage to be reasonably agreed to by the City and Pike Pointe.
- (e) Indemnity. Pike Pointe shall defend, indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from Pike Pointe's (including its duly authorized employees, agents, engineers or other representatives) negligence or willful acts occurring in connection with the Due Diligence Activities; provided, however, that Pike Pointe shall in no circumstance have any obligation or liability with respect to any conditions pre-existing at the Circus Garage including without limitation any environmental condition, soil or groundwater contamination or other environmental conditions that may be discovered in the course of the Pike Pointe's Due Diligence Activities and thereafter disclosed to the City, except to the extent such conditions are materially exacerbated due to the negligence or willful acts of Pike Pointe or any of its duly authorized employees, agents, engineers or other representatives, and (ii) Pike Pointe shall not be responsible for any loss, liability, cost, or expense resulting from the discovery of any adverse information or condition regarding the Circus Garage or from the City's (or the City's agencies' or departments') negligence or misconduct.

7. Notices. All notices, demands and other communications given or delivered under this Agreement shall be given in writing to the address indicated below (or such other address as the recipient specifies in writing) and will be deemed to have been given when delivered personally, three (3) business days after mailed by certified or registered mail, return receipt requested and postage prepaid, or when delivery is guaranteed if sent via a nationally recognized overnight carrier, or when receipt is confirmed if sent via facsimile or other electronic transmission to the recipient with telephonic confirmation by the sending party.

**[The City of Detroit**  
Office of the Mayor  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, Michigan 48226

Facsimile: (313)224-4128  
Attention: Mayor ]

with a copy to (which will not constitute notice):

The City of Detroit  
Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, 5<sup>th</sup> Floor  
Detroit, Michigan 48226  
Telephone: (313)224-1352  
Facsimile: (313)224-5505  
Attention: Corporation Counsel

with a copy to (which will not constitute notice):

The City of Detroit  
Municipal Parking Department  
1600 W. Lafayette  
Detroit, Michigan 48216  
Telephone: (313)221-2500  
Facsimile: (313)221-2501  
Attention: Director of Municipal Parking

**[Pike Pointe]**

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8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. Time of Essence. Time is of the essence of this Agreement.

10. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be declared invalid, illegal or unenforceable by a court of competence jurisdiction, all other provisions and applications hereof shall remain in full force and effect.

11. Merger of Prior Agreements. This Agreement supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan. By its execution and delivery of this

Agreement, each of the City and Pike Pointe irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement, or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding shall be brought in the Bankruptcy Court for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan. By execution and delivery of this Agreement, each of the City and Pike Pointe irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

13. Amendments. Except as otherwise provided herein, this Agreement may be amended or modified by, and only by, a written instrument executed by the parties hereto.

14. Captions. The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

15. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their permitted respective successors, heirs, administrators and assigns.

16. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**CITY:**

CITY OF DETROIT

---

By:

Its:

**TENANT:**

[PIKE POINTE]

---

By

Its

## EXHIBIT 1

### DESCRIPTION OF GRAND CIRCUS PARKING GARAGE

Grand Circus is a three level underground parking structure, situated below the two parcels described below. Grand Circus includes all ramps, walkways, stairwells and other ingress and egress points to the parking structure existing as of the date hereof.

**Parcel 02001886: 1883 Woodward Ave**

Legal Description: W WOODWARD ALL THAT PT OF GOVERNOR AND JUDGES PLAN BOUNDED BY WOODWARD AVE, E ADAMS ST & PARK AVE A K A WLY PT OF GRAND CIRCUS PARK2/--- 357 IRREG

**Parcel 01004139: 1600 Woodward Ave**

Legal Description: E WOODWARD ALL THAT PT OF GOVERNOR & JUDGES PLAN BOUNDED BY WOODWARD AVE, E ADAMS AND WITHERELL STS A K A ELY PT OF GRAND CIRCUS PARK1/--- 357 IRREG



## **EXHIBIT 2**

### **CONCESSION AGREEMENT TERMS**

- 30 year term, structured as a concession agreement
- Pike Pointe (or a Pike Pointe Affiliate) is obligated to operate and maintain the Circus Garage during the term at its sole cost and expense and has the right to collect all parking revenue derived from the Circus Garage
- Pike Pointe (or a Pike Pointe Affiliate) shall be responsible, at its sole cost and expense, for all necessary capital expenditures to the Circus Garage, including, without limitation, \$13.5 million in capital expenditures during the first 5 years of the term.
- Rent to the City will be calculated as 25% of Free Cash Flow. Free Cash Flow is defined as revenue collected from the Circus garage minus operating expenses minus capital expenditures, which shall not include the \$13.5 million in initial capital expenditures made by Pike Pointe.
- No Rent shall be due to the City until Pike Pointe has received a return of 140% on its initial capital expenditures of \$13.5 million.
- Pike Pointe (or a Pike Pointe Affiliate) will enter into market-rate long term leases, licenses or usage agreements with the developers of properties adjacent to the Circus Garage pursuant to existing development agreements between the City and such developers.

**EXHIBIT I.A.348**

SCHEDULE OF UNLIMITED TAX GENERAL OBLIGATION BOND  
DOCUMENTS & RELATED UNLIMITED TAX GENERAL OBLIGATION BONDS

**SCHEDULE OF UNLIMITED TAX GENERAL OBLIGATION BOND  
DOCUMENTS & RELATED UNLIMITED TAX GENERAL OBLIGATION BONDS**

<b>Unlimited Tax General Obligation Bond Documents</b>	<b>Series of Unlimited Tax General Obligation Bonds</b>	<b>Balance as of Petition Date</b>
Resolution of the City Council adopted March 3, 1999 Finance Director's Order dated April 1, 1999	Series 1999-A	\$18,747,364
Amended and Restated Resolution of the City Council adopted April 6, 2001 and Supplement No. 1 to Amended and Restated Resolution, adopted June 13, 2001 (collectively, " <u>2001 UTGO Resolution</u> ") Finance Director's Order dated August 1, 2001 (" <u>2001 UTGO Sale Order</u> ")	Series 2001-A(1)	\$78,787,556
2001 UTGO Resolution 2001 UTGO Sale Order	Series 2001-B	\$4,063,616
Resolution of the City Council adopted July 24, 2002 Finance Director's Order dated August 2, 2002	Series 2002	\$6,745,767
Resolution of the City Council adopted September 19, 2003 Finance Director's Order dated October 9, 2003	Series 2003-A	\$34,908,150
Bond Authorizing Resolution adopted June 14, 2004 (" <u>2004 UTGO Resolution</u> ") Finance Director's Order dated August 27, 2004 (" <u>2004 UTGO Sale Order</u> ")	Series 2004-A(1)	\$39,872,258
2004 UTGO Resolution 2004 UTGO Sale Order	Series 2004-B(1)	\$38,206,678
2004 UTGO Resolution 2004 UTGO Sale Order	Series 2004-B(2)	\$736,241
Resolution of the City Council adopted July 6, 2005 (" <u>2005 UTGO Resolution</u> ") Finance Director's Order dated December 5, 2005 (" <u>2005 UTGO Sale Order</u> ")	Series 2005-B	\$45,452,501
2005 UTGO Resolution 2005 UTGO Sale Order	Series 2005-C	\$18,671,105

Unlimited Tax General Obligation Bond Documents	Series of Unlimited Tax General Obligation Bonds	Balance as of Petition Date
Resolution of the City Council adopted November 17, 2006 (" <u>2008 UTGO Resolution</u> ")  Finance Director's Order dated May 30, 2008 (" <u>2008 UTGO Sale Order</u> ")	Series 2008-A	\$59,487,564
2008 UTGO Resolution  2008 UTGO Sale Order	Series 2008-B(1)	\$28,982,532

**EXHIBIT I.A.355**

FORM OF UTGO SETTLEMENT AGREEMENT

## SETTLEMENT AGREEMENT

This Settlement Agreement ("**Agreement**") is entered into as of July 18, 2014, among the City of Detroit (the "**City**"), Ambac Assurance Corporation ("**Ambac**"), Assured Guaranty Municipal Corp. and Assured Guaranty Corp. (together, "**Assured**"), and National Public Finance Guarantee Corporation ("**NPFG**"). In this Agreement, each of the City, Ambac, Assured, and NPFG is referred to individually as a "**Party**"; Ambac, Assured, and NPFG (including their successors and assigns) are referred to collectively as the "**Bond Insurers**"; and the City and the Bond Insurers are referred to collectively as the "**Parties**."

### RECITALS

**WHEREAS**, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$369.115 million in outstanding principal amount of unlimited tax general obligations bonds, excluding the 2010 Series A Bonds hereinafter mentioned (the "**Prior UTGO Bonds**");

**WHEREAS**, more than 90% of the Prior UTGO Bonds are insured by one of the three Bond Insurers under financial guaranty insurance policies (the "**Bond Insurance Policies**") that were issued contemporaneously with the respective Prior UTGO Bonds;

**WHEREAS**, the Governor of the State of Michigan determined on March 1, 2013 that a financial emergency existed in the City, and the Emergency Manager (together with any successors, the "**Emergency Manager**") was appointed for the City on March 14, 2013;

**WHEREAS**, on July 18, 2013 (the "**Petition Date**"), the City filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy Code**"), thereby commencing Bankruptcy Case No. 13-53846 (the "**Bankruptcy Case**") before the United States Bankruptcy Court for the Eastern District of Michigan (the "**Bankruptcy Court**");

**WHEREAS**, as of the Petition Date, the balance due on the Prior UTGO Bonds, including prepetition interest accrued as of that date, was \$374,686,297;

**WHEREAS**, on October 1, 2013, the City defaulted on its obligation to make interest payments on the Prior UTGO Bonds in the amount of \$9,372,276 and the Bond Insurers paid claims and were subrogated to the rights of the owners for such payments, and the insurance documents contemplate the assignment of the Prior UTGO Bonds to the Bond Insurers upon payment of a claim;

**WHEREAS**, on April 1, 2014, the City defaulted on its obligations on the Prior UTGO Bonds to pay interest in the amount of \$9,372,276 and to pay principal in the amount of \$38,205,000, and the Bond Insurers paid claims and were subrogated to the



rights of the owners for such payments, and the insurance documents contemplate the assignment of the Prior UTGO Bonds to the Bond Insurers upon payment of a claim;

**WHEREAS**, on November 8, 2013, Assured and NPFG filed an adversary proceeding against the City seeking declaratory relief with regard to their rights in respect of the Prior UTGO Bonds pending before the Bankruptcy Court (Adv. Proc. No 13-05309) (the “**Assured/NPFG Action**”), and Ambac filed an adversary proceeding against the City seeking declaratory relief with regard to its rights in respect of, *inter alia*, the Prior UTGO Bonds pending before the Bankruptcy Court (Adv. Proc. No 13-05310) (the “**Ambac Action**”);

**WHEREAS**, on or about February 21, 2014, each of the Bond Insurers filed proofs of claim in the Bankruptcy Case (the “**UTGO Claims**”) asserting claims against the City for the full amount of principal and interest due under the documents pursuant to which the Prior UTGO Bonds were issued (including post-petition interest), amounts due the Bond Insurers for payments pursuant to the Bond Insurance Policies, and contractual reimbursements due for charges, fees, costs, losses, liabilities and expenses incurred by the Bond Insurers in connection with the Bond Insurance Policies; and

**WHEREAS**, the Parties have engaged in good faith and arms’ length negotiations regarding a consensual resolution of their disputes under or in respect of the Prior UTGO Bonds, the Assured/NPFG Action, the Ambac Action, and the UTGO Claims;

**NOW, THEREFORE**, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **ARTICLE I DEFINITIONS**

Section 1.1. **Recitals.** The recitals set forth above are incorporated by reference and are explicitly made a part of this Agreement.

Section 1.2. **Definitions.** In addition to the capitalized terms defined in the preamble and recitals, the following definitions shall apply to and constitute part of this Agreement and all schedules, exhibits and annexes hereto:

“**Act 436**” shall mean the Local Financial Stability and Choice Act of the State, Act 436 of 2012, Public Acts of Michigan, 2012.

“**Additional Bonds**” shall mean any unlimited tax general obligation bonds issued on a parity with the Prior UTGO Bonds, the UTGO Bonds and the 2010 Series A Bonds as to the Aggregate UTGO Tax Levy.



**“Additional DSA Debt”** has the meaning ascribed to it in Section 2.6(a).

**“Agreement to Deposit State Aid”** shall mean the agreement, dated as of the date of the issuance of the MFA Bonds, among the City, the State Treasurer and U.S. Bank National Association, as Master Trustee, providing for the deposit of Distributable State Aid payments by the State Treasurer directly into the funds and accounts held by the Master Trustee pursuant to the Master Indenture for purposes of retiring the Municipal Obligation for so long as the Municipal Obligation remains outstanding.

**“Aggregate UTGO Tax Levy”** shall mean all proceeds of the ad valorem tax millage levies, including delinquent millage payments received from Wayne County or otherwise, on account of unlimited tax general obligation bonds of the City, including the Prior UTGO Bonds (or after the Effective Date, the UTGO Bonds), the 2010 Series A Bonds and any Additional Bonds hereafter issued by the City.

**“Allowed Claim”** has the meaning ascribed to it in the Plan.

**“Ambac Action”** has the meaning ascribed to it in the recitals hereof.

**“Approval Motion”** shall mean a motion filed by the City with the Bankruptcy Court in accordance with Section 2.8(c), seeking entry of the Approval Order pursuant to Federal Rule of Bankruptcy Procedure 9019, which motion shall be in form and substance reasonably satisfactory to the Parties.

**“Approval Order”** shall mean an order of the Bankruptcy Court (other than the Plan Confirmation Order) approving the compromise and settlement set forth in this Agreement authorizing and directing the consummation of the transactions contemplated herein, which order shall be in a form and substance reasonably satisfactory to the Parties.

**“Assigned UTGO Bond Tax Proceeds”** has the meaning ascribed to it in Section 2.1(b)(i).

**“Assured/NPFG Action”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Case”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Code”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Court”** has the meaning ascribed to it in the recitals hereof.

**“Bond Insurance Policies”** has the meaning ascribed to it in the recitals hereof.

**“Bond Insurer Claims”** has the meaning ascribed to it in Section 2.1.



**“Bond Insurer Exculpated Parties”** means the Bond Insurers solely in their capacity as insurers of the Prior UTGO Bonds, and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

**“Claim”** shall mean a “claim” as defined in Section 101(5) of the Bankruptcy Code.

**“Class”** means each class of Claims established under the Plan.

**“Debt Millage Escrow Agreement”** shall mean an escrow agreement substantially in the form of Exhibit A hereto between the City and U.S. Bank National Association as escrow trustee providing, among other things, for the deposit and distribution of the Aggregate UTGO Tax Levy collected by the City, to be executed and delivered on the date of this Agreement.

**“Debt Millage Escrow Trustee”** has the meaning ascribed to it in Section 2.4(a).

**“Distributable State Aid”** shall mean the shared revenue payments that the City is entitled to receive from the State under the Michigan Constitution and the provisions of the Glenn Steil State Revenue Sharing Act, Act 140, Public Acts of Michigan, 1971, as amended (**“Act 140”**) in each City fiscal year ending June 30.

**“DSA Deposit”** has the meaning ascribed to it in Section 2.5(c).

**“DSA Deposit Date”** has the meaning ascribed to it in Section 2.5(c).

**“Deposit Date Balance Requirement(s)”** has the meaning ascribed to it in Section 2.5(c).

**“Deposit Date Balance Requirement for the Municipal Obligation”** has the meaning ascribed to it in Section 2.5(e).

**“DSA Escrow Funds”** has the meaning ascribed to it in Section 2.5(b).

**“DTC System”** shall mean the system maintained by the Depository Trust Company used for trading municipal securities.

**“Effective Date”** shall mean the effective date of any Plan.

**“Emergency Manager”** has the meaning ascribed to it in the recitals hereof.

**“Emergency Manager Order”** shall mean an order of the Emergency Manager in substantially the form attached hereto as Exhibit B.



**“Event of Default”** has the meaning ascribed to it in Section 4.1.

**“Existing DSA Debt”** has the meaning ascribed to it in Section 2.6(a).

**“Final Order”** shall mean an order or judgment including any associated findings of fact and conclusions of law of the Bankruptcy Court or other court of competent jurisdiction with respect to the applicable subject matter which has not been reversed, stayed, modified or amended and as to which (a) any right to appeal or seek certiorari, review, reargument, stay or rehearing has expired and no appeal or petition for certiorari, review, reargument, stay or rehearing is pending, or (b) an appeal has been taken or petition for certiorari, review, reargument, stay or rehearing has been filed and (i) such appeal or petition for certiorari, review, reargument, stay or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which certiorari, review, reargument, stay or rehearing was sought or (ii) the time to appeal further or seek certiorari, review, reargument, stay or rehearing has expired and no such further appeal or petition for certiorari, review, reargument, stay or rehearing is pending; provided, however, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Federal Rule of Bankruptcy Procedure 9024 may be filed relating to such order shall not cause such order to not be a Final Order.

**“Financial Terms”** has the meaning ascribed to it in Section 2.2.

**“Hard Pay Instruments”** has the meaning ascribed to it in Section 2.11(a)(i).

**“Holders Restructured UTGO Bonds”** has the meaning ascribed to it in Section 2.1(a).

**“Holder”** shall mean the holder of a Claim under or evidenced by the Prior UTGO Bonds.

**“Impaired Financial Creditors”** has the meaning ascribed to it in Section 2.11(a).

**“Insurer Owned Restructured UTGO Bonds”** has the meaning ascribed to it in Section 2.1(a).

**“Master Indenture”** shall mean the Master Debt Retirement Trust Indenture dated as of March 1, 2010 by and between the City and U.S. Bank National Association, Detroit, Michigan, as Master Trustee, as supplemented by the First Supplemental Debt Retirement Trust Indenture dated as of March 1, 2010, by the Second Supplemental Debt Retirement Trust Indenture dated as of December 1, 2010, the Third Supplemental Debt Retirement Trust Indenture dated as of March 1, 2012, the Fourth Supplemental Debt Retirement Trust Indenture dated as of August 1, 2012 and by the Fifth Supplemental Debt Retirement Trust Indenture to be dated as of the first day of the



month of the issuance of the MFA Bonds, by and between the City and the Master Trustee.

**“Master Trustee”** shall mean U.S. Bank National Association, Detroit, Michigan, as trustee under the Master Indenture or any successor trustee appointed pursuant to the terms of the Master Indenture.

**“MFA Bonds”** has the meaning ascribed to it in Section 2.2.

**“Municipal Obligation”** has the meaning ascribed to it in Section 2.2.

**“Plan”** shall mean the chapter 9 plan of adjustment filed by the City and incorporating the terms and conditions set forth in this Agreement, in substantially the form of the draft thereof dated May 5, 2014, as such plan may be amended, modified or supplemented from time to time, which plan, as it relates to this Settlement Agreement, shall be in form and substance reasonably satisfactory to the Bond Insurers.

**“Plan Confirmation Order”** shall mean findings of fact and an order of the Bankruptcy Court confirming the Plan and meeting the requirements of Section 2.9 of this Agreement.

**“Plan Documents”** shall mean the Plan, the Plan Confirmation Order and any Plan related documents effectuating this Agreement.

**“Plan Instruments”** shall have the meaning ascribed to it in Section 2.11(a)(ii).

**“Prior UTGO Bonds”** has the meaning ascribed to it in the recitals hereof.

**“Pro Rata”** shall mean the proportion that a claim of one Holder of Restructured UTGO Bonds bears to the aggregate of all claims of all of the Holders of Restructured UTGO Bonds.

**“Restructured UTGO Bonds”** has the meaning ascribed to it in Section 2.1.

**“Series 2014 DSA Escrow Fund”** has the meaning ascribed to it in Section 2.5(d).

**“Settlement Escrow Agreement”** has the meaning ascribed to it in Section 2.8.

**“Settlement-Related Documents”** shall mean this Agreement, the Plan Documents, the Approval Order (if applicable), the Debt Millage Escrow Agreement, the Settlement Escrow Agreement, the Restructured UTGO Bonds, the Stub UTGO Bonds, the Municipal Obligation, the MFA Bonds and all documents related to the MFA Bonds

(other than a Bond Insurer's insurance policies related to the MFA Bonds, Restructured UTGO Bonds and the Stub UTGO Bonds), each of which shall be in form and substance reasonably satisfactory to the Parties (and, in the case of the Plan Documents, solely as they relate to this Agreement).

**"Shared Credit Rating Act"** shall mean the Shared Credit Rating Act, Act No. 227 of the Public Acts of 1985 of the State, as from time to time amended.

**"Soft Pay Instruments"** has the meaning ascribed to it in Section 2.11(a)(ii).

**"State"** shall mean the State of Michigan.

**"State Treasurer"** shall mean the State Treasurer of the State.

**"Stub UTGO Bonds"** has the meaning ascribed to it in Section 2.1(b).

**"Stub UTGO Challenge"** has the meaning ascribed to it in Section 6.3(b).

**"Syncora"** shall mean Syncora Capital Assurance Inc. and Syncora Guarantee Inc. as insurer of the Series 2003(A) Unlimited Tax General Obligation Bonds.

**"2010 Senior Bonds"** has the meaning ascribed to it in Section 2.3(d)(i).

**"2010 Series A Bonds"** shall mean the City's \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010 (A) (Taxable Recovery Zone Economic Development Bonds-Direct Payment).

**"Third Lien Bonds"** has the meaning ascribed to it in Section 2.3(d)(iii).

**"Top-Off Payments"** has the meaning ascribed to it in Section 2.11(b).

**"Trigger Event"** has the meaning ascribed to it in Section 2.11(b).

**"Trigger Payments"** has the meaning ascribed to it in Section 2.11(b).

**"UTGO Bond Tax Levy"** shall mean that portion of the Aggregate UTGO Tax Levy in the amount that was allocable to the Prior UTGO Bonds.

**"UTGO Bonds"** shall mean the Municipal Obligation and the Stub UTGO Bonds.

**"UTGO Claims"** has the meaning ascribed to it in the recitals hereof.

**"UTGO Litigation"** has the meaning ascribed to it in Section 2.13.



Section 1.3. Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

Section 1.4. General Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires

(a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to "generally accepted accounting principles" refer to such principles as they exist at the date of application there.

(c) All references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(d) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(e) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(f) The term "person" shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or agency or political subdivision thereof.

## **ARTICLE II SETTLEMENT TERMS**

Section 2.1. Claim Treatment. The City hereby agrees that the total Allowed Claim relating to the Prior UTGO Bonds will be \$388,000,000, allocated as follows:

(a) \$287,560,790 of the Prior UTGO Bonds which mature on or after April 1, 2015 will be restructured and allocated (i) among the Holders of the Prior UTGO Bonds which mature on or after April 1, 2015 on a Pro Rata basis, as set forth on



Schedule 1a annexed hereto (the “**Holders Restructured UTGO Bonds**”) and (ii) the Bond Insurers and Syncora, as set forth on Schedule 1b (the “**Insurer Owned Restructured UTGO Bonds**”) and, together with the Holders Restructured UTGO Bonds, the “**Restructured UTGO Bonds**”), and the Restructured UTGO Bonds will be restructured by delivery of the Municipal Obligation to the MFA and the delivery by the MFA of the MFA Bonds as described in Section 2.2 below, which, as restructured through the MFA, will be a full faith and credit general obligation payable from all legally available resources and secured, to the extent permitted by law, including Section 12(1)(x) of Act 436, by a lien upon the UTGO Bond Tax Levy, and payable and further secured by a lien on Distributable State Aid as provided in Section 2.3(a)(iii); and

(b) The remainder of the Prior UTGO Bonds (the “**Stub UTGO Bonds**”) which mature on or after April 1, 2015, in the principal amount of \$43,349,210, will be reinstated and remain outstanding, and will be payable from the UTGO Bond Tax Levy, subject to the following terms and conditions:

(i) The Holders’ rights to the proceeds of the UTGO Bond Tax Levy in an amount equal to the principal and interest payable on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation) will be assigned under and pursuant to the Plan (without any consent or action on the part of, or additional consideration payable to, the Bond Insurers or the Holders) to a designee or designees of the City (the “**Assigned UTGO Bond Tax Proceeds**”), and such proceeds will not be paid to the paying agent for the UTGO Bonds.

(ii) The obligations of the Bond Insurers to the Holders of the Prior UTGO Bonds that are not Holders Restructured UTGO Bonds under the existing applicable Bond Insurance Policies shall be unchanged.

(c) The Bond Insurers shall be granted Allowed Claims for all amounts actually paid by the Bond Insurers to Holders of the Prior UTGO Bonds together with any policy advances made from and after the Effective Date by the Bond Insurers in respect of the Stub UTGO Bonds pursuant to this Agreement up to an aggregate amount of \$100.5 million (the “**Bond Insurer Claims**”), which Allowed Claims shall receive distributions only when and if the Most Favored Nations clause set forth in Section 2.11 becomes operative and only pursuant to the terms of such Most Favored Nations clause.

**Section 2.2. Restructuring of Restructured UTGO Bonds by Delivery of Municipal Obligation to MFA and Delivery of MFA Bonds.**

(a) On or before the Effective Date (i), the Restructured UTGO Bonds will be restructured as follows: By execution of the Emergency Manager Order the City will authorize the issuance and delivery of a local government municipal obligation (the “**Municipal Obligation**”) to the Michigan Finance Authority (“**MFA**”), in accordance with applicable law, (ii) the City will request the MFA to issue its Local Government Loan Program Revenue Bonds, Series 2014 (City of Detroit Unlimited Tax General Obligation Restructured Local Project Bonds) (the “**MFA Bonds**”), and (iii) the



MFA Bonds shall be distributed Pro Rata to the Holders of the Holders Restructured UTGO Bonds as set forth on Schedule 1a annexed hereto and among the Bond Insurers and Syncora as set forth on Schedule 1b annexed hereto. The Municipal Obligation and the MFA Bonds will have the same principal amount (rounded down for each denomination to the nearest whole dollar), interest rate, payment dates, amortization schedule, prepayment terms (including first call date) and other financial terms (other than the pledge of Distributable State Aid and the priority of payment from the UTGO Bond Tax Levy relative to the Stub UTGO Bonds) as the Restructured UTGO Bonds (the "**Financial Terms**"). The MFA Bonds will be limited obligations of the MFA, payable from and secured by (i) payments made by the City on the Municipal Obligation and all right, title and interest in and to the Municipal Obligation, which shall include, to the extent permitted by applicable law, including without limitation Section 12(1)(x) of Act 436, a lien on the portion of the UTGO Bond Tax Levy allocable to the Municipal Obligation, pledged by the City to secure the Municipal Obligation as required by Section 2.3(a), and (ii) a lien, made a statutory lien as provided by the Shared Credit Rating Act, on moneys in the funds and accounts established for the MFA Bonds under the authorizing resolution for such bonds, including payments pledged by the City and received and held by the MFA or its trustee for the MFA Bonds, which include, without limitation, all payments of (x) the proceeds of the UTGO Bond Tax Levy and (y) Distributable State Aid deposited as described in Sections 2.4 and 2.5.

(b) All documents relating to the Municipal Obligation and the MFA Bonds will be in form and substance reasonably satisfactory to the Bond Insurers. Such documentation will include that the Master Indenture will not be amended in any manner which adversely affects the MFA Bonds or the rights of the Bond Insurers. Each Bond Insurer will insure the Series of MFA Bonds relating to the Holders Restructured UTGO Bonds originally insured by such Bond Insurer set forth on Schedule 1a attached hereto by either (i) issuing a new bond insurance policy (and to the extent applicable canceling the existing policy), (ii) endorsing its existing Bond Insurance Policy or (iii) amending its existing Bond Insurance Policy.

(c) Each of the MFA Bonds will be freely transferable through the DTC System under a unique CUSIP identification number that is separate and distinct from the CUSIP identification number for the Stub UTGO Bonds or, if the DTC System is discontinued with respect to the MFA Bonds, in such other manner as is permitted in accordance with their terms.

(d) The paying agent for the Prior UTGO Bonds shall issue new certificates representing the Stub UTGO Bonds to the Holders in principal amounts representing the balance of each Holder's Prior UTGO Bonds not restructured through the delivery of the MFA Bonds.

Section 2.3. The Municipal Obligation and Distributable State Aid.  
The City agrees, with the cooperation of the MFA, to restructure the Restructured UTGO Bonds as the Municipal Obligation as of the Effective Date. The City covenants and agrees that:



(a) The Municipal Obligation:

(i) will be approved pursuant to the Emergency Manager Order and in accordance with all applicable laws;

(ii) will be payable from the unlimited tax full faith, credit and resources of the City and the UTGO Bond Tax Levy and secured, to the extent permitted by law, including without limitation Section 12(1)(x) of Act 436, by a lien granted by the City on the UTGO Bond Tax Levy pursuant to the Emergency Manager Order, the grant of which will be confirmed by the Bankruptcy Court in the Plan Confirmation Order (or, if applicable, the Approval Order);

(iii) also will be secured by and payable from a portion of the City's Distributable State Aid, subject to a statutory lien and trust as provided in section 15(2) of the Shared Credit Rating Act;

(iv) will have the same rights (other than priority) in and to the Distributable State Aid, and have the same protections (including, without limitation, a statutory lien to the same extent the 2010 Series A Bonds are secured by a statutory lien), as the 2010 Series A Bonds, except that the City's Deposit Date Balance Requirement (as defined in Section 2.5) with respect to the Municipal Obligation shall be as described in paragraph 2.5(e) below;

(v) will have the identical Financial Terms as the Restructured UTGO Bonds; and

(vi) will be pledged by the MFA to the bond trustee for the holders of the MFA Bonds pursuant to a resolution of the MFA authorizing the issuance of the MFA Bonds.

(b) The UTGO Bond Tax Levy shall be escrowed and used to pay the Municipal Obligation prior to the use of Distributable State Aid in the same manner as provided for the 2010 Series A Bonds, as described herein.

(c) Distributable State Aid will be pledged by the City and secured by a lien under the Master Indenture to be used for the purpose of paying principal of and interest on the Municipal Obligation and any additional bonds or other future obligations issued by the City and secured by Distributable State Aid.

(d) The lien on Distributable State Aid for the Municipal Obligation will be a fourth priority lien, subordinate, as of the MFA Bonds issuance date, only to the following:

(i) the first priority lien on Distributable State Aid for the City's \$249,790,000 Distributable State Aid General Obligation Limited Tax Bonds, Series 2010 (the "**2010 Senior Bonds**");



(ii) the second priority lien on Distributable State Aid for the City's 2010 Series A Bonds, which lien in favor of the 2010 Series A Bonds is subordinate to the lien in favor of the 2010 Senior Bonds; and

(iii) the third priority lien on Distributable State Aid for the City's third-lien limited tax general obligations bonds (the "**Third Lien Bonds**") securing the MFA's \$129,520,000 Local Government Loan Program Revenue Bonds, Series 2012C (City of Detroit Limited Tax General Obligation Local Project Bonds Third Lien), which lien in favor of the Third Lien Bonds is subordinate to the lien in favor of the 2010 Series A Bonds.

(e) The Emergency Manager shall issue the Emergency Manager Order in substantially the form attached hereto as Exhibit B.

#### Section 2.4. Escrow and Application of Aggregate UTGO Tax Levy.

(a) The City agrees that, pursuant to documentation in form and substance satisfactory to the Parties, proceeds of the Aggregate UTGO Tax Levy collected by the City will be segregated and transmitted no less often than as provided in the schedule of Statutory Tax Collection Distribution Dates published by the Bureau of Local Government Services of the Michigan Department of Treasury, and in any event, no less often than (x) bi-monthly during the period beginning each July 1 and ending the following March 31, and (y) monthly during the period beginning April 1 and ending the following June 30 of each year, to U.S. Bank National Association as escrow trustee (the "**Debt Millage Escrow Trustee**"), to be held and distributed pursuant to the terms and conditions of the Debt Millage Escrow Agreement. The Debt Millage Escrow Trustee shall be required to allocate the revenue pro rata, as required by the Debt Millage Escrow Agreement, among the outstanding UTGO Bonds, the 2010 Series A Bonds, and any Additional Bonds.

(b) Proceeds of the Aggregate UTGO Tax Levy allocated to the UTGO Bonds will be transferred promptly by the Debt Millage Escrow Trustee (i) first, for deposit to the Tax Levy Account held by the Master Trustee for the Municipal Obligation in an amount sufficient, together with funds already on deposit therein to pay debt service due on the Municipal Obligation on or before the April 1 following such deposit, together with any past due debt service on the Municipal Obligation, and (ii) second, to the assignee of the rights to payment from the Assigned UTGO Bond Tax Levy of amounts payable on the Stub UTGO Bonds on or before the April 1 following such deposit, an amount equal to the scheduled debt service on the Stub UTGO Bonds. Proceeds of the Aggregate UTGO Bond Tax Levy transferred to the Master Trustee for the purpose of paying debt service on the Municipal Obligation will be held in trust under applicable State law.

(c) Neither the Holders of the MFA Bonds nor the Bond Insurers will seek payment from the proceeds of the UTGO Bond Tax Levy in excess of the amounts necessary to pay the Municipal Obligation scheduled annual debt service



plus any amount necessary to pay past due Municipal Obligation debt service plus any amounts required by Section 2.14(b).

Section 2.5. Distributable State Aid and Flow of Funds.

(a) Pursuant to the Agreement to Deposit Distributable State Aid, the State Treasurer has agreed to deliver 100% of the Distributable State Aid due the City to the Master Trustee for deposit under the Master Indenture for as long as the Municipal Obligation is outstanding. Payments by the State Treasurer of Distributable State Aid will be deposited directly into the funds and accounts held by the Master Trustee in accordance with and as provided by the Agreement to Deposit Distributable State Aid and the Master Indenture. Distributable State Aid payments made to the Master Trustee for the purpose of paying debt service on the Municipal Obligation will be held in trust and subject to a statutory lien under applicable State law.

(b) The Master Trustee will be required to deposit all of the City's Distributable State Aid in the Debt Retirement Fund established under the Master Indenture and allocate and set aside Distributable State Aid into the various Distributable Aid Escrow Funds as provided in the Master Indenture, including, without limitation, the Series 2014 DSA Escrow Fund defined in Section 2.5(d) below (the "**DSA Escrow Funds**") created pursuant to one or more supplemental indentures to the Master Indenture for the purpose of accumulating Distributable State Aid in amounts required by such supplemental indentures to be deposited in the DSA Escrow Funds by the dates specified in such supplemental indentures to pay debt service on the bonds and obligations of the City secured by a pledge of Distributable State Aid.

(c) On each date that the State Treasurer deposits a payment of the City's Distributable State Aid (each a "**DSA Deposit**") with the Master Trustee (each a "**DSA Deposit Date**"), the Master Trustee shall set-aside such amounts as shall be sufficient to fund the minimum balances required to be on deposit in each DSA Escrow Fund to pay the then current annual principal and interest requirements on the related obligation as provided in the Master Indenture (each, a "**Deposit Date Balance Requirement**") and collectively the "**Deposit Date Balance Requirements**"). Any amounts remaining in the Debt Retirement Fund after the setting aside of the amounts necessary to satisfy the Deposit Date Balance Requirements of all DSA Escrow Funds, shall be released to the City for deposit to the General Fund of the City.

(d) On or before the Effective Date, the City pursuant to a supplemental indenture to the Master Indenture shall establish with the Master Trustee a Series 2014 DSA Escrow Fund (the "**Series 2014 DSA Escrow Fund**") for the purpose of accumulating Distributable State Aid in sufficient amounts to pay debt service on the Municipal Obligation. Moneys on deposit in the Series 2014 DSA Escrow Fund shall be held and withdrawn by the Master Trustee solely for the purpose of paying to the bond trustee for the holders of the MFA Bonds (as assignee of the MFA) the principal of and interest on the Municipal Obligation when due and payable, which payments will be used to make corresponding payments of principal and interest on the MFA Bonds. Within the



Series 2014 DSA Escrow Fund there shall be created three separate and segregated sub-accounts designated the "Distributable Aid Account," the "Tax Levy Account," and the "General Account." Proceeds of the Aggregate UTGO Tax Levy allocated to the Municipal Obligation and transferred to the Master Trustee by the Escrow Agent pursuant to Section 2.4(b)(i) shall be deposited to the Tax Levy Account and used as described in subsection (f) below. That portion of Distributable State Aid necessary to pay the principal of and interest on the Municipal Obligation when due, shall be set aside and maintained in the Distributable Aid Account and used as described in subsection (e) below. All other moneys deposited to the Series 2014 DSA Escrow Fund from time to time by the City shall be set aside and maintained in the General Account and used as described in subsection (f) below.

(e) To the extent the Master Trustee does not have on deposit in the Tax Levy Account the required portions of principal and interest due on the next October 1 or April 1 on the first day of each month set forth below (the "**Deposit Date Balance Requirement for the Municipal Obligation**"), the Master Indenture will provide for the deposit of all, or such lesser amount as is necessary to correct the deficiency in the Deposit Date Balance Requirement for the Municipal Obligation, of that month's distribution of Distributable State Aid into the Distributable State Aid Account of the Series 2014 DSA Escrow Fund (after all deposits to DSA Escrow Funds established to pay debt service on obligations of the City having priority over the Municipal Obligation). The Deposit Date Balance Requirement for the Municipal Obligation will be as follows:

#### DEPOSIT DATE BALANCE REQUIREMENT

MONTH OF DSA PAYMENT	PORTION OF NEXT MUNICIPAL OBLIGATION INTEREST PAYMENT	PORTION OF NEXT MUNICIPAL OBLIGATION PRINCIPAL PAYMENT
November	1/3	4/6
January	2/3	5/6
March	100%	100%
September	100%	3/6

(f) Amounts on deposit in the Series 2014 DSA Escrow Fund shall be withdrawn from the DSA Escrow Fund for the purpose of paying debt service on the Municipal Obligation when due to the bond trustee for the holders of the MFA Bonds (as assignee of the MFA), which payments will be used to make corresponding payments of principal and interest on the MFA Bonds. Amounts shall be debited first from the Tax Levy Account in an amount necessary to pay the principal of and interest on the



Municipal Obligation on the corresponding payment date, and thereafter, if the amount on deposit in the Tax Levy Account is not sufficient to make the payments required, the amount necessary to satisfy the deficiency shall be debited, first, from the Distributable Aid Account, and second, from the General Account.

Section 2.6. Additional Indebtedness. From and after the date of this Agreement and, pursuant to documentation in form and substance satisfactory to the Parties, until the MFA Bonds have been paid in full:

(a) the City shall not incur, or permit to be outstanding, debt secured by a lien on the Distributable State Aid that is senior to the lien securing the Municipal Obligation, other than debt secured by a lien on the Distributable State Aid on the date of this Agreement ("Existing DSA Debt") and additional debt ("Additional DSA Debt") secured on a second or third lien level so that the aggregate principal amount of (x) Existing DSA Debt (as of the effective date of this Agreement – i.e., \$479,310,000) plus (y) the Additional DSA Debt thereafter issued will not exceed \$560,000,000, provided that, with respect to any Additional Debt the existing financial covenants in the Master Indenture restricting the issuance of additional bonds under the Master Indenture are satisfied.

(b) Notwithstanding clause (a), the City may issue first, second or third lien refunding bonds secured pursuant to the Master Indenture so long as any such refunding issuance results in debt service savings by the City in each year that such refunding bonds will be outstanding (based upon the amortization schedule in effect prior to the time of such refunding) or, if the last maturity of the MFA Bonds is prior to final maturity of the refunding bonds then to be issued, then in each year during which the MFA Bonds are outstanding.

(c) The City shall not incur debt secured by a lien on the Distributable State Aid that is pari passu with the lien securing the Municipal Obligation.

(d) The City may incur debt secured by a lien on the Distributable State Aid that is junior and subordinate to the lien securing the Municipal Obligation.

Section 2.7. Levy and Collection of the Ad Valorem Debt Millage.

The Settlement-Related Documents will provide that:

(a) The City shall impose in each year a separate debt millage levy reasonably projected to be in an amount necessary to pay the debt service coming due on all unlimited tax general obligation bonds (including both the Municipal Obligation and the Stub UTGO Bonds) before the next annual tax levy, including any past due amounts, plus any amounts necessary to reimburse the City for other City funds used to pay prior debt service, less any millage proceeds or other funds already on deposit with the Debt Millage Escrow Trustee which are available to pay the debt service next



coming due. The City shall comply with applicable law in levying and collecting ad valorem millage levied to pay all unlimited tax general obligation bonds.

(b) The City shall certify annually not later than June 30 in each year that it has imposed the debt millage levy as required by and in accordance with Section 2.7(a). Such annual certification shall be in the form attached hereto as Exhibit C and shall be promptly provided to the Bond Insurers.

(c) The City shall furnish to the Bond Insurers promptly upon request such information reasonably requested by the Bond Insurers to confirm the imposition of the debt millage levy and to monitor collections. The Bond Insurers shall have the right to discuss such information with the City, and the City will use reasonable efforts to explain the collection process to the Bond Insurers, including the allocation methods used for partial property tax payments.

#### Section 2.8. Plan Effectiveness and Escrowing of Payments.

(a) If the Effective Date of the Plan does not occur on or prior to September 30, 2014 for any reason other than proximately by reason of the actions or positions taken by any of the executing Bond Insurers, or their failure to support the Plan as provided in Section 3.1 below, solely in their capacity as the insurers of the Prior UTGO Bonds and not in any other capacity (including, for the avoidance of doubt in their capacity as insurers of any other obligations of the City), the City will pay into an escrow to be established with the current paying agent for the Prior UTGO Bonds the pro rata portion of the October 2014 scheduled interest debt service payment and any pro rata payments of principal and interest due thereafter, which would otherwise be paid on the Restructured UTGO Bonds, as if the transaction contemplated by this Agreement (other than the MFA Bond issuance) had closed. Specifically, and for clarification of the City's obligation under this paragraph, the City will pay into escrow the pro rata portion of scheduled debt service payments on the \$287.56 million of Restructured UTGO Bonds due after September 30, 2014 through the Effective Date of the Plan, on the same terms and schedule as set forth in the current documents governing the Prior UTGO Bonds, which, subject to Section 2.8(b) below, such escrowed funds shall be released to the Bond Insurers on the Effective Date of the Plan. Such escrow shall be pursuant to the Settlement Escrow Agreement ("Settlement Escrow Agreement") in the form of Exhibit D attached hereto, which will be executed and delivered on the date of the execution and delivery of this Agreement.

(b) If the Plan is not effective by March 31, 2015, and the Bankruptcy Court has issued an Approval Order (that is not stayed pending appeal) approving the settlement embodied in this Agreement, then on [March 31, 2015] the monies in such escrow will be released to the Bond Insurers, and the City will make all subsequent debt service payments, including the payment due on April 1, 2015, directly to the paying agent for the Prior UTGO Bonds as if the Restructured UTGO Bonds transaction (other than the MFA Bond issuance) had closed. If an Approval Order is entered but is subject to a stay pending appeal, the City shall continue to pay into escrow



the scheduled debt service on the Prior UTGO Bonds for so long as such stay remains in effect, and shall release all monies in the escrow accounts as soon as such order is no longer subject to stay.

(c) If the Plan is not effective by September 30, 2014, then within fifteen (15) days of a request by the Bond Insurers, the City shall file an Approval Motion pursuant to Bankruptcy Rule 9019 with the Bankruptcy Court. The City and the Bond Insurers may mutually make an Approval Motion pursuant to Bankruptcy Rule 9019 at any time upon mutual agreement of the City and the Bond Insurers.

Section 2.9. Confirmation Order and Findings. The Plan Confirmation Order shall include provisions substantially in the form of Exhibit E. Any material modification to such provisions shall be reasonably satisfactory to the Parties.

Section 2.10. Conditions to Plan Effectiveness. The Plan shall provide that the effectiveness of the Plan is subject to the following conditions:

(a) The Michigan Finance Authority board shall have approved the issuance of the MFA Bonds and such bonds shall have been issued; and

(b) The City shall have obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of this Agreement.

Section 2.11. Most Favored Nation. In recognition of the unique features of the UTGO Bonds and in consideration of the settlement, the City agrees that the Bond Insurers will benefit from a "most favored nation" provision consisting of the two fundamental protections below and that such provision will be described in the Plan. Further, the City agrees that, if a class of Impaired Financial Creditors receives treatment other than the current treatment in the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* [Docket No. 4392], such class' treatment in the Plan will include the existence of this "most favored nation" provision.

(a) Recovery Percentage Projected as of Confirmation Date. Under no circumstances shall the terms of the Plan permit either of the Limited Tax General Obligation Claims or the COP Claims (each as defined in the Plan and collectively, the "**Impaired Financial Creditors**") to recover more on a percentage basis than the UTGO Claims as projected at Plan confirmation. In determining whether a Class of Impaired Financial Creditors will recover more on a percentage basis than the UTGO Claims as projected at Plan confirmation, the recovery percentage for each of the Impaired Financial Creditors' Claims will be the sum of:

(i) the percentage that any cash payments and the principal amount of any "hard pay" instrument, combination of instruments or any other evidences of indebtedness or payment obligations of any kind (collectively, the "**Hard Pay Instruments**") provided to such Impaired Financial Creditor Class under the Plan is



of the aggregate amount of all the Allowed Claims in such Impaired Financial Creditor Class; and

(ii) the percentage that the reasonably anticipated recovery (as reasonably determined by the City as of Plan confirmation and as disclosed to creditors subject to the Bond Insurers' right to contest such determination as part of the confirmation hearing) on account of any "soft pay", contingent, or similar type of instrument, combination of instruments or any other evidences of indebtedness, contracts or settlements creating payment obligations of any kind including, without limitation, payment obligations relating to a sale, lease, privatization, public private partnership or similar arrangement or the value of any assets projected to be distributed or promised revenue streams or recoveries of any kind (collectively, the "**Soft Pay Instruments**" and together with the Hard Pay Instruments, the "**Plan Instruments**") provided to such Impaired Financial Creditor Class under the Plan is of the aggregate amount of all the Allowed Claims in such Impaired Financial Creditor Class.

(b) **Actual Recovery Percentage Post-Confirmation.** In the event the actual recovery percentage of any Impaired Financial Creditor Class on the aggregate Plan Instruments provided to such Impaired Financial Creditor's Class would result in such Class receiving 69.5% or more of the aggregate amount of all the Allowed Claims in any such Class (the "**Trigger Event**"), then payments that contribute to the Impaired Financial Creditor Class receiving a recovery over 69.5% (the "**Trigger Payments**") shall be made under such Plan Instruments to the Bond Insurers ("**Top-Off Payments**") on account of the Bond Insurer Claims in amounts equal to the following:

- (i) the amount of the Trigger Payment, multiplied by
- (ii) the quotient of
  - (A) \$100.5 million, divided by
  - (B) the sum of (x) 30.5% of the aggregate amount of all the Allowed Claims in the particular Impaired Financial Creditor Class, and (y) \$100.5 million.

For purposes of this sub-section, all actual recoveries for Impaired Financial Creditor Classes shall be determined by discounting the payments using a 5% discount rate back to the date of Plan confirmation. Amounts payable to the Bond Insurers pursuant to the provisions of this Section 2.11 will be allocated to the Bond Insurers as set forth on Schedule 2 attached hereto.

(c) **Reporting.** The City shall deliver to the Bond Insurers:

- (i) promptly after the first payment is made thereunder, a written notice of any payment under any Soft Pay Plan Instrument benefiting any Impaired Financial Creditor Class, including the amount and date of such payment;



(ii) on each January 15 of every year beginning in the year after the first payment is made on any Soft Pay Plan Instrument benefiting any Impaired Financial Creditor Class and until the maturity date of the Soft Pay Instrument, a written report calculating the aggregate recovery percentage of each Impaired Financial Creditor Class;

(iii) after any Impaired Financial Creditor Class achieves a recovery percentage on the aggregate amount of all the Allowed Claims in such class equal to or greater than 60%, on each January 15 and July 15, a written report calculating the aggregate recovery percentage of each Impaired Financial Creditor Class;

(iv) after a Trigger Event occurs, a written report on each date that a payment is made under any Plan Instruments held by or benefiting an Impaired Financial Creditor Class that explains the calculation for the Trigger Payment and the Top-Off Payment and demonstrates compliance with the terms of this Agreement; and

(v) written notice in the event any Impaired Financial Creditor challenges or disagrees in any manner with the determination of any payments related to a Trigger Payment.

The City official executing any written notice or written report described above will respond within a reasonable time to written inquiries from any Bond Insurer regarding such notice or report. In the event any Bond Insurer or Insurers make a written request to meet with such City official, such City Official will meet within a reasonable time period with such Bond Insurer or Insurers to answer their reasonable questions regarding any such notice or report.

(d) Dispute Resolution. In the event any of the Bond Insurers provides a written notice to the City articulating disagreement with the City's determination of whether a Trigger Event has occurred or with the amount of shared payments after a Trigger Event pursuant to subsection 2.11(c)(iv), the City will notify all Bond Insurers and meet with the Bond Insurers within 15 business days of such written notice. At the meeting the Parties will attempt in good faith to resolve the differences. If the Parties are unable to reach a resolution of the differences the Bond Insurers will have the right to bring an enforcement action in the Bankruptcy Court.

#### Section 2.12. Legal Opinions.

Bond counsel will provide at closing customary legal opinions relating to the validity, priority and enforceability of any MFA transaction in form and substance reasonably satisfactory to the Bond Insurers; such opinions to include standard bankruptcy opinion exceptions. Bond counsel will also provide a customary opinion in form and substance reasonably satisfactory to the Bond Insurers, on the exemption of interest from Federal and State taxation of the MFA Bonds and the Municipal Obligation.



No opinion will be provided with respect to any aspect of any lien on the UTGO Bond Tax Levy.

Section 2.13. Stay of Litigation, Proofs of Claim.

(a) The Assured/NPFG Action and Ambac Action (the “**UTGO Litigation**”) as it relates to the Prior UTGO Bonds shall be stayed pending the issuance of an Approval Order or Plan Confirmation Order and the occurrence of the Effective Date, whereupon the Parties shall ask the Bankruptcy Court to dismiss the UTGO Litigation without prejudice until the Approval Order or the Plan Confirmation Order, as applicable, is a Final Order, when such dismissal shall be deemed to be with prejudice.

(b) As soon as practicable subsequent to the execution and delivery of this Agreement by each of the Parties, but in no event later than five (5) business days subsequent thereto, the Parties shall take any and all action as is appropriate to (i) stay the UTGO Litigation as provided in subsection (a) above, (ii) maintain the status quo of the Parties in the UTGO Litigation as of the execution of this Agreement, and (iii) ensure that no action (including separate litigation and any objection to proofs of claim filed by the Bond Insurers relating to the Prior UTGO Bonds) is undertaken or commenced inconsistent with seeking a stay of and maintaining the status quo of the UTGO Litigation; provided, however, that any such stay shall terminate on the first (1st) business day following termination of this Agreement.

(c) In the event (i) an Approval Motion is made by the City and denied by the Bankruptcy Court, (ii) an Approval Order is issued but is not consistent with this Agreement in any material respect or is overturned on appeal, (iii) a Plan consistent with this Agreement in all material respects is not confirmed by the Bankruptcy Court other than changes regarding payments relating to the Stub UTGO Bonds, or (iv) a Plan Confirmation Order is entered by the Bankruptcy Court but is not consistent in all material respects with this Agreement, or is overturned on appeal, then any Party (including one or more of the Bond Insurers as to such Bond Insurer or Bond Insurers) may resume the UTGO Litigation and terminate this Agreement as to such Party by written notice to the Parties.

(d) The Bond Insurers agree that all proofs of claims filed by any of them with respect to Prior UTGO Bonds shall be deemed resolved and fully satisfied by approval of this Agreement in the Plan Confirmation Order, which is a Final Order or an Approval Order, which is a Final Order, as applicable.

Section 2.14. Additional Covenants

(a) City Will Not Contest. The City shall not contest the validity or enforceability of any of the liens or interests granted under this Agreement or any of the obligations of the City set forth in this Agreement.



(b) Paying Agent, Master Trustee and Escrow Agent Fees.

The City shall pay the reasonable and customary fees and expenses (including reasonable attorneys' fees) of (i) the paying agent with respect to the Prior UTGO Bonds (including the paying agent relating to the Prior UTGO Bonds that are not Holders Restructured UTGO Bonds) and (ii) of the paying agent, the Master Trustee, the Debt Millage Escrow Trustee and the escrow agent identified in the Settlement Escrow Agreement in respect of all transactions contemplated by this Agreement.

(c) Further Action. To the extent that the City has not taken all

necessary action to authorize the execution, delivery and performance of this Agreement, it will do so.

### **ARTICLE III PLAN OF ADJUSTMENT AND PLAN SUPPORT**

Section 3.1. Plan Support Commitment. From and after the date hereof, and so long as the City has complied, and is complying, with its covenants and obligations under this Agreement, the Bond Insurers will each support the treatment of the Prior UTGO Bonds in the Plan by, at a hearing or in a court filing, expressing such support solely as insurers of the Prior UTGO Bonds and, if each Bond Insurer has established its right to vote, will each vote Prior UTGO Bonds and reimbursement claims in support of such Plan treatment. The Plan shall provide that such treatment, consistent with this Agreement, is the treatment for all holders of the Prior UTGO Bonds. For the absence of doubt, nothing contained in this Agreement shall require any Bond Insurer to support or vote for the treatment of any class of claims under the Plan other than the UTGO Bonds.

Section 3.2. Solicitation Required in Connection with Plan.

Notwithstanding anything contained in this Article III or elsewhere in this Agreement to the contrary, this Agreement is not, and shall not be deemed to be, a solicitation of acceptances of the Plan. The City and the Bond Insurers acknowledge and agree that the acceptance of the Plan will not be solicited until the Bankruptcy Court has approved the Disclosure Statement and related ballots, and such Disclosure Statement and ballots have been transmitted to parties entitled to receive same.

Section 3.3. Plan Document Provisions. All Plan Documents, as they relate to the settlement embodied in this Agreement must (i) be in form and substance reasonably satisfactory to the Bond Insurers and to the City and be consistent with this Agreement, (ii) provide that the Plan treatment for Prior UTGO Bonds is part of a settlement of the pending UTGO Litigation.



## ARTICLE IV DEFAULTS AND REMEDIES

Section 4.1. Events of Default. The breach by any Party of any material agreement or covenant set forth in this Agreement or the Settlement Escrow Agreement will be an event of default ("Event of Default") under this Agreement.

Section 4.2. Remedies. The Parties acknowledge and agree that a breach of the provisions of this Agreement by any Party would cause irreparable damage to the other Parties and that such other Parties would not have an adequate remedy at law for such damage. Therefore, the obligations of the Parties set forth in this Agreement and the Settlement Escrow Agreement shall be enforceable by an order compelling specific performance issued by the Bankruptcy Court, and appropriate injunctive relief may be applied for and granted in connection therewith. Upon an Event of Default by the City, any Bond Insurer will have the right to compel immediate payment of amounts held under the Settlement Escrow Agreement by order of the Bankruptcy Court. Such remedies shall be cumulative and not exclusive and shall be in addition to any other remedies that the Parties may have under this Agreement, the Settlement Escrow Agreement or otherwise. Any Bond Insurer may exercise its rights hereunder on its own. Consistent with Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement and the Settlement Escrow Agreement.

### Section 4.3. Termination.

(a) This Agreement may be terminated by the mutual agreement of all of the Bond Insurers upon an Event of Default caused by the City. This Agreement may be terminated by less than all of the Bond Insurers as to such Bond Insurer or Bond Insurers upon an Event of Default caused by the City if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by one or more Bond Insurers before the Bankruptcy Court, (ii) the Bankruptcy Court, after notice and a hearing, finds that an Event of Default caused by the City has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the City of the applicable agreement or covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the City fails to comply with the order.

(b) This Agreement may be terminated by the City if any of the Bond Insurers fails to (i) support the Plan with respect to Class 8 – UTGO Claims or (ii) if it has the right to vote its Class 8 Claims as determined by the voting procedures process approved by the Bankruptcy Court in an order entered on March 11, 2014 (Docket No. 2984) (as such order may have been amended from time to time), vote its Class 8 Claims to accept the Plan. This Agreement may be terminated by the City upon an Event of Default caused by the Bond Insurers, or any of them, if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by the City before the Bankruptcy Court, (ii) the Bankruptcy Court finds, after



notice and a hearing, that an Event of Default caused by the applicable Bond Insurer has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the applicable Bond Insurer of the applicable agreement or covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the applicable Bond Insurer fails to comply with the order.

(c) Upon any such termination, any Party (including one or more of the Bonds Insurers as to such Bond Insurer or Bond Insurers) may resume the UTGO Litigation unless it has been previously dismissed with prejudice or has been previously deemed dismissed with prejudice.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES**

Section 5.1. Representations and Warranties of the City. The City represents and warrants to the Bond Insurers that:

- (a) It is a municipal corporation of the State of Michigan.
- (b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken or will take all necessary action to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any order or judgment of any court or other agency of government applicable to it, or any material agreements specifically applicable to it or any of its assets.
- (d) Other than (i) approvals by the MFA, the State Treasurer, the execution of the Emergency Manager Order, and the approvals required by Section 19 of Act 436 to be obtained prior to delivery of the Municipal Obligation, all of which the City reasonably expects to be obtained prior to the Effective Date, and (ii) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

Section 5.2. Representations and Warranties of the Bond Insurers. Each of the Bond Insurers represents to the City that:

- (a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation.



(b) It has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary corporate action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it, or any agreements specifically applicable to it or any of its assets.

(d) All corporate or governmental consents and approvals that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

(e) Each of the respective Bond Insurers had and has standing to bring and resolve the UTGO Litigation related to the Prior UTGO Bonds that it insures (Assured and NPFG represent that each had and has standing to bring and resolve the Assured/NPFG Action, and Ambac represents that it had and has standing to bring and resolve the Ambac Action).

Section 5.3. Mutual Representations and Warranties. Unless otherwise noted, each Party makes the following representations, warranties and covenants (on a several basis, with respect to such Party only) to each of the other Parties:

(a) Each person signing this Agreement warrants that he or she is legally competent and authorized to execute this Agreement on behalf of the Party whose name is subscribed at or above such person's signature.

(b) The Parties have not made any statement or representation to each other regarding any facts relied upon by them in entering into this Agreement, and each of them specifically does not rely upon any statement, representation or promise of the other Parties hereto or any other person in entering into this Agreement, except as expressly stated herein or in the exhibits hereto. Each party has relied upon its own investigation and analysis of the facts and not on any statement or representation made by any other party in choosing to enter into this Agreement and the transactions contemplated herein.

(c) The Parties and their respective attorneys have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto as they deem necessary.

## **ARTICLE VI EXCULPATION**

Section 6.1. Exculpation. The Plan will include the Bond Insurer Exculpated Parties as exculpated parties for acts and omissions (other than those



constituting gross negligence or willful misconduct) in connection with (i) the Plan as it relates to this Agreement and (ii) this Agreement.

Section 6.2. Releases. Upon the dismissal with prejudice or deemed dismissal with prejudice of the applicable UTGO Litigation, the Parties to the applicable UTGO Litigation shall be deemed to have released each other, and the Parties' officials, officers, directors, employees and representatives, of and from any and all claims and causes of action related to the applicable UTGO Litigation and the Prior UTGO Bonds.

Section 6.3. Defense Against Challenges. (a) Subject to the terms of Section 6.3(b) below, if, after the issuance of the Plan Confirmation Order or the Approval Order, the validity or enforceability of any term or provision of this Agreement or the Settlement-Related Documents (as they relate to the settlement set forth in this Agreement) is challenged in any action, suit or proceeding, each of the named Parties in such action, suit or proceeding shall assume its own defense of such action, suit or proceeding.

(b) If, after the issuance of the Plan Confirmation Order or the Approval Order, an action, suit or proceeding is brought, an issue in which is the validity or enforceability of the Stub UTGO Bonds, including, without limitation, a challenge to the Assigned UTGO Bond Tax Proceeds (a "**Stub UTGO Challenge**"), the City shall assume the defense of such issue in any such action, suit or proceeding. If any of the Bond Insurers are named as a party in a Stub UTGO Challenge, the City will appoint counsel to the named Bond Insurers, which may or may not be counsel to the City. In all events, such counsel must be reasonably acceptable to the named Bond Insurers, and the City will pay the reasonable costs of such counsel.

## **ARTICLE VII DISMISSAL OF CASE AND TERMINATION**

Section 7.1. Effect of Dismissal of the Bankruptcy Case. In the event the Bankruptcy Case is dismissed, any Party may at any time within 60 days after such dismissal immediately terminate this Agreement by written notice to the other Parties.

Section 7.2. Effect of Termination. In the event of the termination of this Agreement by any Party pursuant to any provisions of this Agreement, this Agreement shall become null and void and be deemed of no force and effect, with no liability on the part of any Party hereto (or of any of its elected or appointed officials, directors, officers, employees, consultants, contractors, agents, legal and financial advisors or other representatives) arising from such termination, and no Party shall have any obligations to any other Party arising out of this Agreement. Upon termination, neither this Agreement nor any terms or provisions set forth herein shall be admissible in any dispute, litigation, proceeding or controversy among the Parties and nothing contained herein shall constitute or be deemed to be an admission by any Party as to any matter, it being understood that the statements and resolutions reached herein were as a result of negotiations and compromises of the respective positions of the Parties. If this



Agreement is terminated, then no Party hereto may (i) use this Agreement, any of its terms or any discussions or negotiations conducted in respect of this Agreement, or any part of the foregoing, in the UTGO Litigation; (ii) seek discovery with respect to any of the matters described in subsection (i) in the UTGO Litigation; or (iii) seek to admit any of the matters described in subsection (i) into evidence in the UTGO Litigation.

## **ARTICLE VIII MISCELLANEOUS**

Section 8.1. Amendments. This Agreement may not be modified, amended or supplemented except by a written agreement executed by each Party to be affected by such modification, amendment or supplement.

Section 8.2. No Admission of Liability.

(a) The execution of this Agreement is not intended to be, nor shall it be construed as, an admission or evidence in any pending or subsequent suit, action, proceeding or dispute of any liability, wrongdoing, or obligation whatsoever (including as to the merits of any claim or defense) by any Party to any other Party or any other person with respect to any of the matters addressed in this Agreement.

(b) None of this Agreement (including, without limitation, the recitals and exhibits hereto), the settlement or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission or evidence of the validity of any claim or of any wrongdoing or liability of any Party; or (ii) is or may be deemed to be or may be used as an admission or evidence of any liability, fault or omission of any Party in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. None of this Agreement, the settlement, or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement shall be admissible in any proceeding for any purposes, except to enforce the terms of the Agreement, and except that any Party may file this Agreement in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on the principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense of counterclaim.

Section 8.3. Good Faith Negotiations. The Parties recognize and acknowledge that each of the Parties hereto is represented by counsel, and such Party received independent legal advice with respect to the advisability of entering into this Agreement. Each of the Parties acknowledges that the negotiations leading up to this Agreement were conducted regularly and at arm's length; this Agreement is made and executed by and of each Party's own free will; that each knows all of the relevant facts and his or its rights in connection therewith, and that he or it has not been improperly influenced or induced to make this settlement as a result of any act or action on the part of any party or employee, agent, attorney or representative of any party to this



Agreement. The Parties further acknowledge that they entered into this Agreement because of their desire to avoid the further expense and inconvenience of litigation and other disputes, and to compromise permanently and settle the claims between the Parties settled by the execution of this Agreement.

Section 8.4. Rights and Remedies. Nothing in this Agreement is intended to augment or impair any rights, remedies and interests, including without limitation, liens, of any of the Parties hereto other than with respect to the Prior UTGO Bonds.

Section 8.5. Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any Person other than the Parties hereto and their respective successors and assigns, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof; and the covenants, stipulations and agreements contained in this Agreement are and shall be for the sole and exclusive benefit of the Parties hereto and their respective successors and assigns.

Section 8.6. Governing Law; Retention of Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan, without giving effect to any principles of conflicts of law and applicable federal law. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding between any or all of the foregoing with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the Bankruptcy Court for that purpose only, and, by execution and delivery of this Agreement, each hereby irrevocably accepts and submits itself to the jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 8.11 hereof, unless another address has been designated by such Party in a notice given to the other Parties in accordance with Section 8.11 hereof. The City agrees that the Bankruptcy Court will have exclusive post-confirmation authority and power to enforce this Agreement and all Settlement-Related Documents and to hear and adjudicate any challenge, action, suit or proceeding brought by any third party challenging the validity or enforceability of any provision of this Agreement, until all UTGO Bonds have been paid in full and all Plan Instruments are no longer outstanding. Pursuant to Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement and the Settlement Escrow Agreement.

Section 8.7. Headings. The headings of the Articles and Sections of this Agreement are inserted for convenience only and are not part of this Agreement and do



not in any way limit or modify the terms or provisions of this Agreement and shall not affect the interpretation hereof.

Section 8.8. Binding Agreement Successors and Assigns; Joint and Several Obligations. This Agreement shall be binding upon the execution and delivery of this Agreement by the Parties listed on the signature pages hereto. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, administrators, constituents and representatives. The agreements, representations, covenants and obligations of the Parties under this Agreement are several only and not joint in any respect and none shall be responsible for the performance or breach of this Agreement by another.

Section 8.9. Entire Agreement. This Agreement shall constitute the full and entire agreement among the Parties with regard to the subject hereof, and supersedes all prior negotiations, representations, promises or warranties (oral or otherwise) made by any Party with respect to the subject matter hereof. No Party has entered into this Agreement in reliance on any other Party's prior representation, promise or warranty (oral or otherwise) except for those that may be expressly set forth in this Agreement.

Section 8.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, shall constitute one and the same Agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts, provided receipt of copies of such counterparts is confirmed.

Section 8.11. Notices. All demands, notices, requests, consents, and other communications hereunder shall be in writing and shall be deemed to have been duly given (a), when personally delivered by courier service or messenger, (b) upon actual receipt (as established by confirmation of receipt or otherwise) during normal business hours, otherwise on the first business day thereafter if transmitted electronically (by e-mail transmission), by facsimile or telecopier, with confirmation of receipt, or (c) three (3) Business Days after being duly deposited in the mail, by certified or registered mail, postage prepaid-return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following Parties:

If to the City, to:

Chief Financial Officer  
City of Detroit  
1126 Coleman A. Young Municipal Center  
Two Woodward Avenue  
Detroit MI 48226  
Phone: (313) 224-3382  
Fax: (313) 224-2827

with a copy given in like manner to:

Corporation Counsel  
City of Detroit Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit MI 48226  
Phone: (313) 237-3018  
Fax: (313) 224-5505

Miller, Canfield, Paddock and Stone, PLC  
150 West Jefferson, Suite 2500  
Detroit, MI 48226  
Attention: Jonathan Green  
Email: green@millercanfield.com  
Attention: Amanda Van Dusen  
Email: vandusen@millercanfield.com

If to the Bond Insurers, to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and General Counsel's Office  
Fax: (212) 208-3384

with a copy given in like manner to:

Arent Fox LLP  
1675 Broadway  
New York, New York 10019  
Attention: David L. Dubrow, Esq.  
Telecopy: (212) 484-3990  
Email: david.dubrow@arentfox.com

Assured Guaranty Municipal Corp and Assured Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Email: klyons@assuredguaranty.com  
Attention: Terence Workman  
Email: tworkman@assuredguaranty.com

with a copy given in like manner to:



Chadbourne & Parke LLP  
30 Rockefeller Plaza  
New York, NY 10112  
Attention: Lawrence A. Larose  
Fax: (212) 541-5369  
Email: llarose@chadbourne.com  
Attention: Samuel S. Kohn  
Fax: (212) 541-5369  
Email: skohn@chadbourne.com

National Public Finance Guarantee Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J. Rizzo  
Telecopy: (914) 765-3259  
Email: kenneth.epstein@optinuityar.com  
Email: bill.rizzo@nationalpfg.com

with a copy given in like manner to:

Sidley Austin LLP  
555 West 5th Street  
40th Floor  
Los Angeles, CA 90013  
Attention: Jeffrey E. Bjork  
Telecopy: (213) 896-6600  
Email: jbjork@sidley.com

Sidley Austin LLP  
555 California Street  
Suite 2000  
San Francisco, CA 94104  
Attention: Eric D. Tashman  
Telecopy: (415) 772-7400  
Email: etashman@sidley.com

Section 8.12. Further Assurances. Each of the Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

Section 8.13. Non-Severability of Agreement. This Agreement is to be construed as a whole, and all provisions of it are to be read and construed together. Notwithstanding anything in this Agreement, the Approval Order (if applicable) or the Plan Confirmation Order to the contrary, and in light of the integrated nature of the settlements and compromises embodied in this Agreement, in the event that (i) a court of

competent jurisdiction enters a Final Order ruling that any of the transactions contemplated in this Agreement are void, invalid, illegal or unenforceable in any material respect, (ii) any of the transactions contemplated by this Agreement are reversed, vacated, overturned, voided or unwound in any material respect, or (iii) the Approval Order or Plan Confirmation Order as it relates to the transactions contemplated in this Agreement is reversed, vacated, overturned or amended in any material respect, then in each case, the entirety of this Agreement (other than this Section 8.13) shall be void ab initio and of no force and effect and, during any subsequent proceeding, the Parties shall not assert claim preclusion, issue preclusion, estoppel or any similar defense in respect of rights and claims of the Parties that were the subject of this Agreement prior to this Agreement being of no force or effect.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

THE CITY OF DETROIT, as Debtor

By: \_\_\_\_\_  
Name:  
Title:

AMBAC ASSURANCE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

ASSURED GUARANTY CORP.

By: \_\_\_\_\_  
Name:  
Title:

ASSURED GUARANTY MUNICIPAL CORP.

By: \_\_\_\_\_  
Name:  
Title:

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

**Schedule 1**

**(Pro Rata Allowed Claims for Restructured UTGO Bonds and Stub UTGO Bonds)**

**Schedule 1a - Holders Restructured UTGO Bonds**

<b>Series</b>	<b>Outstanding UTGO Bond Principal</b>	<b>Restructured %</b>	<b>Holders Restructured UTGO Bond Principal</b>
UTGO1999A (Assured)	\$15,765,000	84.50%	\$13,321,425
UTGO2001A1 (National)	74,800,000	84.50%	63,206,000
UTGO2001B (National)	-	-	-
UTGO2002 (National)	6,645,000	84.50%	5,615,025
UTGO2003A (Syncora)	31,675,000	84.50%	26,765,375
UTGO2004A1 (Ambac)	39,270,000	84.50%	33,183,150
UTGO2004B1 (Ambac)	29,365,000	84.50%	24,813,425
UTGO2004B2 (Ambac)	575,000	84.50%	485,875
UTGO2005B (Assured)	42,615,000	84.50%	36,009,675
UTGO2005C (Assured)	15,525,000	84.50%	13,118,625
UTGO2008A (Assured)	55,895,000	84.50%	47,231,275
UTGO2008B1 (Assured)	18,780,000	84.50%	15,869,100
<b>Total</b>	<b>\$330,910,000</b>		<b>\$279,618,950</b>



**Schedule 1b - Insurer Owned Restructured UTGO Bonds**

Series	UTGO Bond Principal	Restructured %	Insurer Owned Restructured UTGO Bond Principal				
			Ambac	Assured	National	Syncora	Total
UTGO1999A (Assured)	\$15,765,000	2.4%	-	378,360	-	-	\$378,360
UTGO2001A1 (National)	74,800,000	2.4%	249,977	1,545,223	-	-	1,795,200
UTGO2001B (National)	-	2.4%	-	-	-	-	-
UTGO2002 (National)	6,645,000	2.4%	22,207	137,273	-	-	159,480
UTGO2003A (Syncora)	31,675,000	2.4%	99,245	613,476	-	47,479	760,200
UTGO2004A1 (Ambac)	39,270,000	2.4%	942,480	-	-	-	942,480
UTGO2004B1 (Ambac)	29,365,000	2.4%	704,760	-	-	-	704,760
UTGO2004B2 (Ambac)	575,000	2.4%	13,800	-	-	-	13,800
UTGO2005B (Assured)	42,615,000	2.4%	-	1,022,760	-	-	1,022,760
UTGO2005C (Assured)	15,525,000	2.4%	-	372,600	-	-	372,600
UTGO2008A (Assured)	55,895,000	2.4%	-	1,341,480	-	-	1,341,480
UTGO2008B1 (Assured)	18,780,000	2.4%	-	450,720	-	-	450,720
<b>Total</b>	<b>\$330,910,000</b>		<b>\$2,032,469</b>	<b>\$5,861,892</b>	<b>\$ -</b>	<b>\$47,479</b>	<b>\$7,941,840</b>



**Schedule 2**

**(Pro Rata Payments to Bond Insurers)**

## Schedule 2 - Allocation of Amount Payable to Bond Insurers

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Insurer	Pro Rata Share
Ambac	23.209%
Assured	50.400%
National	26.391%
Total	100.000%

Exhibit A

FORM OF DEBT MILLAGE ESCROW AGREEMENT

**DEBT MILLAGE DEPOSIT ESCROW AGREEMENT  
CITY OF DETROIT, COUNTY OF WAYNE  
STATE OF MICHIGAN**

THIS ESCROW AGREEMENT (the "Agreement") dated as of the \_\_\_\_ day of \_\_\_\_\_, 2014, made by and between the City of Detroit, County of Wayne, State of Michigan (the "City") and U. S. Bank National Association, Detroit, Michigan (the "Escrow Trustee").

**WITNESSETH:**

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; and

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$369.115 million in outstanding principal amount of unlimited tax general obligation bonds, excluding the 2010A UTGO Bonds hereinafter mentioned (the "Prior UTGO Bonds"); and

WHEREAS the City has previously issued and delivered its Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation) Series 2010A (Taxable Recovery Zone Economic Development Bonds Direct Payment) (the "2010A UTGO Bonds") which, together

with the Prior UTGO Bonds, are outstanding in the amounts, bear interest at the rates, are payable on such dates and have the redemption provisions shown on Exhibit A hereto; and

WHEREAS, more than 90% of the Prior UTGO Bonds are insured by either Ambac Assurance Corporation, Assured Guaranty Municipal Corp. or National Public Finance Guarantee Corporation (each a "Bond Insurer" and collectively, the "Bond Insurers"), as shown on Exhibit A; and

WHEREAS, the City and the Bond Insurers have entered into a settlement agreement entered into as of July \_\_, 2014 (the "UTGO Settlement Agreement"); and

WHEREAS, the City intends to restructure \$287,560,790 of the Prior UTGO Bonds which mature on or after April 1, 2015 (the "Restructured UTGO Bonds") as described below; and

WHEREAS, on \_\_\_\_, 2014, pursuant to Section 12(1) and Section 19(1) of Act 436, the Emergency Manager filed with the City Council of the City (the "City Council") his Order No. \_\_\_\_ Approval of \_\_\_\_ (Order No. \_\_\_\_), in part, to accomplish the restructuring of the Restructured UTGO Bonds as the Distributable State Aid Fourth Lien Restructured Bonds (Unlimited Tax General Obligation), Series 2014 (the "Bonds" or the "Municipal Obligation") in the amounts shown on Exhibit B attached hereto; and

WHEREAS, on \_\_\_\_, 2014, in accordance with Section 19(1) of Act 436, the City Council adopted a resolution entitled ["Resolution of the City Council of the City of Detroit, County of Wayne, State of Michigan Approving the Emergency Manager of the City of Detroit Order No. \_\_\_\_ Approval of UTGO \_\_\_\_"] (the "Council Resolution") under which the City Council approved the issuance and delivery of the Municipal Obligation to the Michigan Finance Authority ("MFA"); and

WHEREAS, the Restructured UTGO Bonds will be restructured as described in Section 2.2 of the UTGO Settlement Agreement; and

WHEREAS, on \_\_\_\_, 2014, the Bankruptcy Court issued an order approving the UTGO Settlement Agreement (the "Confirmation Order"); and

WHEREAS, the portion of the Prior UTGO Bonds not restructured through the issuance of the Municipal Obligation, which mature on or after April 1, 2015, in the principal amount of \$43,410,000 (the "Stub UTGO Bonds" and together with the 2010A UTGO Bonds, the Municipal Obligation and any Additional Bonds (defined below), the "UTGO Bonds") will be reinstated and shall remain Outstanding in the amounts and will remain payable as shown on Exhibit C hereto and as provided in Order No. \_\_\_\_; and

WHEREAS, pursuant to the Prior UTGO Bonds and the 2010A UTGO Bonds and Order No. \_\_\_\_ and Section 4a of Act 279, the City has pledged, and to the extent permitted by applicable law, including without limitation Section 12(1)(x) of Act 436, in Order No. \_\_, has created a lien upon the Debt Millage Revenues (as hereinafter defined) to pay the debt service on the UTGO Bonds; and



WHEREAS, pursuant to Section 4a of Act 279, and Section 701 of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, Order No. \_\_\_\_ provides for the deposit of the Debt Millage Revenues into a separate escrow account to be used for the sole purpose of paying principal of and interest on the UTGO Bonds and the administrative costs related to the deposit and escrow of Debt Millage Revenues; and

WHEREAS, in order to effectuate the pledge of the Debt Millage Revenues in favor of the owners of the UTGO Bonds, it is necessary for the City to provide for the deposit with the Escrow Trustee of the proceeds of 100% of its debt millage levy to satisfy the Debt Service Requirements to be held by the Escrow Trustee in trust, to further secure payment of the debt service on the UTGO Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, provisions and agreements herein contained, the sufficiency of which are hereby acknowledged, that in order to provide for the payment of the UTGO Bonds, for the benefit of the owners thereof and the Bond Insurers, and to secure the performance and observance of the conditions and covenants herein set forth and for other valuable consideration, the receipt of which is hereby acknowledged, the City covenants and agrees with the Escrow Trustee for the benefit of the respective owners from time to time of the UTGO Bonds and the Bond Insurers as follows:

## **ARTICLE I**

### **DEFINITIONS**

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

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

“Additional Bonds” means any series of unlimited tax general obligation bonds issued by the City on a parity as to Debt Millage Revenue levies with the 2010A UTGO Bonds, the Municipal Obligation and the Stub UTGO Bonds.

“Business Day” means a day which is not (i) a Saturday, Sunday or legal holiday on which banks located in either the State of Michigan or the state or states in which the principal corporate trust office of the Escrow Trustee, is located are authorized or required by law to be closed, or (ii) a day on which the New York Stock Exchange is closed.

“Debt Millage Deposit” or “Debt Millage Deposits” means whenever used herein singularly, each payment of Debt Millage Revenues, and collectively all payments of Debt Millage Revenues by the City to the Escrow Trustee for deposit in the UTGO Debt Millage Fund in accordance with Section 204 hereof.

“Debt Millage Revenues” means the proceeds of the debt millage levies, including interest subsidy payments received by the City in respect of the 2010A UTGO Bonds, delinquent millage payments received from Wayne County, Michigan or otherwise, pledged to and on



account of unlimited tax general obligation bonds of the City for the payment of debt service on the Prior UTGO Bonds, or after the Effective Date of the UTGO Bonds, and the 2010A UTGO Bonds and any Additional Bonds.

“Debt Retirement Schedule” means the table attached as Exhibit D hereto, showing the dates Debt Service Requirements are due and payable on each series of the UTGO Bonds.

“Debt Service Requirement” means an amount equal to the principal of and/or interest due on any series of UTGO Bonds (including the Stub UTGO Bonds) semi-annually on each payment date as set forth in Exhibit D.

“Effective Date” mean the effective date of the City’s chapter 9 plan of adjustment.

“Escrow Trustee” means initially, U.S. Bank National Association, Detroit, Michigan, or any successor in trust or assignees, as Escrow Trustee hereunder.

“Event of Default” means the breach by the City of any material agreement or covenant set forth in the UTGO Settlement Agreement or this Agreement, written notice of which has been provided by a Bond Insurer to the City and the Escrow Trustee.

“Fiscal Year” means the City’s fiscal year, commencing July 1 and ending June 30.

“General Retirement System” means the General Retirement System of the City of Detroit, \_\_\_\_\_ Fund.

“Income Stabilization Funds” means the Police & Fire Retirement System of the City of Detroit, Income Stabilization Fund, and the General Retirement System of the City of Detroit, Income Stabilization Fund.

“Master Trustee” means U. S. Bank National Association, Detroit, Michigan, as trustee under the Master Debt Retirement Trust Indenture dated as of March 1, 2010, as supplemented, between the City and the Master Trustee.

“Outstanding” when used with respect to the UTGO Bonds, means, as of the date of determination, the UTGO Bonds theretofore authenticated and delivered pursuant to the resolution, indenture and/or order for that series, except:

- (a) UTGO Bonds theretofore canceled by the trustee or paying agent for such UTGO Bonds or delivered to such trustee or paying agent for cancellation;
- (b) UTGO Bonds for whose payment money in the necessary amount, without the need for reinvestment thereof, has been theretofore deposited with the trustee or paying agent for such UTGO Bonds in trust for the registered owners of such UTGO Bonds;
- (c) UTGO Bonds delivered to the trustee or paying agent for such UTGO Bonds for cancellation in connection with (i) the exchange of such UTGO



Bonds for other bonds or (ii) the transfer of the registration of such UTGO Bonds;

- (d) UTGO Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to the resolution, indenture or order for that series or otherwise pursuant to law; and
- (e) UTGO Bonds deemed paid as provided in the resolution, indenture or order for that series.

“Permitted Investments” means those investments specified in Article III of this Escrow Agreement.

“Plan Assignees” means the Income Stabilization Funds and the General Retirement System.

“Set Aside Ledger” means the table attached as Exhibit D hereto, showing the allocation of each Debt Millage Deposit to the UTGO Debt Millage Fund in such fractional amounts determined in accordance with Section 204(a) herein.

“Stub UTGO Bonds Paying Agent” means U. S. Bank National Association, Detroit, Michigan.

“UTGO Debt Millage Fund” means the City of Detroit UTGO Debt Millage Fund created and described in Section 201 of this Agreement.

## **ARTICLE II**

### **ESTABLISHMENT OF FUNDS AND ACCOUNTS**

Section 201. Establishment of UTGO Debt Millage Fund. There is hereby created and established with the Escrow Trustee, pursuant to Order No. \_\_\_ and this Escrow Agreement, a single and common trust fund designated the “UTGO Debt Millage Fund.”

Section 202. Establishment of Accounts and Subaccounts. (a) There are hereby created within the UTGO Debt Millage Fund three (3) separate and segregated accounts, designated as follows:

1. “2010A UTGO Bonds Debt Millage Account” (“2010A UTGO Account”). The Escrow Trustee shall deposit Debt Millage Revenues allocable to the Debt Service Requirements on the 2010A UTGO Bonds, as set forth on Exhibit D, in the 2010A UTGO Account.
2. “2014 UTGO Bonds Debt Millage Account” (“2014 UTGO Bonds Account”). The Escrow Trustee shall deposit Debt Millage Revenues allocable to the Debt Service Requirements on the Municipal Obligation and the Stub UTGO Bonds, as set forth on Exhibit D, in the 2014 UTGO Bonds Account.



3. "Additional Bonds Debt Millage Account" ("Additional Bonds Account"). The Escrow Trustee shall deposit Debt Millage Revenues allocable to the Debt Service Requirements (to be reflected in a supplement to Exhibit D) on any series of Additional Bonds in a subaccount established for such series in the Additional Bonds Account pursuant to a supplement to this Agreement.

(b) There are hereby created within the 2014 UTGO Bonds Account two separate and segregated subaccounts, designated as follows:

1. The 2014 UTGO Municipal Obligation Subaccount ("2014 Municipal Obligation Subaccount").
2. The Stub UTGO Bonds Subaccount ("Stub UTGO Bonds Subaccount").

The Escrow Trustee shall allocate and deposit Debt Millage Revenues deposited in the 2014 UTGO Bonds Account among the 2014 Municipal Obligation Subaccount and the Stub UTGO Bonds Subaccount as provided in Section 204(a).

Section 203. Deposits to the UTGO Debt Millage Fund. Commencing on the Effective Date, and thereafter in accordance with the distribution schedule published by the Michigan Department of Treasury, and in any event, no less often than (x) bi-monthly during the period beginning each July 1 and ending the following March 31, and (y) monthly during the period beginning April 1 and ending the following June 30 of each year, the City shall remit the Debt Millage Revenues to the Escrow Trustee for deposit in the UTGO Debt Millage Fund. In the Order, the City has covenanted that it shall cause to be deposited with the Escrow Trustee, in accordance with the terms of this Escrow Agreement, 100% of the Debt Millage Revenues received by the City for as long as the Municipal Obligation and the Stub UTGO Bonds remain outstanding. The Escrow Trustee shall deposit any Debt Millage Revenues received by it from the City into the UTGO Debt Millage Fund and allocate such deposits in accordance with the provisions of Section 204 below.

Section 204. Allocation and Deposit. (a) Each Fiscal Year, commencing with the Effective Date and for as long as any UTGO Bonds remain outstanding, within one (1) Business Day of receipt by the Escrow Trustee of each Debt Millage Deposit, the Escrow Trustee shall set aside in the UTGO Debt Millage Fund each Debt Millage Deposit received, and make transfers from the UTGO Debt Millage Fund, as follows:

1. FIRST, a percentage of each Debt Millage Deposit received shall be allocated and set aside in each of the 2010A UTGO Account, the 2014 UTGO Bonds Account and any Additional Bonds Account that corresponds to the percentage that the Debt Service Requirement payable on the related series of UTGO Bonds as shown on Exhibit D bears to the Debt Service Requirement payable (or past due) on all UTGO Bonds on or before May 1 of each Fiscal Year until the sum of the aggregate Debt Millage Deposits (when taken together with any investment earnings on deposit) equals the Debt Service Requirement on all UTGO Bonds for such Fiscal Year. Once the Debt Service Requirement has been satisfied for all UTGO Bonds for payments due on or before May 1 of each Fiscal Year, any excess shall be allocated to the same accounts in



proportion to the Debt Service Requirements payable on such UTGO Bonds in the next Fiscal Year.

2. SECOND, the Escrow Trustee shall allocate deposits made to the 2014 UTGO Bonds Account (i) first to the 2014 Municipal Obligation Subaccount until the Debt Service Requirement payable (or past due) on the Municipal Obligation as shown on Exhibit D on or before April 1 of the then current Fiscal Year has been satisfied and (ii) second, to the Stub UTGO Bonds Subaccount until the Debt Service Requirement payable (or past due) on the Stub UTGO Bonds on or before April 1 of the then current Fiscal Year has been satisfied. Once the Debt Service Requirement for all Prior UTGO Bonds has been satisfied for the then current Fiscal Year, any excess shall be allocated first to the 2014 Municipal Obligation Subaccount for application to the next Fiscal Year's Debt Service Requirements for the Municipal Obligation and then to the next Fiscal Year's Debt Service Requirements for the Stub UTGO Bonds.

3. THIRD, within three Business Days after a deposit is made to any account or subaccount in the UTGO Debt Millage Fund the Escrow Trustee shall transfer the funds in such account or subaccount as follows:

(a) Funds on deposit in the 2010A UTGO Debt Millage Account shall be transferred to the Master Trustee for application to Debt Service Requirements for the 2010A UTGO Bonds.

(b) Funds on deposit in the 2014 Municipal Obligation Subaccount shall be transferred to the Master Trustee for deposit in the Series 2014 Tax Levy Account for application to Debt Service Requirements for the Municipal Obligation.

(c) Funds on deposit in the Stub UTGO Bonds Subaccount shall be transferred to the Plan Assignees pursuant to the direction and in the amounts shown on Exhibit F. In the event insufficient funds are on deposit in the Stub UTGO Bonds Subaccount on the date set for any transfer, the Escrow Trustee shall allocate and transfer the funds then on deposit in the Stub UTGO Bonds Subaccount to the Plan Assignees pro rata, in proportion to the amount due to each Plan Assignee on such date.

(d) Funds on deposit in the Additional Bonds Account shall be transferred to the paying agent or trustee for the related series of Additional Bonds.

(b) The Escrow Trustee shall keep and maintain a ledger on its books and records showing each Debt Millage Deposit into the Debt Millage Fund of the UTGO Debt Millage Fund, all transfers of funds from one account to another or from the UTGO Debt Millage Fund to the Master Trustee or the Income Stabilization Funds or the paying agent or trustee for any Additional Bonds, which ledger shall be substantially in the form attached hereto as Exhibit D-2 (the "Set Aside Ledger"). Not later than one (1) Business Days after the receipt of each Debt Millage Deposit, the Escrow Trustee shall promptly confirm electronically or in writing to the



City the receipt of each Debt Millage Deposit and provide with such notice a copy of the Set Aside Ledger which shall include the deposit entries for the then most recent Debt Millage Deposit, all prior deposits for the Fiscal Year and entries for any inter-fund transfers during the Fiscal Year. While any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, upon request of the Bond Insurers, the Escrow Trustee shall furnish a copy of the Set Aside Ledger to the Bond Insurers.

(c) Upon receipt of the Set Aside Ledger from the Escrow Trustee, the Finance Director of the City shall allocate on the books and records of the City a fractional amount of each Debt Millage Deposit shown in the Set Aside Ledger equal to the percentage of each Debt Millage Deposit that corresponds to the Debt Service Requirement by the City for the payment of that portion of debt service due on the UTGO Bonds in accordance with the ratios of the Debt Service Requirements for each series of UTGO Bonds to the total Debt Service Requirement for all UTGO Bonds set forth in Exhibit D hereto.

### **ARTICLE III**

#### **INVESTMENT OF FUNDS**

Section 301. Permitted Investments. All money held by the Escrow Trustee pursuant to this Agreement shall be invested by the Escrow Trustee, without the need for further direction by the City, in accordance with written instructions from the City in mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, that have been rated at the time of purchase within the highest classification established by not less than two standard rating services and so long as the portfolio of such mutual funds is limited to bonds, and other obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by the full faith and credit of the United States. In the absence of written direction delivered to the Escrow Trustee by the City, the Escrow Trustee shall hold funds uninvested. The Escrow Trustee shall be entitled to rely on any written direction from the City as to the suitability and legality of the directed investment.

### **ARTICLE IV**

#### **THE ESCROW TRUSTEE**

Section 401. Powers and Duties of Escrow Trustee. (a) The Escrow Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters hereof, and may in all cases be reimbursed hereunder for reasonable compensation paid to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Escrow Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

(b) The Escrow Trustee shall not be responsible for any recital herein, or for the validity of the execution by the City of this Escrow Agreement, or of any supplements thereto or



instruments of further assurance, or for the validity or sufficiency of, or filing of documents related to the security for the UTGO Bonds intended to be secured hereby.

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

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

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

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

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

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

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

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

(k) The Escrow Trustee may become the holder of any of the UTGO Bonds with the same rights it would have if it were not Escrow Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of holders, whether or



not such committee shall represent the holders of a majority in principal amount of any of the UTGO Bonds of such series then outstanding.

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

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

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

Section 402. Fees and Expenses of Escrow Trustee. (a) The Escrow Trustee shall be entitled to reasonable fees for services rendered under this Escrow Agreement, as amended, and shall be reimbursed for all expenses reasonably incurred in connection with such services. Such fees and expenses shall be payable by the City and shall be determined in accordance with the Fee Schedule attached as Exhibit E of this Agreement or as otherwise may be agreed to by the City and the Escrow Trustee.

(b) The City shall be liable for all fees, expenses, charges, losses, costs, liabilities and damages incurred by the Escrow Trustee pursuant to this Agreement except for those which are adjudicated to have resulted from the gross negligence or willful misconduct of the Escrow Trustee, and shall pay such amounts to or at the direction of the Escrow Trustee.

Section 403. Resignation; Appointment of Successor Escrow Trustee; Successor Escrow Trustee Upon Merger, Consolidation or Sale. (a) The Escrow Trustee and any successor Escrow Trustee may resign only upon giving 60 days' prior written notice to the City and, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the Bond Insurers. Such resignation shall take effect only upon the appointment of a successor Escrow Trustee as described in Section 403(b) below and the acceptance of such appointment by the successor Escrow Trustee. Upon appointment of a successor Escrow Trustee, the resigning Escrow Trustee shall, after payment of its fees, costs and expenses, assign all of its right, title and interest in the Debt Millage Revenues, and transfer and assign its right, title and interest in the Escrow Agreement to the successor Escrow Trustee. The successor Escrow Trustee shall meet the requirements of Section 403(b) below and shall accept in writing its duties and responsibilities hereunder and file such acceptance with the City.

(b) In case the Escrow Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the City (so long as no Event of Default shall have occurred and be continuing under this Escrow Agreement ) and, while any of the Municipal Obligation or the Stub UTGO Bonds remains



Outstanding, the Bond Insurers, be appointed by the owners of a majority in aggregate principal amount of UTGO Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Escrow Trustee, and the successor Escrow Trustee, which, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding must be acceptable to the Bond Insurers insuring such Outstanding Bonds. In the absence of an appointment by the bondholders, the City may appoint a successor Escrow Trustee, by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Escrow Trustee and the successor Escrow Trustee. If the owners of the UTGO Bonds and the City fail to so appoint a successor Escrow Trustee, hereunder within thirty (30) days after the Escrow Trustee has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Escrow Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Escrow Trustee appointed pursuant to the provisions of this Section 403(b) (i) shall at all times be a bank having trust powers or a trust company, (ii) shall at all times be organized and doing business under the laws of the United States of America or of any state, (iii) shall have, or be wholly owned by an entity having, a combined capital and surplus of at least \$75,000,000, (iv) shall be authorized under such laws to exercise corporate trust powers, and (v) shall be subject to supervision or examination by federal or state authority.

(c) Any corporation or association into which the Escrow Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such company shall be eligible under Section 403(b) hereof, shall be and become successor Escrow Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 404. Removal of Escrow Trustee. The Escrow Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Escrow Trustee and signed by the City; provided that if an Event of Default has occurred and is continuing hereunder, then, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the Escrow Trustee may not be removed without the consent of the holders of a majority in aggregate principal amount of the UTGO Bonds then Outstanding and the Bond Insurers. No removal of the Escrow Trustee and no appointment of a successor Escrow Trustee shall become effective until the successor Escrow Trustee has accepted its appointment in the manner provided in Section 403 hereof. Upon such removal and the payment of its fees, costs and expenses, the Escrow Trustee shall assign to the successor Escrow Trustee all of its right, title and interest in the Trust Estate in the same manner as provided in Section 403 hereof.



## **ARTICLE V**

### **ADDITIONAL BONDS**

Section 501. Issuance of Additional Bonds. The City reserves the right to issue unlimited tax full faith and credit bonds payable on a parity basis with the pledge of the City's unlimited tax full faith and credit as security for the UTGO Bonds. While any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the debt millage levy with respect to any such parity bonds shall be subject to the terms of this Agreement.

Section 502. Notices Regarding Additional Bonds. The City hereby covenants to provide notice to the Escrow Trustee and, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the Bond Insurers, of the issuance of each series of Additional Bonds. The City may enter into additional agreements or supplements hereto with the Escrow Trustee to provide for the remittance of Debt Millage Revenues to the Escrow Trustee to be held and transferred for the payment of principal of and interest on any Additional Bonds pursuant to this Agreement.

Section 503. Defeasance or Redemption. The City hereby covenants to provide notice to the Escrow Trustee of the defeasance or redemption of all or any portion of the UTGO Bonds. In the event that the City issues Additional Bonds as described in Section 501 hereof, the City hereby covenants to provide notice to the Escrow Trustee of the defeasance or redemption of all or any portion of the Additional Bonds.

## **ARTICLE VI**

### **AMENDMENTS**

Section 601. Modifications and Amendments Not Requiring Consent. Any provision of this Agreement may be amended at any time by the parties hereto, and while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, with the prior written consent of the Bond Insurers, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Agreement.
- (b) To grant to or confer upon the Escrow Trustee any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Escrow Trustee.
- (c) To accomplish, implement or give effect to any other action which is authorized or required by this Agreement.
- (d) To comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to the UTGO Bonds or any Additional Bonds.
- (e) To appoint separate or successor trustees.
- (f) To provide for the deposit of Debt Millage Revenues with respect to any Additional Bonds.



- (g) To make any other change which, in the judgment of the Escrow Trustee, is not to the material prejudice of holders of the UTGO Bonds, upon the opinion of bond counsel or other professionals.
- (h) To create obligation specific Escrow Funds and sub-accounts in accordance with Article II herein for further securing and establishing deposit and set-aside requirements of all UTGO Bonds issued by the City.

Within thirty (30) days after the execution of any amendment pursuant to this Section 601, the Escrow Trustee shall cause notice thereof to be mailed, postage prepaid to the Master Trustee, the Stub UTGO Paying Agent and the trustee or paying agent for any Additional Bonds at their addresses shown in Section 701. The notice shall briefly set forth the nature of the supplement and shall state that copies thereof are on file at the corporate trust office of the Escrow Trustee for inspection by all such holders. Any such supplement so executed shall be valid and binding notwithstanding any failure of the Escrow Trustee to mail the notice herein required and notwithstanding any objections which may be received pursuant to any mailed notice.

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

## **ARTICLE VII**

### **MISCELLANEOUS**

Section 701. Notices. Except as other provided, all notices, certificates, requests, complaints, demands or other communications under this Agreement shall be deemed sufficiently given when sent by first class mail or overnight mail postage prepaid, addressed as follows:

If to the City, to:

City of Detroit  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit MI 48226  
Attention: Chief Financial Officer

If to the Escrow Trustee, the Master Trustee or the Stub UTGO Bonds Paying Agent, to:

U.S. Bank National Association  
535 Griswold, Suite 550  
Detroit, Michigan 48226  
Attention: Corporate Trust Services



If to the Bond Insurers, to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and  
General Counsel's Office

Assured Guaranty Municipal Corp and  
Assured Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Attention: Terence Workman

National Public Finance Guarantee  
Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J.  
Rizzo

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

Section 702. Termination. This Agreement shall terminate following delivery of written direction from the City to the Escrow Trustee to so terminate, together with written notice: (1) that all of the Municipal Obligation and the Stub UTGO Bonds have been paid in full at maturity or defeased (and for each series of UTGO Bonds that have been or are to be defeased prior to termination, such notice shall include written certification by an independent verification agent for the City that sufficient cash or obligations necessary to defease such UTGO Bonds in accordance with the applicable defeasance requirements are on deposit with the Master Trustee, in the case of the Municipal Obligation, and the Income Stabilization Funds, in the case of the Stub UTGO Bonds to be defeased, as of the date of the City's notice), and (2) that all fees owed to the Escrow Trustee have been paid in full. Upon termination of this Agreement, any money remaining on deposit in the funds and accounts created and established hereunder shall be paid to the City.

Section 703. Severability. If any one or more sections, clauses or provisions of this Escrow Agreement shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions of the Agreement.

Section 704. Headings. Any headings shall be solely for convenience of reference and shall not constitute a part of the Agreement, nor shall they affect its meaning, construction or effect.

Section 705. Escrow Agreement Executed in Counterparts. This Escrow Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, and such counterparts together shall and will constitute one and the same instrument.

Section 706. Parties Interested Herein. Nothing in this Escrow Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Escrow Trustee, the City, the Bond Insurers and the registered owners of the UTGO Bonds, any right, remedy or claim under or by reason of this Escrow Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement on behalf of the City shall be for the sole and exclusive benefit of the Escrow Trustee, the City, the Bond Insurers and the registered owners of the UTGO Bonds.

IN WITNESS WHEREOF, this Escrow Agreement has been signed on behalf of the City by its Emergency Manager and U.S. Bank National Association to evidence the acceptance of the trust, has caused this Escrow Agreement to be executed in its behalf by its authorized officer, all as of the date first above written.

CITY OF DETROIT

By \_\_\_\_\_  
Kevyn D. Orr  
Its: Emergency Manager

U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Trustee

By \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**  
**DEBT RETIREMENT SCHEDULES**  
**(BY SERIES)**



113-553846-SWR

## UTGO Bond Series Debt Retirement Schedules

[illegible]



113-538846-SW

## UTGO Bond Series Debt Retirement Schedules

[illegible]

13-53846-swr

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# UTGO Bond Series Debt Retirement Schedules

Co	Serial	Maturity Date	Rate	Principal	Interest	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28
UTGO 2004-B(1)																			
25	2004-B(1)	4/1/15	5.000%	\$5,675,000.00	Assured														
25	2004-B(1)	4/1/16	5.250%	\$9,105,000.00	Assured														
25	2004-B(1)	4/1/17	4.000%	\$305,000.00	Assured														
25	2004-B(1)	4/1/17	4.000%	\$9,290,000.00	Assured														
25	2004-B(1)	4/1/18	5.250%	\$29,365,000.00	Assured														
UTGO 2004-B(2)																			
25	2004-B(2)	4/1/10	5.250%	\$575,000.00	Assured														
UTGO 2005-B																			
25	2005-B	4/1/15	5.000%	\$2,290,000.00	Assured														
25	2005-B	4/1/16	5.000%	\$2,405,000.00	Assured														
25	2005-B	4/1/17	4.300%	\$2,520,000.00	Assured														
25	2005-B	4/1/18	5.000%	\$2,635,000.00	Assured														
25	2005-B	4/1/19	5.000%	\$2,750,000.00	Assured														
25	2005-B	4/1/20	5.000%	\$2,865,000.00	Assured														
25	2005-B	4/1/21	5.000%	\$2,980,000.00	Assured														
25	2005-B	4/1/22	5.000%	\$3,095,000.00	Assured														
25	2005-B	4/1/23	5.000%	\$3,210,000.00	Assured														
25	2005-B	4/1/24	5.000%	\$3,325,000.00	Assured														
25	2005-B	4/1/25	5.000%	\$3,440,000.00	Assured														
UTGO 2005-C																			
25	2005-C	4/1/15	5.000%	\$2,905,000.00	Assured														
25	2005-C	4/1/16	5.000%	\$2,920,000.00	Assured														
25	2005-C	4/1/17	4.300%	\$2,935,000.00	Assured														
25	2005-C	4/1/18	5.000%	\$2,950,000.00	Assured														
25	2005-C	4/1/19	5.250%	\$2,965,000.00	Assured														
25	2005-C	4/1/20	5.250%	\$2,980,000.00	Assured														
UTGO 2006-A																			
25	2006-A	4/1/15	5.000%	\$2,875,000.00	Assured														
25	2006-A	4/1/16	5.000%	\$2,890,000.00	Assured														
25	2006-A	4/1/17	5.000%	\$2,905,000.00	Assured														
25	2006-A	4/1/18	4.000%	\$3,170,000.00	Assured														
25	2006-A	4/1/19	5.000%	\$3,185,000.00	Assured														
25	2006-A	4/1/20	5.000%	\$3,200,000.00	Assured														
25	2006-A	4/1/21	5.000%	\$3,215,000.00	Assured														
25	2006-A	4/1/22	5.000%	\$3,230,000.00	Assured														
25	2006-A	4/1/23	5.000%	\$3,245,000.00	Assured														
25	2006-A	4/1/24	5.000%	\$3,260,000.00	Assured														
25	2006-A	4/1/25	5.000%	\$3,275,000.00	Assured														
UTGO 2006-B(1)																			
25	2006-B(1)	4/1/15	5.000%	\$7,970,000.00	Assured														
25	2006-B(1)	4/1/16	5.000%	\$8,085,000.00	Assured														
25	2006-B(1)	4/1/17	5.000%	\$8,200,000.00	Assured														
25	2006-B(1)	4/1/18	5.000%	\$8,315,000.00	Assured														
UTGO 2006-A																			
25	2006-A	11/1/14	5.120%	\$1,885,000.00	Assured														
25	2006-A	11/1/15	5.420%	\$1,985,000.00	Assured														
25	2006-A	11/1/16	6.087%	\$2,105,000.00	Assured														
25	2006-A	11/1/17	6.337%	\$2,240,000.00	Assured														
25	2006-A	11/1/22	7.188%	\$1,960,000.00	Assured														
25	2006-A	11/1/25	8.367%	\$10,000,000.00	Assured														
UTGO 2006-B(2)																			
25	2006-B(2)	4/1/10	5.250%	\$430,910,000.00	Assured														

\* Subject to Mandatory Redemption



# UTGO Bond Series Debt Retirement Schedules

Coupon	Maturity Date	Rate	Principal	Insurer	10/1/28	4/1/29	10/1/29	4/1/30	10/1/30	4/1/31	10/1/31	4/1/32	10/1/32	4/1/33	10/1/33	4/1/34	10/1/34	4/1/35	Total Interest	Total Principal & Interest
UTGO 2002-A																				
25100000	4/1/15	5.250%	\$2,500,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$149,625.00	\$2,649,625.00
25100000	4/1/16	5.000%	\$2,500,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$299,500.00	\$2,799,500.00
25100000	4/1/17	5.000%	\$3,145,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$471,750.00	\$3,616,750.00
25100000	4/1/18	5.000%	\$3,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$661,000.00	\$3,966,000.00
25100000	4/1/19	5.000%	\$3,470,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$867,500.00	\$4,337,500.00
25100000	4/1/21	5.000%	\$15,765,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,449,375.00	\$18,214,375.00
UTGO 2002-B																				
25100000	4/1/15	5.375%	\$5,940,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$119,275.00	\$6,059,275.00
25100000	4/1/16	5.375%	\$6,260,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$672,950.00	\$6,932,950.00
25100000	4/1/17	5.375%	\$6,600,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,064,250.00	\$7,664,250.00
25100000	4/1/18	5.375%	\$14,000,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,010,000.00	\$17,010,000.00
25100000	4/1/19	5.000%	\$14,000,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,300,000.00	\$17,300,000.00
25100000	4/1/20	5.000%	\$14,000,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,200,000.00	\$18,200,000.00
25100000	4/1/21	5.000%	\$14,000,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,900,000.00	\$18,900,000.00
25100000	4/1/21	5.000%	\$74,800,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,666,475.00	\$92,466,475.00
UTGO 2002-C																				
25100000	4/1/21	5.125%	\$3,240,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,162,350.00	\$4,402,350.00
25100000	4/1/22	5.125%	\$3,405,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,396,250.00	\$4,801,250.00
25100000	4/1/22	5.125%	\$6,645,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,558,400.00	\$9,203,400.00
UTGO 2003-A																				
25100000	4/1/15	4.000%	\$100,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,000.00	\$112,000.00
25100000	4/1/15	5.250%	\$2,550,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$133,875.00	\$2,683,875.00
25100000	4/1/16	5.250%	\$2,995,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$334,425.00	\$3,309,425.00
25100000	4/1/17	5.250%	\$3,150,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$406,125.00	\$3,546,125.00
25100000	4/1/18	5.250%	\$3,315,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$468,150.00	\$3,783,150.00
25100000	4/1/19	5.250%	\$3,490,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$516,225.00	\$4,006,225.00
25100000	4/1/20	5.250%	\$3,675,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$565,000.00	\$4,240,000.00
25100000	4/1/21	5.250%	\$3,860,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$615,000.00	\$4,475,000.00
25100000	4/1/21	5.250%	\$3,860,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$615,000.00	\$4,475,000.00
25100000	4/1/22	4.025%	\$3,565,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,497,300.00	\$5,062,300.00
25100000	4/1/23	4.025%	\$1,500,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$624,375.00	\$2,124,375.00
25100000	4/1/23	4.025%	\$2,175,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,311,187.50	\$3,486,187.50
25100000	4/1/23	5.250%	\$3,675,000.00	Syncoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,740,287.50	\$40,415,287.50
UTGO 2004-A(1)																				
25100000	4/1/19	5.250%	\$4,500,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,181,250.00	\$5,681,250.00
25100000	4/1/20	4.250%	\$185,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$47,375.00	\$232,375.00
25100000	4/1/20	5.250%	\$6,085,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,916,775.00	\$8,001,775.00
25100000	4/1/21	5.000%	\$6,600,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,310,000.00	\$8,910,000.00
25100000	4/1/21	5.250%	\$6,950,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,910,600.00	\$9,840,600.00
25100000	4/1/22	5.250%	\$375,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$151,875.00	\$526,875.00
25100000	4/1/23	4.250%	\$375,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,269,700.00	\$10,189,700.00
25100000	4/1/23	5.250%	\$6,920,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,611,000.00	\$11,461,000.00
25100000	4/1/24	4.000%	\$785,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,617,250.00	\$10,307,250.00
25100000	4/1/24	5.250%	\$6,890,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,765,725.00	\$35,035,725.00

\* See to Mandatory Redemption

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\* Subject to Mandatory Redemption



# UTGO Series - Prior Bonds

Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A											
CUSIP 251093ZK1							CUSIP 251093N63							CUSIP 251093N55							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Ambac	6/30/15	-	\$575,000.00	5.240%	\$15,065.00	10/1/14	Assured	6/30/15	-	\$10,980,000.00	5.000%	\$499,500.00	10/1/2022	Assured	6/30/23	-	\$10,980,000.00	5.000%	\$499,500.00	
4/1/15	Ambac	6/30/15	\$155,000.00	-	5.240%	\$15,065.00	4/1/15	Assured	6/30/15	-	-	5.000%	\$499,500.00	4/1/2023	Assured	6/30/23	-	\$10,980,000.00	5.000%	\$499,500.00	
10/1/15	Ambac	6/30/16	-	\$420,000.00	5.240%	\$11,004.00	10/1/15	Ambac	6/30/16	\$155,000.00	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/2023	Assured	6/30/24	-	\$10,980,000.00	5.000%	\$499,500.00
4/1/16	Ambac	6/30/16	\$165,000.00	-	5.240%	\$11,004.00	4/1/16	Ambac	6/30/16	\$165,000.00	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/2024	Assured	6/30/24	-	\$19,980,000.00	5.000%	\$499,500.00
10/1/16	Ambac	6/30/17	-	\$255,000.00	5.240%	\$6,681.00	10/1/16	Ambac	6/30/17	-	\$255,000.00	5.240%	\$6,681.00	10/1/2024	Assured	6/30/25	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/17	Ambac	6/30/17	\$170,000.00	-	5.240%	\$6,681.00	4/1/17	Ambac	6/30/17	\$170,000.00	-	\$255,000.00	5.240%	\$6,681.00	4/1/2025	Assured	6/30/25	\$4,635,000.00	\$15,345,000.00	5.000%	\$499,500.00
10/1/17	Ambac	6/30/18	-	\$85,000.00	5.240%	\$2,227.00	10/1/17	Ambac	6/30/18	-	\$85,000.00	5.240%	\$2,227.00	10/1/2025	Assured	6/30/26	-	\$15,345,000.00	5.000%	\$499,500.00	
4/1/18	Ambac	6/30/18	\$85,000.00	-	5.240%	\$2,227.00	4/1/18	Assured	6/30/18	-	-	5.000%	\$499,500.00	4/1/2026	Assured	6/30/26	\$4,870,000.00	\$10,475,000.00	5.000%	\$499,500.00	
Total							Total							Total							
\$69,954.00							\$10,980,000.00							\$12,548,250.00							
Issuance: 2008-A																					
CUSIP 251093N55							CUSIP 251093N55							CUSIP 251093N55							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/14	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2022	Assured	6/30/23	-	\$10,980,000.00	5.000%	\$499,500.00	
4/1/15	Assured	6/30/15	-	-	5.000%	\$215,500.00	4/1/15	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/2023	Assured	6/30/24	-	\$10,980,000.00	5.000%	\$499,500.00	
10/1/15	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/15	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2023	Assured	6/30/24	-	\$10,980,000.00	5.000%	\$499,500.00	
4/1/16	Assured	6/30/16	-	-	5.000%	\$215,500.00	4/1/16	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/2024	Assured	6/30/25	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/16	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/16	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2024	Assured	6/30/25	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/17	Assured	6/30/17	-	-	5.000%	\$215,500.00	4/1/17	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/2025	Assured	6/30/25	\$4,635,000.00	\$15,345,000.00	5.000%	\$499,500.00	
10/1/17	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/17	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2025	Assured	6/30/26	-	\$15,345,000.00	5.000%	\$499,500.00	
4/1/18	Assured	6/30/18	-	-	5.000%	\$215,500.00	4/1/18	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/2026	Assured	6/30/26	\$4,870,000.00	\$10,475,000.00	5.000%	\$499,500.00	
10/1/18	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/18	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2026	Assured	6/30/26	-	\$10,475,000.00	5.000%	\$499,500.00	
4/1/19	Assured	6/30/19	-	-	5.000%	\$215,500.00	4/1/19	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/2027	Assured	6/30/27	\$5,110,000.00	\$5,365,000.00	5.000%	\$499,500.00	
10/1/19	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/19	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2027	Assured	6/30/28	-	\$5,365,000.00	5.000%	\$499,500.00	
4/1/20	Assured	6/30/20	-	-	5.000%	\$215,500.00	4/1/20	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/2028	Assured	6/30/28	\$5,365,000.00	-	5.000%	\$499,500.00	
10/1/20	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/20	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00	Total							
4/1/21	Assured	6/30/21	-	-	5.000%	\$215,500.00	4/1/21	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00	\$10,980,000.00							
10/1/21	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/21	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00	\$12,548,250.00							
4/1/22	Assured	6/30/22	-	-	5.000%	\$215,500.00	4/1/22	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00								
10/1/22	Assured	6/30/23	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/22	Assured	6/30/23	-	\$8,620,000.00	5.000%	\$215,500.00								
4/1/23	Assured	6/30/23	\$4,205,000.00	-	5.000%	\$215,500.00	4/1/23	Assured	6/30/23	\$4,205,000.00	-	\$4,415,000.00	5.000%	\$110,375.00							
10/1/23	Assured	6/30/24	-	\$4,415,000.00	5.000%	\$110,375.00	10/1/23	Assured	6/30/24	-	\$4,415,000.00	5.000%	\$110,375.00								
4/1/24	Assured	6/30/24	\$4,415,000.00	-	5.000%	\$110,375.00	4/1/24	Assured	6/30/24	\$4,415,000.00	-	\$4,415,000.00	5.000%	\$110,375.00							
Total						\$4,099,750.00	Total						Total								
						\$8,620,000.00															

# UTGO Series - 2010A

Bond Series Subject to Mandatory Redemption

CUSIP: 59447PDA6												
Issuance: 2010-A												
Mandatory Redemption												
Amounts												
Date	Insurer	Fiscal Year	Outstanding	Rate	Interest							
11/1/14	Ambac	6/30/15	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/15	Ambac	6/30/15	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/15	Ambac	6/30/16	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/16	Ambac	6/30/16	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/16	Ambac	6/30/17	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/17	Ambac	6/30/17	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/17	Ambac	6/30/18	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/18	Ambac	6/30/18	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/18	Ambac	6/30/19	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/19	Ambac	6/30/19	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/19	Ambac	6/30/20	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/20	Ambac	6/30/20	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/20	Ambac	6/30/21	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/21	Ambac	6/30/21	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/21	Ambac	6/30/22	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/22	Ambac	6/30/22	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/22	Ambac	6/30/23	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/23	Ambac	6/30/23	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/23	Ambac	6/30/24	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/24	Ambac	6/30/24	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/24	Ambac	6/30/25	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/25	Ambac	6/30/25	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/25	Ambac	6/30/26	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/26	Ambac	6/30/26	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/26	Ambac	6/30/27	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/27	Ambac	6/30/27	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/27	Ambac	6/30/28	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/28	Ambac	6/30/28	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/28	Ambac	6/30/29	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/29	Ambac	6/30/29	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/29	Ambac	6/30/30	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/30	Ambac	6/30/30	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/30	Ambac	6/30/31	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/31	Ambac	6/30/31	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/31	Ambac	6/30/32	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/32	Ambac	6/30/32	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/32	Ambac	6/30/33	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/33	Ambac	6/30/33	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/33	Ambac	6/30/34	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/34	Ambac	6/30/34	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/34	Ambac	6/30/35	\$77,885,000.00	8.369%	\$3,259,097.83							
5/1/35	Ambac	6/30/35	\$77,885,000.00	8.369%	\$3,259,097.83							
11/1/35	Ambac	6/30/36	\$77,885,000.00	8.369%	\$3,259,097.83							
Total					\$108,522,287.58							

CUSIP: 59447PDB4												
Issuance: 2010-A												
Mandatory Redemption												
Amounts												
Date	Insurer	Fiscal Year	Outstanding	Rate	Interest							
11/1/14	Ambac	6/30/15	\$13,900,000.00	7.188%	\$499,566.00							
5/1/15	Ambac	6/30/15	\$13,900,000.00	7.188%	\$499,566.00							
11/1/15	Ambac	6/30/16	\$13,900,000.00	7.188%	\$499,566.00							
5/1/16	Ambac	6/30/16	\$13,900,000.00	7.188%	\$499,566.00							
11/1/16	Ambac	6/30/17	\$13,900,000.00	7.188%	\$499,566.00							
5/1/17	Ambac	6/30/17	\$13,900,000.00	7.188%	\$499,566.00							
11/1/17	Ambac	6/30/18	\$13,900,000.00	7.188%	\$499,566.00							
5/1/18	Ambac	6/30/18	\$13,900,000.00	7.188%	\$499,566.00							
11/1/18	Ambac	6/30/19	\$13,900,000.00	7.188%	\$499,566.00							
5/1/19	Ambac	6/30/19	\$13,900,000.00	7.188%	\$499,566.00							
11/1/19	Ambac	6/30/20	\$13,900,000.00	7.188%	\$499,566.00							
5/1/20	Ambac	6/30/20	\$13,900,000.00	7.188%	\$499,566.00							
11/1/20	Ambac	6/30/21	\$13,900,000.00	7.188%	\$499,566.00							
5/1/21	Ambac	6/30/21	\$13,900,000.00	7.188%	\$499,566.00							
11/1/21	Ambac	6/30/22	\$13,900,000.00	7.188%	\$499,566.00							
5/1/22	Ambac	6/30/22	\$13,900,000.00	7.188%	\$499,566.00							
11/1/22	Ambac	6/30/23	\$13,900,000.00	7.188%	\$499,566.00							
Total					\$6,637,758.60							

**EXHIBIT B**  
**MUNICIPAL OBLIGATION**



## UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

SI#	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
Interest																		
1003999-A																		
0038M3	4/1/15	5.250%	\$2,476,650.00	Assured	\$65,012.06	\$65,012.06	\$65,066.38	\$65,066.38	\$68,325.13	\$68,325.13	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$78,970.38	\$82,554.99	\$86,138.88	\$89,722.99
0038M4	4/1/16	5.000%	\$2,602,655.00	Assured	\$65,066.38	\$65,066.38	\$68,325.13	\$68,325.13	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$78,970.38	\$82,554.99	\$86,138.88	\$89,722.99	\$93,307.60	\$96,891.71
0038M5	4/1/17	5.000%	\$2,731,905.00	Assured	\$68,325.13	\$68,325.13	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$78,970.38	\$82,554.99	\$86,138.88	\$89,722.99	\$93,307.60	\$96,891.71	\$100,475.82	\$104,060.93
0038M6	4/1/18	5.000%	\$2,872,045.00	Assured	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$78,970.38	\$82,554.99	\$86,138.88	\$89,722.99	\$93,307.60	\$96,891.71	\$100,475.82	\$104,060.93	\$107,646.04	\$111,230.15
0038M7	4/1/19	5.000%	\$3,015,150.00	Assured	\$75,385.75	\$75,385.75	\$78,970.38	\$82,554.99	\$86,138.88	\$89,722.99	\$93,307.60	\$96,891.71	\$100,475.82	\$104,060.93	\$107,646.04	\$111,230.15	\$114,814.26	\$118,398.37
0038M8	4/1/20	5.000%	\$3,169,985.00	Assured	\$82,554.99	\$82,554.99	\$86,138.88	\$89,722.99	\$93,307.60	\$96,891.71	\$100,475.82	\$104,060.93	\$107,646.04	\$111,230.15	\$114,814.26	\$118,398.37	\$121,982.48	\$125,566.59
0038M9	4/1/21	5.000%	\$3,338,430.00	Assured	\$89,722.99	\$89,722.99	\$93,307.60	\$96,891.71	\$100,475.82	\$104,060.93	\$107,646.04	\$111,230.15	\$114,814.26	\$118,398.37	\$121,982.48	\$125,566.59	\$129,150.70	\$132,734.81
0038M10	4/1/22	5.000%	\$3,520,885.00	Assured	\$96,891.71	\$96,891.71	\$100,475.82	\$104,060.93	\$107,646.04	\$111,230.15	\$114,814.26	\$118,398.37	\$121,982.48	\$125,566.59	\$129,150.70	\$132,734.81	\$136,318.92	\$139,903.03
0038M11	4/1/23	5.000%	\$3,717,450.00	Assured	\$104,060.93	\$104,060.93	\$107,646.04	\$111,230.15	\$114,814.26	\$118,398.37	\$121,982.48	\$125,566.59	\$129,150.70	\$132,734.81	\$136,318.92	\$139,903.03	\$143,487.14	\$147,071.25
0038M12	4/1/24	5.000%	\$3,929,125.00	Assured	\$111,230.15	\$111,230.15	\$114,814.26	\$118,398.37	\$121,982.48	\$125,566.59	\$129,150.70	\$132,734.81	\$136,318.92	\$139,903.03	\$143,487.14	\$147,071.25	\$150,655.36	\$154,239.47
0038M13	4/1/25	5.000%	\$4,155,810.00	Assured	\$118,398.37	\$118,398.37	\$121,982.48	\$125,566.59	\$129,150.70	\$132,734.81	\$136,318.92	\$139,903.03	\$143,487.14	\$147,071.25	\$150,655.36	\$154,239.47	\$157,823.58	\$161,407.69
0038M14	4/1/26	5.000%	\$4,397,505.00	Assured	\$125,566.59	\$125,566.59	\$129,150.70	\$132,734.81	\$136,318.92	\$139,903.03	\$143,487.14	\$147,071.25	\$150,655.36	\$154,239.47	\$157,823.58	\$161,407.69	\$164,991.80	\$168,575.91
0038M15	4/1/27	5.000%	\$4,655,210.00	Assured	\$132,734.81	\$132,734.81	\$136,318.92	\$139,903.03	\$143,487.14	\$147,071.25	\$150,655.36	\$154,239.47	\$157,823.58	\$161,407.69	\$164,991.80	\$168,575.91	\$172,160.02	\$175,744.13
0038M16	4/1/28	5.000%	\$4,929,025.00	Assured	\$139,903.03	\$139,903.03	\$143,487.14	\$147,071.25	\$150,655.36	\$154,239.47	\$157,823.58	\$161,407.69	\$164,991.80	\$168,575.91	\$172,160.02	\$175,744.13	\$179,328.24	\$182,912.35
0038M17	4/1/29	5.000%	\$5,216,840.00	Assured	\$147,071.25	\$147,071.25	\$150,655.36	\$154,239.47	\$157,823.58	\$161,407.69	\$164,991.80	\$168,575.91	\$172,160.02	\$175,744.13	\$179,328.24	\$182,912.35	\$186,496.46	\$190,080.57
0038M18	4/1/30	5.000%	\$5,520,665.00	Assured	\$154,239.47	\$154,239.47	\$157,823.58	\$161,407.69	\$164,991.80	\$168,575.91	\$172,160.02	\$175,744.13	\$179,328.24	\$182,912.35	\$186,496.46	\$190,080.57	\$193,664.68	\$197,248.79
0038M19	4/1/31	5.000%	\$5,842,590.00	Assured	\$161,407.69	\$161,407.69	\$164,991.80	\$168,575.91	\$172,160.02	\$175,744.13	\$179,328.24	\$182,912.35	\$186,496.46	\$190,080.57	\$193,664.68	\$197,248.79	\$200,832.90	\$204,417.01
0038M20	4/1/32	5.000%	\$6,182,715.00	Assured	\$168,575.91	\$168,575.91	\$172,160.02	\$175,744.13	\$179,328.24	\$182,912.35	\$186,496.46	\$190,080.57	\$193,664.68	\$197,248.79	\$200,832.90	\$204,417.01	\$207,991.12	\$211,575.23
0038M21	4/1/33	5.000%	\$6,541,240.00	Assured	\$175,744.13	\$175,744.13	\$179,328.24	\$182,912.35	\$186,496.46	\$190,080.57	\$193,664.68	\$197,248.79	\$200,832.90	\$204,417.01	\$207,991.12	\$211,575.23	\$215,159.34	\$218,743.45
0038M22	4/1/34	5.000%	\$6,918,165.00	Assured	\$182,912.35	\$182,912.35	\$186,496.46	\$190,080.57	\$193,664.68	\$197,248.79	\$200,832.90	\$204,417.01	\$207,991.12	\$211,575.23	\$215,159.34	\$218,743.45	\$222,327.56	\$225,911.67
0038M23	4/1/35	5.000%	\$7,313,590.00	Assured	\$190,080.57	\$190,080.57	\$193,664.68	\$197,248.79	\$200,832.90	\$204,417.01	\$207,991.12	\$211,575.23	\$215,159.34	\$218,743.45	\$222,327.56	\$225,911.67	\$229,495.78	\$233,079.89
0038M24	4/1/36	5.000%	\$7,727,715.00	Assured	\$197,248.79	\$197,248.79	\$200,832.90	\$204,417.01	\$207,991.12	\$211,575.23	\$215,159.34	\$218,743.45	\$222,327.56	\$225,911.67	\$229,495.78	\$233,079.89	\$236,664.00	\$240,248.11
0038M25	4/1/37	5.000%	\$8,160,640.00	Assured	\$204,417.01	\$204,417.01	\$207,991.12	\$211,575.23	\$215,159.34	\$218,743.45	\$222,327.56	\$225,911.67	\$229,495.78	\$233,079.89	\$236,664.00	\$240,248.11	\$243,832.22	\$247,416.33
0038M26	4/1/38	5.000%	\$8,612,465.00	Assured	\$211,575.23	\$211,575.23	\$215,159.34	\$218,743.45	\$222,327.56	\$225,911.67	\$229,495.78	\$233,079.89	\$236,664.00	\$240,248.11	\$243,832.22	\$247,416.33	\$250,991.44	\$254,575.55
0038M27	4/1/39	5.000%	\$9,083,290.00	Assured	\$218,743.45	\$218,743.45	\$222,327.56	\$225,911.67	\$229,495.78	\$233,079.89	\$236,664.00	\$240,248.11	\$243,832.22	\$247,416.33	\$250,991.44	\$254,575.55	\$258,159.66	\$261,743.77
0038M28	4/1/40	5.000%	\$9,573,115.00	Assured	\$225,911.67	\$225,911.67	\$229,495.78	\$233,079.89	\$236,664.00	\$240,248.11	\$243,832.22	\$247,416.33	\$250,991.44	\$254,575.55	\$258,159.66	\$261,743.77	\$265,327.88	\$268,911.99
0038M29	4/1/41	5.000%	\$10,082,040.00	Assured	\$233,079.89	\$233,079.89	\$236,664.00	\$240,248.11	\$243,832.22	\$247,416.33	\$250,991.44	\$254,575.55	\$258,159.66	\$261,743.77	\$265,327.88	\$268,911.99	\$272,496.10	\$276,080.21
0038M30	4/1/42	5.000%	\$10,610,965.00	Assured	\$240,248.11	\$240,248.11	\$243,832.22	\$247,416.33	\$250,991.44	\$254,575.55	\$258,159.66	\$261,743.77	\$265,327.88	\$268,911.99	\$272,496.10	\$276,080.21	\$279,664.32	\$283,248.43
0038M31	4/1/43	5.000%	\$11,160,090.00	Assured	\$247,416.33	\$247,416.33	\$250,991.44	\$254,575.55	\$258,159.66	\$261,743.77	\$265,327.88	\$268,911.99	\$272,496.10	\$276,080.21	\$279,664.32	\$283,248.43	\$286,832.54	\$290,416.65
0038M32	4/1/44	5.000%	\$11,730,315.00	Assured	\$254,575.55	\$254,575.55	\$258,159.66	\$261,743.77	\$265,327.88	\$268,911.99	\$272,496.10	\$276,080.21	\$279,664.32	\$283,248.43	\$286,832.54	\$290,416.65	\$293,991.76	\$297,575.87
0038M33	4/1/45	5.000%	\$12,321,740.00	Assured	\$261,743.77	\$261,743.77	\$265,327.88	\$268,911.99	\$272,496.10	\$276,080.21	\$279,664.32	\$283,248.43	\$286,832.54	\$290,416.65	\$293,991.76	\$297,575.87	\$301,159.98	\$304,744.09
0038M34	4/1/46	5.000%	\$12,934,465.00	Assured	\$268,911.99	\$268,911.99	\$272,496.10	\$276,080.21	\$279,664.32	\$283,248.43	\$286,832.54	\$290,416.65	\$293,991.76	\$297,575.87	\$301,159.98	\$304,744.09	\$308,328.20	\$311,912.31
0038M35	4/1/47	5.000%	\$13,568,490.00	Assured	\$276,080.21	\$276,080.21	\$279,664.32	\$283,248.43	\$286,832.54	\$290,416.65	\$293,991.76	\$297,575.87	\$301,159.98	\$304,744.09	\$308,328.20	\$311,912.31	\$315,496.42	\$319,080.53
0038M36	4/1/48	5.000%	\$14,223,915.00	Assured	\$283,248.43	\$283,248.43	\$286,832.54	\$290,416.65	\$293,991.76	\$297,575.87	\$301,159.98	\$304,744.09	\$308,328.20	\$311,912.31	\$315,496.42	\$319,080.53	\$322,664.64	\$326,248.75
0038M37	4/1/49	5.000%	\$14,900,840.00	Assured	\$290,416.65	\$290,416.65	\$293,991.76	\$297,575.87	\$301,159.98	\$304,744.09	\$308,328.20	\$311,912.31	\$315,496.42	\$319,080.53	\$322,664.64	\$326,248.75	\$329,832.86	\$333,416.97
0038M38	4/1/50	5.000%	\$15,600,265.00	Assured	\$297,575.87	\$297,575.87	\$301,159.98	\$304,744.09	\$308,328.20	\$311,912.31	\$315,496.42	\$319,080.53	\$322,664.64	\$326,248.75	\$329,832.86	\$333,416.97	\$336,991.08	\$340,575.19
0038M39	4/1/51	5.000%	\$16,322,290.00	Assured	\$304,744.09	\$304,744.09	\$308,328.20	\$311,912.31	\$315,496.42	\$319,080.53	\$322,664.64	\$326,248.75	\$329,832.86	\$333,416.97	\$336,991.08	\$340,575.19	\$344,159.30	\$347,743.41
0038M40	4/1/52	5.000%	\$17,066,915.00	Assured	\$311,912.31	\$311,912.31	\$315,496.42	\$319,080.53	\$322,664.64	\$326,248.75	\$329,832.86	\$333,416.97	\$336,991.08	\$340,575.19	\$344,159.30	\$347,743.41	\$351,327.52	\$354,911.63
0038M41	4/1/53	5.000%	\$17,834,240.00	Assured	\$319,080.53	\$319,080.53	\$322,664.64	\$326,248.75	\$329,832.86	\$333,416.97	\$336,991.08	\$340,575.19	\$344,159.30	\$347,743.41	\$351,327.52	\$354,911.63	\$358,495.74	\$362,079.85
0038M42	4/1/54	5.000%	\$18,624,365.00	Assured	\$326,248.75	\$326,248.75	\$329,832.86	\$333,416.97	\$336,991.08	\$340,575.19	\$344,159.30	\$347,743.41	\$351,327.52	\$354,911.63	\$358,495.74	\$362,079.85	\$365,663.96	\$369,248.07
0038M43	4/1/55	5.000%	\$19,437,290.00	Assured	\$333,416.97	\$333,416.97	\$336,991.08	\$340,575.19	\$344,159.30	\$347,743.41	\$351,327.52	\$354,911.63	\$358,495.74	\$362,079.85	\$365,663.96	\$369,248.07	\$372,832.18	\$376,416.29
0038M44	4/1/56	5.000%	\$20,273,015.00	Assured	\$340,575.19	\$340,575.19	\$344,159.30	\$347,743.41	\$351,327.52	\$354,911.63	\$358,495.74	\$362,079.85	\$365,663.96	\$369,248.07	\$372,832.18	\$376,416.29	\$380,000.40	\$383,584.51
0038M45	4/1/57	5.000%	\$21,141,540.00	Assured	\$347,743.41	\$347,743.41	\$351,327.52	\$354,911.63	\$358,495.74	\$362,079.85	\$365,663.96	\$369,248.07	\$372,832.18	\$376,416.29	\$380,000.40	\$383,584.51	\$387,168.62	\$390,752.73
0038M46	4/1/58	5.000%	\$22,043,865.00	Assured	\$354,911.63	\$354,911.63	\$358,495.74	\$362,079.85	\$365,663.96	\$369,248.07	\$372,832.18	\$376,416.29	\$380,000.40	\$383,584.51	\$387,168.62	\$390,752.73	\$394,336.84	\$397,920.95
0038M47	4/1/59	5.000%	\$22,980,090.00	Assured	\$362,079.85	\$362,079.85	\$365,663.96	\$369,248.07	\$372,832.18	\$376,416.29	\$380,000.40	\$383,584.51	\$387,168.62	\$390,752.73	\$394,			



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UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

[illegible]



# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

SIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
UTGO 2004-B(1)																				
251093ZP8	4/1/15	5.000%	\$7,538,575.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$76,928.75	\$7,615,503.75
251093ZQ6	4/1/16	5.250%	\$7,912,245.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$830,785.73	\$8,743,030.73
251093ZB4	4/1/17	4.000%	\$265,045.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,805.40	\$266,850.40
251093ZS2	4/1/17	5.250%	\$8,064,320.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,270,130.40	\$9,334,450.40
251093ZT0	4/1/18	5.250%	\$1,738,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$164,980.00	\$2,102,980.00
			\$25,518,185.00																\$2,874,630.28	\$28,392,815.28
UTGO 2004-B(2)																				
251093ZK1	4/1/10	5.240%	\$499,675.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$60,790.03	\$560,465.03
UTGO 2005-B																				
251093G53	4/1/15	5.000%	\$1,990,010.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$99,500.50	\$2,089,510.50
251093G61	4/1/16	5.000%	\$2,089,945.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$208,994.50	\$2,298,939.50
251093G79	4/1/17	4.300%	\$2,189,880.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$282,494.52	\$2,472,374.52
251093G87	4/1/18	5.000%	\$2,289,815.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,963.00	\$2,747,778.00
251093G95	4/1/19	5.000%	\$2,402,785.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$600,696.25	\$3,003,481.25
251093H29	4/1/20	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
251093H37	4/1/21	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,520,750.00	\$5,865,750.00
251093H45	4/1/22	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,738,000.00	\$6,083,000.00
251093H52	4/1/23	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,955,250.00	\$6,300,250.00
251093H60	4/1/24	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,172,500.00	\$6,517,500.00
251093H68	4/1/25	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,389,750.00	\$6,734,750.00
			\$37,032,435.00																\$12,729,398.77	\$49,761,833.77
UTGO 2005-C																				
251093J02	4/1/15	5.000%	\$2,003,045.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$100,152.25	\$2,103,197.25
251093K25	4/1/16	5.000%	\$2,107,325.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$210,732.50	\$2,318,057.50
251093K33	4/1/17	4.300%	\$2,211,605.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$285,297.05	\$2,496,902.05
251093K41	4/1/18	5.000%	\$2,285,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,094.00	\$2,742,564.00
251093K58	4/1/19	5.250%	\$2,376,715.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$623,887.69	\$3,000,602.69
251093K66	4/1/20	5.250%	\$2,507,065.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$789,725.44	\$3,296,790.44
			\$13,491,225.00																\$2,466,888.96	\$15,958,113.96
UTGO 2008-A																				
251093M56	4/1/15	5.000%	\$2,498,375.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$124,918.75	\$2,623,293.75
251093M64	4/1/16	5.000%	\$2,620,035.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$262,003.50	\$2,882,038.50
251093M72	4/1/17	5.000%	\$2,754,730.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$413,209.50	\$3,167,939.50
251093M80	4/1/18	4.000%	\$2,889,425.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$462,308.00	\$3,351,733.00
251093M98	4/1/19	5.000%	\$3,006,740.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$751,685.00	\$3,758,425.00
251093N22	4/1/20	5.000%	\$3,154,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$946,341.00	\$4,100,811.00
251093N30	4/1/21	5.000%	\$3,315,235.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,160,332.25	\$4,475,567.25
251093N38	4/1/22	5.000%	\$3,480,345.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,392,138.00	\$4,872,483.00
251093N55	4/1/24	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
251093N63	4/1/28	5.000%	\$17,362,620.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,904,429.25	\$28,267,049.25
			\$48,572,755.00																\$19,980,048.00	\$68,552,803.00
UTGO 2008-B(1)																				
251093P53	4/1/15	5.000%	\$6,925,930.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$346,296.50	\$7,272,226.50
251093P61	4/1/16	5.000%	\$2,989,300.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,936.00	\$3,288,236.00
251093P79	4/1/17	5.000%	\$3,111,020.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$666,653.00	\$3,677,673.00
251093P87	4/1/18	5.000%	\$3,293,510.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$658,702.00	\$3,952,212.00
			\$16,319,820.00																\$1,770,587.50	\$18,090,407.50
UTGO 2008-B(2)																				
251093Q25	4/1/15	5.000%	\$6,925,930.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$346,296.50	\$7,272,226.50
251093Q33	4/1/16	5.000%	\$2,989,300.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,936.00	\$3,288,236.00
251093Q41	4/1/17	5.000%	\$3,111,020.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$666,653.00	\$3,677,673.00
251093Q58	4/1/18	5.000%	\$3,293,510.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$658,702.00	\$3,952,212.00
			\$28,750,760.00																\$1,770,587.50	\$30,521,347.50
Subject to Mandatory Redemption																				
			\$28,750,760.00																\$1,770,587.50	\$30,521,347.50
			\$28,750,760.00																\$1,770,587.50	\$30,521,347.50

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A									
CUSIP 251093Z X1							CUSIP 251093N 63												
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest						
10/1/14	Ambac	6/30/15	-	\$499,675.00	5.241%	\$13,091.49	10/1/14	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/15	Ambac	6/30/15	\$134,695.00	\$364,980.00	5.241%	\$13,091.49	4/1/15	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$334,065.50						
10/1/15	Ambac	6/30/16	-	\$364,980.00	5.241%	\$9,562.48	10/1/15	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/16	Ambac	6/30/16	\$143,385.00	\$221,595.00	5.241%	\$9,562.48	4/1/16	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$334,065.50						
10/1/16	Ambac	6/30/17	-	\$221,595.00	5.241%	\$5,805.79	10/1/16	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/17	Ambac	6/30/17	\$147,730.00	\$73,865.00	5.241%	\$5,805.79	4/1/17	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$334,065.50						
10/1/17	Ambac	6/30/18	-	\$73,865.00	5.241%	\$1,935.26	10/1/17	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/18	Ambac	6/30/18	\$73,865.00	\$0.00	5.241%	\$1,935.26	4/1/18	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$334,065.50						
Total						\$60,790.03	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
Issuance: 2008-A																			
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest						
10/1/14	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2022	Assured	6/30/23	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/15	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2023	Assured	6/30/23	-	\$17,362,620.00	5.000%	\$334,065.50						
10/1/15	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2023	Assured	6/30/24	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/16	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2024	Assured	6/30/24	-	\$17,362,620.00	5.000%	\$334,065.50						
10/1/16	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2024	Assured	6/30/25	-	\$17,362,620.00	5.000%	\$334,065.50						
4/1/17	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2025	Assured	6/30/25	-	\$17,362,620.00	5.000%	\$334,065.50						
10/1/17	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2025	Assured	6/30/26	-	\$13,334,805.00	5.000%	\$333,370.13						
4/1/18	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2026	Assured	6/30/26	-	\$13,334,805.00	5.000%	\$333,370.13						
10/1/18	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2026	Assured	6/30/27	-	\$9,102,775.00	5.000%	\$227,569.38						
4/1/19	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2027	Assured	6/30/27	-	\$9,102,775.00	5.000%	\$227,569.38						
10/1/19	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2027	Assured	6/30/28	-	\$4,662,185.00	5.000%	\$116,554.63						
4/1/20	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2028	Assured	6/30/28	-	\$4,662,185.00	5.000%	\$116,554.63						
10/1/20	Assured	6/30/21	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/21	Assured	6/30/21	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/21	Assured	6/30/22	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/22	Assured	6/30/22	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/2022	Assured	6/30/23	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/2023	Assured	6/30/23	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/2023	Assured	6/30/24	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/2024	Assured	6/30/24	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/2024	Assured	6/30/25	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/2025	Assured	6/30/25	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/2025	Assured	6/30/26	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/2026	Assured	6/30/26	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/2026	Assured	6/30/27	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/2027	Assured	6/30/27	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
10/1/2027	Assured	6/30/28	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
4/1/2028	Assured	6/30/28	-	\$7,490,780.00	5.000%	\$187,269.50	Total						\$17,362,620.00	5.000%	\$10,904,429.25				
Total						\$3,562,682.75	Total						\$17,362,620.00	5.000%	\$10,904,429.25				

**EXHIBIT C**  
**STUB UTGO BONDS**



# UTGO Series STUB Bonds - Debt Service

ISIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 1999-A																		
251093SR2	4/1/15	5.250%	\$373,350.00	Assured	\$9,800.44	\$9,800.44	\$9,800.63	\$9,800.63	\$10,299.88	\$10,299.88	\$10,299.88	\$10,823.88	\$10,823.88	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25
251093SR1	4/1/16	5.000%	\$392,345.00	Assured	\$9,808.63	\$9,808.63	\$9,808.63	\$9,808.63	\$10,299.88	\$10,299.88	\$10,299.88	\$10,823.88	\$10,823.88	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25
251093SR4	4/1/17	5.000%	\$411,095.00	Assured	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25
251093SR2	4/1/19	5.000%	\$454,570.00	Assured	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25
			\$2,065,215.00		\$52,097.06	\$42,296.63	\$42,296.63	\$42,296.63	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00	\$42,485.00
UTGO 2001-A(1)																		
251093XU6	4/1/15	5.375%	\$778,140.00	NPPG	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$22,039.11	\$22,039.11	\$22,039.11	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13
251093XV3	4/1/16	5.375%	\$820,060.00	NPPG	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13
251093XV1	4/1/17	5.375%	\$864,000.00	NPPG	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75	\$24,288.75
251093XN9	4/1/18	5.375%	\$1,834,000.00	NPPG	\$40,288.75	\$40,288.75	\$40,288.75	\$40,288.75	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
251093XN7	4/1/19	5.000%	\$1,834,000.00	NPPG	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
251093XV2	4/1/20	5.000%	\$1,834,000.00	NPPG	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
251093XV0	4/1/21	5.000%	\$1,834,000.00	NPPG	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
			\$9,798,800.00		\$253,026.50	\$253,026.50	\$253,113.99	\$253,113.99	\$250,074.88	\$250,074.88	\$250,074.88	\$186,838.75	\$186,838.75	\$137,550.00	\$91,700.00	\$45,850.00	\$45,850.00	\$45,850.00
UTGO 2002																		
251093XV8	4/1/21	5.125%	\$494,440.00	NPPG	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16
251093XW6	4/1/22	5.125%	\$446,053.00	NPPG	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16
			\$870,495.00		\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43
UTGO 2003-A																		
251093XN0	4/1/15	4.000%	\$39,300.00	Sincora	\$786.00	\$786.00	\$786.00	\$786.00	\$10,832.06	\$10,832.06	\$10,832.06	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46
251093XN0	4/1/15	5.250%	\$334,050.00	Sincora	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$10,299.06	\$10,299.06	\$10,299.06	\$10,832.06	\$10,832.06	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46
251093XN6	4/1/16	5.250%	\$392,345.00	Sincora	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46
251093XN4	4/1/17	5.250%	\$412,650.00	Sincora	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24
251093XN2	4/1/18	5.250%	\$434,265.00	Sincora	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24
251093XN7	4/1/19	5.250%	\$65,500.00	Sincora	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75
251093XN7	4/1/20	4.500%	\$65,500.00	Sincora	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75
251093XN5	4/1/20	5.250%	\$415,925.00	Sincora	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03
251093XN3	4/1/21	5.250%	\$505,660.00	Sincora	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58
251093XN1	4/1/22	4.625%	\$65,500.00	Sincora	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69
251093XN2	4/1/22	5.250%	\$467,015.00	Sincora	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14
251093XN2	4/1/23	4.625%	\$106,500.00	Sincora	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06
251093XN0	4/1/23	5.250%	\$363,525.00	Sincora	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53
			\$4,149,425.00		\$107,612.41	\$107,612.41	\$98,057.59	\$98,057.59	\$87,758.54	\$87,758.54	\$76,926.48	\$65,527.02	\$65,527.02	\$53,525.78	\$41,134.00	\$41,134.00	\$41,134.00	\$41,134.00
UTGO 2004-A(1)																		
251093XN2	4/1/19	5.250%	\$589,500.00	Ambac	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38
251093XN0	4/1/20	4.250%	\$24,235.00	Ambac	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99
251093XN2	4/1/20	5.250%	\$707,135.00	Ambac	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79
251093XN1	4/1/21	5.000%	\$864,000.00	Ambac	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00
251093XN1	4/1/22	5.250%	\$907,830.00	Ambac	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54
251093XN2	4/1/23	5.000%	\$906,520.00	Ambac	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31
251093XN2	4/1/23	5.250%	\$906,520.00	Ambac	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15
251093XN3	4/1/24	4.000%	\$102,835.00	Ambac	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21
251093XN0	4/1/24	5.250%	\$8,144,370.00	Ambac	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99
					\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36

Subject to Mandatory Redemption



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# UTGO Series STUB Bonds - Debt Service

UTGO Series	STIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
UTGO 1999-A																					
251093SM3	4/1/15	5.250%		\$373,350.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,600.88	\$392,950.88
251093SN1	4/1/16	5.000%		\$392,345.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$39,234.50	\$431,579.50
251093SP6	4/1/17	5.000%		\$411,995.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$61,799.25	\$473,794.25
251093SQ4	4/1/18	5.000%		\$432,955.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$86,591.00	\$519,546.00
251093SR2	4/1/19	5.000%		\$454,570.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$113,642.50	\$568,212.50
				\$2,065,215.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$309,868.13	\$2,375,083.13
UTGO 2001-A(1)																					
251093UN6	4/1/15	5.375%		\$778,140.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,825.03	\$819,965.03
251093VFK3	4/1/16	5.375%		\$820,060.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$88,136.45	\$908,196.45
251093VLI1	4/1/17	5.375%		\$864,600.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$139,416.75	\$1,004,016.75
251093VM9	4/1/18	5.375%		\$1,834,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$394,310.00	\$2,228,310.00
251093VN7	4/1/19	5.000%		\$1,834,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$458,500.00	\$2,292,500.00
251093VP2	4/1/20	5.000%		\$1,834,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$550,200.00	\$2,384,200.00
251093VQ0	4/1/21	5.000%		\$1,834,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$641,900.00	\$2,475,900.00
				\$9,798,800.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,314,308.23	\$12,113,108.23
UTGO 2002																					
251093WV8	4/1/21	5.125%		\$424,440.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$152,267.85	\$576,707.85
251093WV6	4/1/22	5.125%		\$446,055.00	NPFG	\$11,430.16	\$11,430.16	\$11,430.16	-	-	-	-	-	-	-	-	-	-	-	\$182,882.55	\$628,937.55
				\$870,495.00		\$11,430.16	\$11,430.16	\$11,430.16	-	-	-	-	-	-	-	-	-	-	-	\$335,139.40	\$1,205,634.40
UTGO 2003-A																					
251093XQ0	4/1/15	4.000%		\$39,300.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,572.00	\$40,872.00
251093XQ8	4/1/15	5.250%		\$334,050.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,537.63	\$351,587.63
251093XR6	4/1/16	5.250%		\$392,345.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,196.23	\$433,541.23
251093XS4	4/1/17	5.250%		\$412,650.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$64,992.38	\$477,642.38
251093XT2	4/1/18	5.250%		\$434,265.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$91,195.65	\$525,460.65
251093XC9	4/1/19	5.250%		\$457,190.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$120,012.38	\$577,202.38
251093XV7	4/1/20	5.250%		\$65,500.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,685.00	\$83,185.00
251093XW5	4/1/20	5.250%		\$415,925.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$131,016.38	\$546,941.38
251093XX3	4/1/21	5.250%		\$505,660.00	Syncora	\$1,514.69	\$1,514.69	\$1,514.69	-	-	-	-	-	-	-	-	-	-	-	\$185,830.05	\$691,490.05
251093XX1	4/1/22	4.625%		\$65,500.00	Syncora	\$12,259.14	\$12,259.14	\$12,259.14	-	-	-	-	-	-	-	-	-	-	-	\$24,235.00	\$89,735.00
251093XZ8	4/1/22	5.250%		\$467,015.00	Syncora	\$4,544.06	\$4,544.06	\$4,544.06	-	-	-	-	-	-	-	-	-	-	-	\$196,146.30	\$663,161.30
251093YA2	4/1/23	4.625%		\$196,500.00	Syncora	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	-	-	-	-	-	-	-	-	-	-	\$81,793.13	\$278,293.13
251093YB0	4/1/23	5.250%		\$363,525.00	Syncora	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	-	-	-	-	-	-	-	-	-	-	\$171,765.56	\$535,290.56
				\$4,149,425.00		\$27,860.43	\$27,860.43	\$14,086.59	\$14,086.59	-	-	-	-	-	-	-	-	-	-	\$1,144,977.66	\$5,294,402.66
UTGO 2004-A(1)																					
251093YX2	4/1/19	5.250%		\$589,500.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$154,743.75	\$744,243.75
251093YY0	4/1/20	4.250%		\$24,235.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,179.93	\$30,414.93
251093YZ7	4/1/20	5.250%		\$797,135.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$251,097.53	\$1,048,232.53
251093ZAI	4/1/21	5.000%		\$864,600.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$302,610.00	\$1,167,210.00
251093ZB9	4/1/22	5.250%		\$907,830.00	Ambac	\$23,830.54	\$23,830.54	\$23,830.54	-	-	-	-	-	-	-	-	-	-	-	\$381,288.60	\$1,288,118.60
251093ZC7	4/1/23	4.500%		\$49,125.00	Ambac	\$1,105.31	\$1,105.31	\$1,105.31	-	-	-	-	-	-	-	-	-	-	-	\$19,895.63	\$69,020.63
251093ZD5	4/1/23	5.250%		\$906,520.00	Ambac	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	-	-	-	-	-	-	-	-	-	-	\$428,330.70	\$1,334,850.70
251093ZE3	4/1/24	4.600%		\$102,835.00	Ambac	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	-	-	-	-	-	-	-	-	-	-	\$47,304.10	\$150,139.10
251093ZF0	4/1/24	5.250%		\$902,590.00	Ambac	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	-	-	-	-	-	-	-	-	-	-	\$473,859.75	\$1,376,449.75
				\$5,144,370.00		\$74,790.19	\$74,790.19	\$50,959.66	\$50,959.66	\$26,088.19	-	-	-	-	-	-	-	-	-	\$2,065,309.98	\$7,209,679.98

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service

Maturity		Rate	Principal	Insurer	Interest												Total	
ISIP	Date				10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28
2004-B(1)																		
2510932P8	4/1/15	5.000%	\$1,136,425.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$56,821.25	\$1,193,246.25
2510932Q6	4/1/16	5.250%	\$1,192,755.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$125,239.28	\$1,317,994.28
2510932R4	4/1/17	4.000%	\$399,955.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$4,794.60	\$44,749.60
2510932S2	4/1/17	5.250%	\$1,215,680.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$191,469.60	\$1,407,149.60
2510932T0	4/1/18	5.250%	\$262,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$55,020.00	\$317,020.00
			\$3,846,815.00														\$433,344.73	\$4,280,159.73
2004-B(2)																		
2510932X1	4/1/19	5.240%	\$75,325.00 *	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$9,163.97	\$84,488.97
2005-B																		
2510932C53	4/1/15	5.000%	\$299,990.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$14,999.50	\$314,989.50
2510932G61	4/1/16	5.000%	\$315,055.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$31,505.50	\$346,560.50
2510932G79	4/1/17	4.300%	\$330,120.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$42,585.48	\$372,705.48
2510932G87	4/1/18	5.000%	\$345,185.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$60,037.00	\$405,222.00
2510932G95	4/1/19	5.000%	\$362,215.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$90,553.75	\$452,768.75
2510931A29	4/1/20	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$196,500.00	\$851,500.00
2510931A37	4/1/21	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$220,250.00	\$875,250.00
2510931A45	4/1/22	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$263,000.00	\$917,000.00
2510931A52	4/1/23	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$294,750.00	\$949,750.00
2510931A60	4/1/24	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$327,500.00	\$982,500.00
2510931A78	4/1/25	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$360,250.00	\$1,015,250.00
			\$5,582,565.00		\$65,500.00	\$65,500.00	\$49,125.00	\$32,750.00	\$32,750.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$1,918,931.23	\$7,501,496.23
2005-C																		
2510932J92	4/1/15	5.000%	\$301,955.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$15,097.75	\$317,052.75
2510932K25	4/1/16	5.000%	\$317,675.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$31,767.50	\$349,442.50
2510932K33	4/1/17	4.300%	\$333,305.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$43,007.96	\$376,312.96
2510932K41	4/1/18	5.000%	\$344,530.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$66,906.00	\$411,436.00
2510932K58	4/1/19	5.250%	\$358,285.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$94,049.81	\$452,334.81
2510932K66	4/1/20	5.250%	\$377,935.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$119,049.53	\$496,984.53
			\$2,033,775.00														\$371,878.54	\$2,405,653.54
2008-A																		
251093M56	4/1/15	5.000%	\$376,625.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$18,831.25	\$395,456.25
251093M64	4/1/16	5.000%	\$394,965.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$39,496.50	\$434,461.50
251093M72	4/1/17	5.000%	\$415,270.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$62,290.50	\$477,560.50
251093M80	4/1/18	4.000%	\$435,575.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$505,267.00	\$505,267.00
251093M98	4/1/19	5.000%	\$453,260.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$113,315.00	\$566,575.00
251093N22	4/1/20	5.000%	\$475,530.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$142,659.00	\$618,189.00
251093N30	4/1/21	5.000%	\$497,765.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$174,917.75	\$674,682.75
251093N38	4/1/22	5.000%	\$524,655.00	Assured	\$13,116.38	\$13,116.38	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$299,862.00	\$734,517.00
251093N55	4/1/24	5.000%	\$1,129,220.00 *	Assured	\$28,230.50	\$28,230.50	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$56,461.00	\$537,067.25	\$1,666,287.25
251093N63	4/1/28	5.000%	\$2,617,380.00 *	Assured	\$65,434.50	\$65,434.50	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$130,869.00	\$1,643,820.75	\$4,261,200.75
			\$7,322,245.00		\$106,781.38	\$106,781.38	\$93,665.00	\$93,665.00	\$77,893.63	\$77,893.63	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$3,911,952.00	\$10,334,197.00
2008-B(1)																		
251093P53	4/1/15	5.000%	\$1,044,070.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$52,203.50	\$1,096,273.50
251093P61	4/1/16	5.000%	\$450,640.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$45,064.00	\$495,704.00
251093P79	4/1/17	5.000%	\$468,980.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$70,347.00	\$539,327.00
251093P87	4/1/18	5.000%	\$496,490.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$99,298.00	\$595,788.00
			\$2,460,180.00														\$266,912.50	\$2,727,092.50
2008-B(2)																		
251093Q53	4/1/15	5.000%	\$43,349,210.00	Assured	\$286,362.15	\$286,362.15	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$12,192,797.36	\$55,542,007.36
					\$286,362.15	\$286,362.15	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$572,724.30	\$12,192,797.36	\$55,542,007.36

\* Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service

Bond Series Subject to Mandatory Redemption

Issuance: 2004 B(2)							Issuance: 2008-A							
CUSIP: 250932X1							CUSIP: 25093N63							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Ambac	6/30/15	-	\$75,325.00	5.240%	\$1,973.52	10/1/14	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50	
4/1/15	Ambac	6/30/15	\$20,305.00	\$55,020.00	5.240%	\$1,973.52	4/1/15	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50	
10/1/15	Ambac	6/30/16	-	\$55,020.00	5.240%	\$1,441.52	10/1/15	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50	
4/1/16	Ambac	6/30/16	\$21,615.00	\$33,405.00	5.240%	\$1,441.52	4/1/16	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50	
10/1/16	Ambac	6/30/17	-	\$33,405.00	5.240%	\$875.21	10/1/16	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50	
4/1/17	Ambac	6/30/17	\$22,270.00	\$11,135.00	5.240%	\$875.21	4/1/17	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50	
10/1/17	Ambac	6/30/18	-	\$11,135.00	5.240%	\$291.74	10/1/17	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50	
4/1/18	Ambac	6/30/18	\$11,135.00	-	5.240%	\$291.74	4/1/18	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50	
Total			\$75,325.00		\$9,163.97		Total			\$2,617,380.00		\$1,643,820.75		
Issuance: 2008-A							Issuance: 2008-A							
CUSIP: 25093N65							CUSIP: 25093N65							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Assured	6/30/15	-	\$1,129,220.00	5.000%	\$28,230.50	10/1/2023	Assured	6/30/2023	-	\$2,617,380.00	5.000%	\$65,434.50	
4/1/15	Assured	6/30/15	-	\$1,129,220.00	5.000%	\$28,230.50	10/1/2023	Assured	6/30/2024	-	\$2,617,380.00	5.000%	\$65,434.50	
10/1/15	Assured	6/30/16	-	\$1,129,220.00	5.000%	\$28,230.50	4/1/2024	Assured	6/30/2024	-	\$2,617,380.00	5.000%	\$65,434.50	
4/1/16	Assured	6/30/16	-	\$1,129,220.00	5.000%	\$28,230.50	10/1/2024	Assured	6/30/2025	-	\$2,617,380.00	5.000%	\$65,434.50	
10/1/16	Assured	6/30/17	-	\$1,129,220.00	5.000%	\$28,230.50	4/1/2025	Assured	6/30/2025	\$607,185.00	\$2,010,195.00	5.000%	\$65,434.50	
4/1/17	Assured	6/30/17	-	\$1,129,220.00	5.000%	\$28,230.50	10/1/2025	Assured	6/30/2026	-	\$2,617,380.00	5.000%	\$65,434.50	
10/1/17	Assured	6/30/18	-	\$1,129,220.00	5.000%	\$28,230.50	4/1/2026	Assured	6/30/2026	\$637,970.00	\$1,377,225.00	5.000%	\$90,254.88	
4/1/18	Assured	6/30/18	-	\$1,129,220.00	5.000%	\$28,230.50	10/1/2026	Assured	6/30/2027	-	\$1,377,225.00	5.000%	\$34,305.63	
10/1/18	Assured	6/30/19	-	\$1,129,220.00	5.000%	\$28,230.50	4/1/2027	Assured	6/30/2027	\$669,410.00	\$702,815.00	5.000%	\$34,305.63	
4/1/19	Assured	6/30/19	-	\$1,129,220.00	5.000%	\$28,230.50	10/1/2027	Assured	6/30/2028	-	\$702,815.00	5.000%	\$17,270.18	
10/1/19	Assured	6/30/20	-	\$1,129,220.00	5.000%	\$28,230.50	4/1/2028	Assured	6/30/2028	\$702,815.00	-	5.000%	\$17,270.18	
4/1/20	Assured	6/30/20	-	\$1,129,220.00	5.000%	\$28,230.50	Total			\$2,617,380.00		\$1,643,820.75		
10/1/20	Assured	6/30/21	-	\$1,129,220.00	5.000%	\$28,230.50								
4/1/21	Assured	6/30/21	-	\$1,129,220.00	5.000%	\$28,230.50								
10/1/21	Assured	6/30/22	-	\$1,129,220.00	5.000%	\$28,230.50								
4/1/22	Assured	6/30/22	-	\$1,129,220.00	5.000%	\$28,230.50								
10/1/22	Assured	6/30/23	-	\$1,129,220.00	5.000%	\$28,230.50								
4/1/23	Assured	6/30/23	\$550,855.00	\$578,365.00	5.000%	\$14,459.13								
10/1/23	Assured	6/30/2024	-	\$578,365.00	5.000%	\$14,459.13								
4/1/2024	Assured	6/30/2024	\$578,365.00	-	5.000%	\$14,459.13								
10/1/2024	Assured	6/30/2025	-	\$1,129,220.00	5.000%	\$28,230.50								
Total			\$1,129,220.00		\$537,067.25									



**EXHIBIT D**  
**DEBT SERVICE REQUIREMENTS AND SET ASIDE LEDGER**

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds

## Property Tax Set Asides

Month	Year	Interest Set-Aside	Principal Set-Aside	Total Set-Aside	Interest Payments	Principal Payments	Balance Requirements
September	2014	\$7,303,799.99	\$15,602,895.00	\$22,906,694.99	-	-	\$22,906,694.99
October	2014	-	-	-	\$7,303,799.99	-	\$15,602,895.00
November	2014	\$2,434,600.00	\$5,200,965.00	\$7,635,565.00	-	-	\$23,238,460.00
January	2015	\$2,434,600.00	\$5,200,965.00	\$7,635,565.00	-	-	\$30,874,024.99
March	2015	\$2,434,600.00	\$5,200,965.00	\$7,635,565.00	-	-	\$38,509,589.99
April	2015	-	-	-	\$7,303,799.99	\$31,205,790.00	-
September	2015	\$6,509,252.86	\$14,253,772.50	\$20,763,025.36	-	-	\$20,763,025.36
October	2015	-	-	-	\$6,509,252.86	-	\$14,253,772.50
November	2015	\$2,169,750.95	\$4,751,257.50	\$6,921,008.45	-	-	\$21,174,780.95
January	2016	\$2,169,750.95	\$4,751,257.50	\$6,921,008.45	-	-	\$28,095,789.41
March	2016	\$2,169,750.95	\$4,751,257.50	\$6,921,008.45	-	-	\$35,016,797.86
April	2016	-	-	-	\$6,509,252.86	\$28,507,545.00	-
September	2016	\$5,773,048.66	\$14,975,042.50	\$20,748,091.16	-	-	\$20,748,091.16
October	2016	-	-	-	\$5,773,048.66	-	\$14,975,042.50
November	2016	\$1,924,349.55	\$4,991,680.83	\$6,916,030.39	-	-	\$21,891,072.89
January	2017	\$1,924,349.55	\$4,991,680.83	\$6,916,030.39	-	-	\$28,807,103.28
March	2017	\$1,924,349.55	\$4,991,680.83	\$6,916,030.39	-	-	\$35,723,133.66
April	2017	-	-	-	\$5,773,048.66	\$29,950,085.00	-
September	2017	\$5,016,593.72	\$15,244,432.50	\$20,261,026.22	-	-	\$20,261,026.22
October	2017	-	-	-	\$5,016,593.72	-	\$15,244,432.50
November	2017	\$1,672,197.91	\$5,081,477.50	\$6,753,675.41	-	-	\$21,998,107.91
January	2018	\$1,672,197.91	\$5,081,477.50	\$6,753,675.41	-	-	\$28,751,783.32
March	2018	\$1,672,197.91	\$5,081,477.50	\$6,753,675.41	-	-	\$35,505,458.72
April	2018	-	-	-	\$5,016,593.72	\$30,488,865.00	-
September	2018	\$4,240,145.92	\$14,955,490.00	\$19,195,635.92	-	-	\$19,195,635.92
October	2018	-	-	-	\$4,240,145.92	-	\$14,955,490.00
November	2018	\$1,413,381.97	\$4,985,163.33	\$6,398,545.31	-	-	\$21,354,035.31
January	2019	\$1,413,381.97	\$4,985,163.33	\$6,398,545.31	-	-	\$27,752,580.61
March	2019	\$1,413,381.97	\$4,985,163.33	\$6,398,545.31	-	-	\$34,151,125.92
April	2019	-	-	-	\$4,240,145.92	\$29,910,980.00	-
September	2019	\$3,480,721.39	\$15,407,370.00	\$18,888,091.39	-	-	\$18,888,091.39
October	2019	-	-	-	\$3,480,721.39	-	\$15,407,370.00
November	2019	\$1,160,240.46	\$5,135,790.00	\$6,296,030.46	-	-	\$21,703,400.46
January	2020	\$1,160,240.46	\$5,135,790.00	\$6,296,030.46	-	-	\$27,999,430.92
March	2020	\$1,160,240.46	\$5,135,790.00	\$6,296,030.46	-	-	\$34,295,461.39
April	2020	-	-	-	\$3,480,721.39	\$30,814,740.00	-
September	2020	\$2,698,849.50	\$15,865,767.50	\$18,564,617.00	-	-	\$18,564,617.00
October	2020	-	-	-	\$2,698,849.50	-	\$15,865,767.50
November	2020	\$899,616.50	\$5,288,589.17	\$6,188,205.67	-	-	\$22,053,973.17
January	2021	\$899,616.50	\$5,288,589.17	\$6,188,205.67	-	-	\$28,242,178.83
March	2021	\$899,616.50	\$5,288,589.17	\$6,188,205.67	-	-	\$34,430,384.50
April	2021	-	-	-	\$2,698,849.50	\$31,731,535.00	-
September	2021	\$1,899,608.47	\$10,169,472.50	\$12,069,080.97	-	-	\$12,069,080.97
October	2021	-	-	-	\$1,899,608.47	-	\$10,169,472.50
November	2021	\$633,202.82	\$3,389,824.17	\$4,023,026.99	-	-	\$14,192,499.49
January	2022	\$633,202.82	\$3,389,824.17	\$4,023,026.99	-	-	\$18,215,526.48
March	2022	\$633,202.82	\$3,389,824.17	\$4,023,026.99	-	-	\$22,238,553.47
April	2022	-	-	-	\$1,899,608.47	\$20,338,945.00	-
September	2022	\$1,378,700.00	\$9,026,737.50	\$10,405,437.50	-	-	\$10,405,437.50
October	2022	-	-	-	\$1,378,700.00	-	\$9,026,737.50
November	2022	\$459,566.67	\$3,008,912.50	\$3,468,479.17	-	-	\$12,495,216.67
January	2023	\$459,566.67	\$3,008,912.50	\$3,468,479.17	-	-	\$15,963,695.83
March	2023	\$459,566.67	\$3,008,912.50	\$3,468,479.17	-	-	\$19,432,175.00
April	2023	-	-	-	\$1,378,700.00	\$18,053,475.00	-
September	2023	\$920,090.68	\$7,425,605.00	\$8,345,695.68	-	-	\$8,345,695.68
October	2023	-	-	-	\$920,090.68	-	\$7,425,605.00
November	2023	\$306,696.89	\$2,475,201.67	\$2,781,898.56	-	-	\$10,207,503.56

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds

## Property Tax Set Asides

Month	Year	Interest Set-Aside	Principal Set-Aside	Total Set-Aside	Interest Payments	Principal Payments	Balance Requirements
January	2024	\$306,696.89	\$2,475,201.67	\$2,781,898.56	-	-	\$12,989,402.12
March	2024	\$306,696.89	\$2,475,201.67	\$2,781,898.56	-	-	\$15,771,300.68
April	2024	-	-	-	\$920,090.68	\$14,851,210.00	-
September	2024	\$542,690.50	\$4,186,407.50	\$4,729,098.00	-	-	\$4,729,098.00
October	2024	-	-	-	\$542,690.50	-	\$4,186,407.50
November	2024	\$180,896.83	\$1,395,469.17	\$1,576,366.00	-	-	\$5,762,773.50
January	2025	\$180,896.83	\$1,395,469.17	\$1,576,366.00	-	-	\$7,339,139.50
March	2025	\$180,896.83	\$1,395,469.17	\$1,576,366.00	-	-	\$8,915,505.50
April	2025	-	-	-	\$542,690.50	\$8,372,815.00	-
September	2025	\$333,370.13	\$2,116,015.00	\$2,449,385.13	-	-	\$2,449,385.13
October	2025	-	-	-	\$333,370.13	-	\$2,116,015.00
November	2025	\$111,123.38	\$705,338.33	\$816,461.71	-	-	\$2,932,476.71
January	2026	\$111,123.38	\$705,338.33	\$816,461.71	-	-	\$3,748,938.42
March	2026	\$111,123.38	\$705,338.33	\$816,461.71	-	-	\$4,565,400.13
April	2026	-	-	-	\$333,370.13	\$4,232,030.00	-
September	2026	\$227,569.38	\$2,220,295.00	\$2,447,864.38	-	-	\$2,447,864.38
October	2026	-	-	-	\$227,569.38	-	\$2,220,295.00
November	2026	\$75,856.46	\$740,098.33	\$815,954.79	-	-	\$3,036,249.79
January	2027	\$75,856.46	\$740,098.33	\$815,954.79	-	-	\$3,852,204.58
March	2027	\$75,856.46	\$740,098.33	\$815,954.79	-	-	\$4,668,159.38
April	2027	-	-	-	\$227,569.38	\$4,440,590.00	-
September	2027	\$116,554.63	\$2,331,092.50	\$2,447,647.13	-	-	\$2,447,647.13
October	2027	-	-	-	\$116,554.63	-	\$2,331,092.50
November	2027	\$38,851.54	\$777,030.83	\$815,882.38	-	-	\$3,146,974.88
January	2028	\$38,851.54	\$777,030.83	\$815,882.38	-	-	\$3,962,857.25
March	2028	\$38,851.54	\$777,030.83	\$815,882.38	-	-	\$4,778,739.63
April	2028	-	-	-	\$116,554.63	\$4,662,185.00	-
Total					\$80,881,992	\$287,560,790	

**EXHIBIT E**  
**FEE SCHEDULE**



**Schedule of Fees for Services as  
ESCROW TRUSTEE  
For  
City of Detroit Debt Millage Deposit Escrow Agreement**

CTS01010A	<b>Acceptance Fee</b> The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$1,000.00
CTS04460	<b>Escrow Trustee</b> Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	\$5,000.00
	<b>Direct Out of Pocket Expenses</b> Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	<b>Extraordinary Services</b> Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Dated: July 21, 2014

**EXHIBIT F**  
**PAYMENTS TO PLAN ASSIGNEES**

**Wire Instructions for the Plan Assignees:**

Police & Fire Retirement System of the City of Detroit, Income Stabilization Fund

General Retirement System of the City of Detroit, Income Stabilization Fund

General Retirement System of the City of Detroit, \_\_\_\_\_ Fund

**Schedule of Payments**

<u>Date</u>	<u>PFRS ISF</u>	<u>GRS ISF</u>	<u>GRS</u>	<u>Fund</u>
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# AGGREGATE PAYMENTS TO PLAN ASSIGNEES

Date	Income Stabilization Funds		GRS	Total
	PFRS	GRS	Pension	Payment
10/1/14	\$99,248.43	\$297,220.18	\$704,564.52	\$1,101,033.14
4/1/15	\$523,291.50	\$1,567,105.81	\$3,714,845.83	\$5,805,243.14
10/1/15	\$88,451.65	\$264,886.95	\$627,918.16	\$981,256.76
4/1/16	\$475,829.33	\$1,424,970.44	\$3,377,911.98	\$5,278,711.76
10/1/16	\$78,447.66	\$234,927.93	\$556,899.87	\$870,275.46
4/1/17	\$485,427.45	\$1,453,714.01	\$3,446,049.00	\$5,385,190.46
10/1/17	\$68,168.50	\$204,144.82	\$483,928.09	\$756,241.40
4/1/18	\$482,469.55	\$1,444,855.96	\$3,425,050.88	\$5,352,376.40
10/1/18	\$57,617.66	\$172,548.12	\$409,027.68	\$639,193.46
4/1/19	\$464,066.06	\$1,389,742.87	\$3,294,404.53	\$5,148,213.46
10/1/19	\$47,298.14	\$141,644.17	\$335,769.44	\$524,711.74
4/1/20	\$466,027.38	\$1,395,616.44	\$3,308,327.92	\$5,169,971.74
10/1/20	\$36,673.59	\$109,826.74	\$260,345.79	\$406,846.13
4/1/21	\$467,860.80	\$1,401,106.99	\$3,321,343.34	\$5,190,311.13
10/1/21	\$25,813.02	\$77,302.50	\$183,246.63	\$286,362.15
4/1/22	\$302,190.86	\$904,973.71	\$2,145,252.59	\$3,352,417.15
10/1/22	\$18,734.61	\$56,104.69	\$132,996.95	\$207,836.25
4/1/23	\$264,056.09	\$790,771.19	\$1,874,533.96	\$2,929,361.25
10/1/23	\$12,502.75	\$37,442.09	\$88,756.98	\$138,701.82
4/1/24	\$214,309.93	\$641,795.90	\$1,521,385.99	\$2,377,491.82
10/1/24	\$7,374.41	\$22,084.20	\$52,350.90	\$81,809.50
4/1/25	\$121,149.26	\$362,806.78	\$860,038.46	\$1,343,994.50
10/1/25	\$4,530.03	\$13,566.13	\$32,158.71	\$50,254.88
4/1/26	\$62,037.41	\$185,783.98	\$440,403.48	\$688,224.88
10/1/26	\$3,092.35	\$9,260.69	\$21,952.59	\$34,305.63
4/1/27	\$63,433.76	\$189,965.66	\$450,316.20	\$703,715.63
10/1/27	\$1,583.81	\$4,743.06	\$11,243.50	\$17,570.38
4/1/28	\$64,936.39	\$194,465.60	\$460,983.38	\$720,385.38
	<u>\$5,006,622.37</u>	<u>\$14,993,377.63</u>	<u>\$35,542,007.36</u>	<u>\$55,542,007.36</u>



# UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

Tranche	Issue Date	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
Interest																			
UTGO 1999-A	4/1/15	5.250%	\$33,654.21	Assured	\$883.42	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16	\$884.16
UTGO 1999-B	4/1/16	5.000%	\$35,366.44	Assured	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44	\$928.44
UTGO 1999-C	4/1/17	5.000%	\$37,137.72	Assured	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68
UTGO 1999-D	4/1/18	5.000%	\$39,027.08	Assured	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39
UTGO 1999-E	4/1/19	5.000%	\$40,975.48	Assured	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09
UTGO 2001-A(1)	4/1/15	5.375%	\$70,142.46	NIPFG	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08	\$1,885.08
UTGO 2001-B(1)	4/1/16	5.375%	\$73,021.18	NIPFG	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63	\$1,986.63
UTGO 2001-C(1)	4/1/17	5.375%	\$77,038.07	NIPFG	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53	\$2,094.53
UTGO 2001-D(1)	4/1/18	5.375%	\$81,053.93	NIPFG	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95	\$4,442.95
UTGO 2001-E(1)	4/1/19	5.000%	\$105,318.93	NIPFG	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97
UTGO 2001-F(1)	4/1/20	5.000%	\$105,318.93	NIPFG	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97
UTGO 2001-G(1)	4/1/21	5.000%	\$105,318.93	NIPFG	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97	\$4,132.97
UTGO 2002	4/1/21	5.125%	\$883,275.45	NIPFG	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11	\$22,808.11
UTGO 2002-A	4/1/21	5.125%	\$38,259.52	NIPFG	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40	\$980.40
UTGO 2002-B	4/1/22	5.125%	\$40,207.93	NIPFG	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33	\$1,030.33
UTGO 2003-A	4/1/15	4.000%	\$31,542.55	Syncona	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85	\$70.85
UTGO 2003-B	4/1/16	5.250%	\$35,366.44	Syncona	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37
UTGO 2003-C	4/1/17	5.250%	\$37,137.72	Syncona	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41	\$976.41
UTGO 2003-D	4/1/18	5.250%	\$39,027.08	Syncona	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56	\$1,027.56
UTGO 2003-E	4/1/19	5.250%	\$41,211.65	Syncona	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81	\$1,081.81
UTGO 2003-F	4/1/20	5.250%	\$45,380.79	Syncona	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50
UTGO 2003-G	4/1/21	5.250%	\$45,380.79	Syncona	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50	\$1,106.50
UTGO 2003-H	4/1/22	4.625%	\$42,097.20	Syncona	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05
UTGO 2003-I	4/1/23	4.625%	\$42,097.20	Syncona	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05
UTGO 2003-J	4/1/23	4.625%	\$42,097.20	Syncona	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05	\$1,105.05
UTGO 2004-A(1)	4/1/19	5.250%	\$33,138.23	Ambac	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88	\$1,394.88
UTGO 2004-B(1)	4/1/20	5.250%	\$35,366.44	Ambac	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37	\$928.37
UTGO 2004-C(1)	4/1/21	5.000%	\$37,137.72	Ambac	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68	\$975.68
UTGO 2004-D(1)	4/1/22	5.250%	\$39,027.08	Ambac	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39	\$1,024.39
UTGO 2004-E(1)	4/1/23	5.000%	\$40,975.48	Ambac	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09	\$4,696.09
UTGO 2004-F(1)	4/1/24	5.250%	\$43,719.61	Ambac	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56	\$12,017.56

Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

COUSTP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 2004-B(1)																		
251093Z18	4/1/15	5.000%	\$102,438.70	Ambac	\$2,560.97	\$2,560.97	\$2,822.30	\$2,822.30	-	-	-	-	-	-	-	-	-	-
251093Z16	4/1/16	5.250%	\$107,316.35	Ambac	\$2,822.30	\$2,822.30	\$720.03	\$720.03	\$720.03	\$720.03	-	-	-	-	-	-	-	-
251093Z18	4/1/17	4.000%	\$3,601.59	Ambac	\$2,876.55	\$2,876.55	\$2,876.55	\$2,876.55	\$2,876.55	\$2,876.55	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95
251093Z22	4/1/17	5.250%	\$109,582.84	Ambac	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95
251093Z210	4/1/18	5.250%	\$33,615.99	Ambac	\$8,951.80	\$8,951.80	\$6,390.83	\$6,390.83	\$3,568.53	\$3,568.53	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95	\$619.95
UTGO 2004-B(2)																		
251093Z21	4/1/19	5.240%	\$6,789.88	Ambac	\$177.89	\$177.89	\$129.94	\$129.94	\$78.89	\$78.89	\$236.30	\$236.30	\$236.30	\$236.30	\$236.30	\$236.30	\$236.30	\$236.30
UTGO 2005-B																		
251093G53	4/1/15	5.000%	\$27,041.45	Assured	\$676.04	\$676.04	\$709.99	\$709.99	\$639.78	\$639.78	\$777.88	\$777.88	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26
251093G61	4/1/16	5.000%	\$28,399.43	Assured	\$709.99	\$709.99	\$639.78	\$639.78	\$777.88	\$777.88	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26
251093G79	4/1/17	4.000%	\$29,757.41	Assured	\$639.78	\$639.78	\$777.88	\$777.88	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26
251093G87	4/1/18	5.000%	\$31,115.39	Assured	\$777.88	\$777.88	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26
251093G95	4/1/19	5.000%	\$32,650.49	Assured	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26	\$816.26
251093H29	4/1/20	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06
251093H37	4/1/21	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06
251093H45	4/1/22	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06
251093H52	4/1/23	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06
251093H60	4/1/24	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06
251093H78	4/1/25	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06
UTGO 2005-C																		
251093J92	4/1/15	5.000%	\$27,218.58	Assured	\$680.46	\$680.46	\$715.89	\$715.89	\$646.13	\$646.13	\$776.41	\$776.41	\$847.78	\$847.78	\$894.27	\$894.27	\$894.27	\$894.27
251093J25	4/1/16	5.000%	\$28,635.60	Assured	\$715.89	\$715.89	\$646.13	\$646.13	\$776.41	\$776.41	\$847.78	\$847.78	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27
251093K53	4/1/17	4.000%	\$30,052.62	Assured	\$646.13	\$646.13	\$776.41	\$776.41	\$847.78	\$847.78	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27
251093K41	4/1/18	5.000%	\$31,056.34	Assured	\$776.41	\$776.41	\$847.78	\$847.78	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27
251093K58	4/1/19	5.250%	\$32,296.23	Assured	\$847.78	\$847.78	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27
251093K66	4/1/20	5.250%	\$33,067.51	Assured	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27	\$894.27
UTGO 2008-A																		
251093M56	4/1/15	5.000%	\$33,949.42	Assured	\$848.74	\$848.74	\$890.07	\$890.07	\$935.82	\$935.82	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26
251093M64	4/1/16	5.000%	\$35,602.61	Assured	\$890.07	\$890.07	\$935.82	\$935.82	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26
251093M72	4/1/17	5.000%	\$37,432.93	Assured	\$935.82	\$935.82	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26
251093M80	4/1/18	4.000%	\$39,263.25	Assured	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26	\$785.26
251093M98	4/1/19	5.000%	\$40,857.39	Assured	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43	\$1,021.43
251093N22	4/1/20	5.000%	\$42,864.84	Assured	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62	\$1,071.62
251093N30	4/1/21	5.000%	\$45,049.41	Assured	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24	\$1,126.24
251093N48	4/1/22	5.000%	\$47,293.02	Assured	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33	\$1,182.33
251093N55	4/1/23	5.000%	\$101,769.23	Assured	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73	\$2,544.73
251093N63	4/1/28	5.000%	\$235,933.74	Assured	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34
UTGO 2008-B(1)																		
251093P53	4/1/15	5.000%	\$94,113.71	Assured	\$2,352.84	\$2,352.84	\$1,015.53	\$1,015.53	\$1,056.86	\$1,056.86	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85
251093P61	4/1/16	5.000%	\$40,621.22	Assured	\$1,015.53	\$1,015.53	\$1,056.86	\$1,056.86	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85
251093P79	4/1/17	5.000%	\$42,274.41	Assured	\$1,056.86	\$1,056.86	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85
251093P87	4/1/18	5.000%	\$44,754.20	Assured	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85
UTGO 2008-B(2)																		
251093Q11	4/1/19	5.240%	\$3,907,549.17	Assured	\$5,544.09	\$5,544.09	\$3,191.25	\$3,191.25	\$2,175.72	\$2,175.72	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85	\$1,118.85
Subject to Mandatory Redemption																		
Total																		
					\$99,248.43	\$99,248.43	\$88,451.65	\$88,451.65	\$78,447.66	\$78,447.66	\$68,168.50	\$68,168.50	\$57,617.66	\$57,617.66	\$47,298.14	\$47,298.14	\$36,673.59	\$36,673.59



# UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

USIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
<b>UTGO 1999-A</b>																				
251093SM3	4/1/15	5.250%	\$33,654.21	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,766.85	\$35,421.06
251093SN1	4/1/16	5.000%	\$35,366.44	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,536.64	\$38,903.09
251093SP6	4/1/17	5.000%	\$37,137.72	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,570.66	\$42,708.38
251093SQ4	4/1/18	5.000%	\$39,027.08	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,805.42	\$46,832.49
251093SR2	4/1/19	5.000%	\$40,975.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,243.87	\$51,219.35
			\$186,160.93		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$28,923.43	\$215,084.36
<b>UTGO 2001-A(1)</b>																				
251093UX6	4/1/15	5.375%	\$70,142.46	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,770.16	\$73,912.62
251093YK3	4/1/16	5.375%	\$73,921.18	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,946.53	\$81,867.71
251093YU1	4/1/17	5.375%	\$77,936.07	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,567.19	\$90,503.26
251093VM9	4/1/18	5.375%	\$165,318.93	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$35,543.57	\$200,862.50
251093VN7	4/1/19	5.000%	\$165,318.93	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,329.73	\$206,648.67
251093VP2	4/1/20	5.000%	\$165,318.93	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$49,595.68	\$214,914.61
251093VQ0	4/1/21	5.000%	\$165,318.93	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$57,861.63	\$223,180.56
			\$885,275.45		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$208,614.49	\$1,093,889.93
<b>UTGO 2002</b>																				
251093WV8	4/1/21	5.125%	\$38,259.52	NPPG	\$1,030.33	\$1,030.33	-	-	-	-	-	-	-	-	-	-	-	-	\$13,725.60	\$51,985.13
251093WW6	4/1/22	5.125%	\$40,207.93	NPPG	\$1,030.33	\$1,030.33	-	-	-	-	-	-	-	-	-	-	-	-	\$16,485.25	\$56,693.18
			\$78,467.45		\$1,030.33	\$1,030.33	-	-	-	-	-	-	-	-	-	-	-	-	\$30,210.85	\$108,678.31
<b>UTGO 2003-A</b>																				
251093XP0	4/1/15	4.000%	\$3,542.55	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$141.70	\$3,684.25
251093XQ8	4/1/15	5.250%	\$30,111.66	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,580.86	\$31,692.53
251093XR6	4/1/16	5.250%	\$35,366.44	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,713.48	\$39,079.92
251093XS4	4/1/17	5.250%	\$37,196.76	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,858.49	\$43,055.25
251093XT2	4/1/18	5.250%	\$39,145.16	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,220.48	\$47,365.65
251093XL9	4/1/19	5.250%	\$41,211.65	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,818.06	\$52,029.71
251093XV7	4/1/20	4.500%	\$5,904.25	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,594.15	\$7,498.39
251093XW5	4/1/20	5.250%	\$37,491.97	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,809.97	\$49,301.94
251093XX3	4/1/21	5.250%	\$45,580.79	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,750.94	\$62,331.73
251093XY1	4/1/22	4.625%	\$5,904.25	Synco	\$136.54	\$136.54	-	-	-	-	-	-	-	-	-	-	-	-	\$2,184.57	\$8,088.82
251093XZ8	4/1/22	5.250%	\$42,087.29	Synco	\$1,105.05	\$1,105.05	-	-	-	-	-	-	-	-	-	-	-	-	\$17,680.86	\$59,778.15
251093YX2	4/1/23	4.625%	\$17,712.74	Synco	\$409.61	\$409.61	\$409.61	\$409.61	\$409.61	-	-	-	-	-	-	-	-	-	\$7,372.93	\$25,085.67
251093YB0	4/1/23	5.250%	\$32,768.57	Synco	\$860.18	\$860.18	\$860.18	\$860.18	\$860.18	-	-	-	-	-	-	-	-	-	\$15,483.15	\$48,251.73
			\$374,034.09		\$2,511.37	\$2,511.37	\$1,269.78	\$1,269.78	\$1,269.78	-	-	-	-	-	-	-	-	-	\$103,209.64	\$477,243.73
<b>UTGO 2004-A(1)</b>																				
251093YX2	4/1/19	5.250%	\$53,138.23	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$13,948.79	\$67,087.01
251093YX0	4/1/20	4.250%	\$2,184.57	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$557.07	\$2,741.64
251093YX2	4/1/20	5.250%	\$71,854.69	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$22,634.23	\$94,488.92
251093ZB9	4/1/21	5.000%	\$77,936.07	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,277.62	\$105,213.69
251093ZC7	4/1/22	5.250%	\$81,832.87	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$34,369.81	\$116,202.68
251093ZD5	4/1/23	4.500%	\$4,428.19	Ambac	\$2,148.11	\$2,148.11	\$99.63	\$99.63	\$99.63	-	-	-	-	-	-	-	-	-	\$1,793.42	\$6,221.60
251093ZE3	4/1/24	4.600%	\$81,714.79	Ambac	\$99.63	\$99.63	\$2,145.01	\$2,145.01	\$2,145.01	-	-	-	-	-	-	-	-	-	\$38,610.24	\$120,335.02
251093ZF0	4/1/24	5.250%	\$81,360.53	Ambac	\$2,145.01	\$2,145.01	\$2,135.71	\$2,135.71	\$2,135.71	\$213.20	\$213.20	\$213.20	\$213.20	-	-	-	-	-	\$4,364.05	\$13,533.72
			\$463,719.61		\$6,741.68	\$6,741.68	\$4,593.56	\$4,593.56	\$4,593.56	\$2,348.92	\$2,348.92	\$2,348.92	\$2,348.92	-	-	-	-	-	\$42,714.28	\$124,074.81
																			\$186,169.49	\$649,889.10

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

STP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
UTGO 2004-B(1)																				
251093ZP8	4/1/15	5.000%	\$102,438.70	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,121.93	\$107,560.63
251093ZQ6	4/1/16	5.250%	\$107,516.35	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,289.22	\$118,805.57
251093ZR4	4/1/17	4.800%	\$3,601.59	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$432.19	\$4,033.78
251093ZS2	4/1/17	5.250%	\$109,582.84	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,259.30	\$126,842.13
251093ZT0	4/1/18	5.250%	\$23,616.99	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,959.57	\$28,576.56
			\$346,756.46																\$39,062.21	\$385,818.67
UTGO 2004-B(2)																				
251093ZX1	4/1/19	5.240%	\$6,789.88	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$826.05	\$7,615.94
UTGO 2005-B																				
251093G53	4/1/15	5.000%	\$27,041.45	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,352.07	\$28,393.53
251093G61	4/1/16	5.000%	\$28,399.43	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,839.94	\$31,239.37
251093G79	4/1/17	4.300%	\$29,757.41	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,838.71	\$33,596.11
251093G87	4/1/18	5.000%	\$31,115.39	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,223.08	\$37,338.46
251093G95	4/1/19	5.000%	\$32,650.49	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,162.62	\$40,813.11
251093H29	4/1/20	5.000%	\$59,042.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,712.74	\$76,755.22
251093H37	4/1/21	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$20,664.87	\$79,707.34	
251093H45	4/1/22	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$23,616.99	\$82,659.47	
251093H53	4/1/23	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$26,569.11	\$85,611.59	
251093H60	4/1/24	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$29,521.24	\$88,563.71	
251093H78	4/1/25	5.000%	\$59,042.48	Assured	\$5,904.25	\$5,904.25	\$4,428.19	\$4,428.19	\$2,952.12	\$2,952.12	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$32,473.36	\$91,515.84	
			\$503,219.03																\$172,974.74	\$676,193.76
UTGO 2005-C																				
251093J92	4/1/15	5.000%	\$27,218.58	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,360.93	\$28,579.51
251093K25	4/1/16	5.000%	\$28,635.60	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,863.56	\$31,499.16
251093K33	4/1/17	4.300%	\$30,052.62	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,876.79	\$33,929.41
251093K41	4/1/18	5.000%	\$31,056.34	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,211.27	\$37,267.61
251093K58	4/1/19	5.250%	\$32,296.23	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,477.76	\$40,774.60
251093K66	4/1/20	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
			\$183,326.89																\$33,521.57	\$216,848.46
UTGO 2008-A																				
251093M56	4/1/15	5.000%	\$33,949.42	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,697.47	\$35,646.89
251093M64	4/1/16	5.000%	\$35,602.61	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,560.26	\$39,162.87
251093M72	4/1/17	5.000%	\$37,432.93	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,614.94	\$43,047.87
251093M80	4/1/18	4.000%	\$39,263.25	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,282.12	\$45,545.37
251093M98	4/1/19	5.000%	\$40,857.39	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,214.35	\$51,071.74
251093N22	4/1/20	5.000%	\$42,864.84	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,859.45	\$55,724.29
251093N30	4/1/21	5.000%	\$45,049.41	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,767.29	\$60,816.70
251093N48	4/1/22	5.000%	\$47,293.02	Assured	\$1,182.33	\$1,182.33	\$2,544.73	\$2,544.73	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$18,917.21	\$66,210.23	
251093N55	4/1/24	5.000%	\$101,789.23	Assured	\$2,544.73	\$2,544.73	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$5,898.34	\$48,411.88	\$150,201.11	
251093N63	4/1/28	5.000%	\$235,933.74	Assured	\$9,625.40	\$9,625.40	\$8,443.07	\$8,443.07	\$7,201.71	\$7,201.71	\$5,898.34	\$5,898.34	\$4,530.03	\$4,530.03	\$3,092.35	\$3,092.35	\$1,583.81	\$1,583.81	\$148,175.95	\$384,109.69
			\$660,035.84																\$271,500.92	\$931,536.77
UTGO 2008-B(1)																				
251093P53	4/1/15	5.000%	\$94,113.71	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,705.69	\$98,819.39
251093P61	4/1/16	5.000%	\$40,621.22	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,062.12	\$44,683.35
251093P79	4/1/17	5.000%	\$42,274.41	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,341.16	\$48,615.57
251093P87	4/1/18	5.000%	\$44,754.20	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,950.84	\$53,705.04
			\$221,763.54																\$24,059.81	\$245,823.35
Subject to Mandatory Redemption																				
			\$3,907,549.17		\$25,813.02	\$25,813.02	\$18,734.61	\$18,734.61	\$12,502.75	\$12,502.75	\$7,274.41	\$7,274.41	\$4,530.03	\$4,530.03	\$3,092.35	\$3,092.35	\$1,583.81	\$1,583.81	\$1,099,073.20	\$5,006,622.37



# UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)													Issuance: 2008-A												
CUSIP 2510932X1							CUSIP 251093N63						CUSIP 251093N63												
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest												
10/1/14	Ambac	6/30/15		\$6,789.88	5.240%	\$177.89	10/1/14	Assured	6/30/15		\$235,933.74	5.000%	\$5,898.34												
4/1/15	Ambac	6/30/15	\$1,830.32	\$4,959.57	5.240%	\$177.89	4/1/15	Assured	6/30/15		\$235,933.74	5.000%	\$5,898.34												
10/1/15	Ambac	6/30/16		\$4,959.57	5.240%	\$129.94	10/1/15	Assured	6/30/16		\$235,933.74	5.000%	\$5,898.34												
4/1/16	Ambac	6/30/16	\$1,248.40	\$3,011.17	5.240%	\$129.94	4/1/16	Assured	6/30/16		\$235,933.74	5.000%	\$5,898.34												
10/1/16	Ambac	6/30/17		\$3,011.17	5.240%	\$78.89	10/1/16	Assured	6/30/17		\$235,933.74	5.000%	\$5,898.34												
4/1/17	Ambac	6/30/17	\$2,007.44	\$1,003.72	5.240%	\$78.89	4/1/17	Assured	6/30/17		\$235,933.74	5.000%	\$5,898.34												
10/1/17	Ambac	6/30/18		\$1,003.72	5.240%	\$26.30	10/1/17	Assured	6/30/18		\$235,933.74	5.000%	\$5,898.34												
4/1/18	Ambac	6/30/18	\$6,789.88		5.240%	\$26.30	4/1/18	Assured	6/30/18		\$235,933.74	5.000%	\$5,898.34												
Total							Total						Total												

# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

UTGO Series	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
Interest																		
UTGO 1999-A																		
251093SM3	4/1/15	5.350%	\$100,784.57	Assured	\$2,645.60	\$2,645.60	\$2,647.81	\$2,647.81	\$2,780.42	\$2,780.42	\$2,921.87	\$2,921.87	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
251093SM1	4/1/16	5.000%	\$105,912.21	Assured	\$2,647.81	\$2,647.81	\$2,780.42	\$2,780.42	\$2,921.87	\$2,921.87	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
251093SM6	4/1/17	5.000%	\$111,216.66	Assured	\$2,780.42	\$2,780.42	\$2,921.87	\$2,921.87	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
251093SQ4	4/1/18	5.000%	\$116,874.74	Assured	\$2,921.87	\$2,921.87	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
251093SR2	4/1/19	5.000%	\$122,709.64	Assured	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
			\$557,497.83		\$14,063.43	\$14,063.43	\$11,417.83	\$8,770.03	\$5,989.61	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
UTGO 2001-A(1)																		
251093UX6	4/1/15	5.375%	\$210,056.27	NIPFG	\$5,645.26	\$5,645.26	\$5,949.38	\$5,949.38	\$6,272.51	\$6,272.51	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33
251093VX3	4/1/16	5.375%	\$221,372.43	NIPFG	\$5,949.38	\$5,949.38	\$6,272.51	\$6,272.51	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33
251093VX1	4/1/17	5.375%	\$233,393.86	NIPFG	\$6,272.51	\$6,272.51	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33
251093VM9	4/1/18	5.375%	\$495,082.12	NIPFG	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33
251093VW7	4/1/19	5.000%	\$495,082.12	NIPFG	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
251093VY2	4/1/20	5.000%	\$495,082.12	NIPFG	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
251093VQ0	4/1/21	5.000%	\$495,082.12	NIPFG	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
			\$2,645,153.02		\$68,303.65	\$68,303.65	\$62,658.39	\$56,709.00	\$50,436.49	\$37,131.16	\$24,754.11	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
UTGO 2002																		
251093WV8	4/1/21	5.125%	\$114,576.15	NIPFG	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01
251093WV6	4/1/22	5.125%	\$120,411.04	NIPFG	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53
			\$234,987.19		\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55
UTGO 2003-A																		
251093XP0	4/1/15	4.000%	\$10,608.90	Syncoa	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18	\$212.18
251093XQ8	4/1/16	5.250%	\$90,175.67	Syncoa	\$2,367.11	\$2,367.11	\$2,780.20	\$2,780.20	\$2,924.08	\$2,924.08	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24
251093XR6	4/1/17	5.250%	\$105,912.21	Syncoa	\$2,780.20	\$2,780.20	\$2,924.08	\$2,924.08	\$3,077.24	\$3,077.24	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69
251093XS4	4/1/18	5.250%	\$111,303.48	Syncoa	\$3,077.24	\$3,077.24	\$3,239.69	\$3,239.69	\$3,397.83	\$3,397.83	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16
251093XT2	4/1/19	5.250%	\$117,238.37	Syncoa	\$3,239.69	\$3,239.69	\$3,397.83	\$3,397.83	\$3,583.16	\$3,583.16	\$3,748.88	\$3,748.88	\$3,748.88	\$3,748.88	\$3,748.88	\$3,748.88	\$3,748.88	\$3,748.88
251093XU9	4/1/20	5.250%	\$123,416.90	Syncoa	\$3,397.83	\$3,397.83	\$3,583.16	\$3,583.16	\$3,748.88	\$3,748.88	\$3,909.31	\$3,909.31	\$3,909.31	\$3,909.31	\$3,909.31	\$3,909.31	\$3,909.31	\$3,909.31
251093XV7	4/1/21	5.250%	\$17,681.50	Syncoa	\$397.83	\$397.83	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88
251093XW5	4/1/22	5.250%	\$112,277.55	Syncoa	\$2,947.29	\$2,947.29	\$3,093.31	\$3,093.31	\$3,248.88	\$3,248.88	\$3,404.51	\$3,404.51	\$3,404.51	\$3,404.51	\$3,404.51	\$3,404.51	\$3,404.51	\$3,404.51
251093XY1	4/1/23	5.250%	\$136,501.21	Syncoa	\$3,583.16	\$3,583.16	\$3,748.88	\$3,748.88	\$3,909.31	\$3,909.31	\$4,064.51	\$4,064.51	\$4,064.51	\$4,064.51	\$4,064.51	\$4,064.51	\$4,064.51	\$4,064.51
251093XZ8	4/1/24	4.625%	\$126,069.12	Syncoa	\$3,309.31	\$3,309.31	\$3,464.51	\$3,464.51	\$3,619.65	\$3,619.65	\$3,774.79	\$3,774.79	\$3,774.79	\$3,774.79	\$3,774.79	\$3,774.79	\$3,774.79	\$3,774.79
251093Y2E	4/1/25	4.625%	\$13,044.51	Syncoa	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65
251093YB0	4/1/26	5.250%	\$98,132.35	Syncoa	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97
			\$1,120,123.29		\$29,049.61	\$29,049.61	\$26,470.32	\$23,690.12	\$20,766.04	\$17,688.80	\$14,449.10	\$11,103.98	\$11,103.98	\$11,103.98	\$11,103.98	\$11,103.98	\$11,103.98	\$11,103.98
UTGO 2004-A(1)																		
251093YX2	4/1/19	5.250%	\$159,133.54	Ambac	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26
251093YV0	4/1/20	4.250%	\$6,542.16	Ambac	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02
251093YZ7	4/1/21	5.250%	\$315,183.91	Ambac	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58
251093Z6A1	4/1/22	5.000%	\$233,393.86	Ambac	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90
251093ZB9	4/1/23	5.250%	\$245,065.65	Ambac	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97
251093ZC7	4/1/24	4.500%	\$13,261.13	Ambac	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38
251093ZD5	4/1/25	5.250%	\$244,712.02	Ambac	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69
251093ZEE3	4/1/26	4.600%	\$27,759.96	Ambac	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48
251093ZF0	4/1/27	5.250%	\$243,651.13	Ambac	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84
			\$1,388,705.34		\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11

Subject to Mandatory Redemption



## UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

USIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
U200 2004-B(1)																		
2510932P8	4/1/15	5.000%	\$306,774.10	Ambac	\$7,669.35	\$8,451.98	\$8,451.98	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71
2510932P6	4/1/16	5.250%	\$321,980.19	Ambac	\$8,451.98	\$8,451.98	\$8,451.98	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71
2510932R4	4/1/17	4.000%	\$10,285.72	Ambac	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71
2510932S2	4/1/17	5.250%	\$338,168.72	Ambac	\$8,614.43	\$8,614.43	\$8,614.43	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56
2510932T0	4/1/18	5.250%	\$70,726.02	Ambac	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56
			\$1,038,434.74		\$26,808.03	\$26,808.03	\$19,138.68	\$19,138.68	\$10,686.70	\$10,686.70	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56
U200 2004-B(2)																		
2510932X1	4/1/19	5.240%	\$20,333.73	Ambac	\$532.74	\$532.74	\$389.13	\$389.13	\$236.26	\$236.26	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75
U200 2005-B																		
2510932Y3	4/1/15	5.000%	\$80,981.29	Assured	\$2,024.53	\$2,126.20	\$2,126.20	\$1,915.97	\$1,915.97	\$1,915.97	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54
2510932Y6	4/1/16	5.000%	\$85,048.04	Assured	\$2,126.20	\$2,126.20	\$2,126.20	\$1,915.97	\$1,915.97	\$1,915.97	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54
2510932Y7	4/1/17	4.000%	\$80,114.78	Assured	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54
2510932Y8	4/1/18	5.000%	\$93,381.53	Assured	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54
2510932Y9	4/1/19	5.000%	\$97,778.72	Assured	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47
2510933129	4/1/20	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
2510933129	4/1/21	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
2510933145	4/1/22	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
2510933152	4/1/23	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
2510933160	4/1/24	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
2510933178	4/1/25	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
			\$1,506,994.60		\$37,362.96	\$37,362.96	\$35,338.43	\$35,338.43	\$33,212.23	\$33,212.23	\$31,296.26	\$31,296.26	\$28,966.72	\$28,966.72	\$26,522.26	\$26,522.26	\$22,101.88	\$22,101.88
U200 2005-C																		
251093392	4/1/15	5.000%	\$51,511.73	Assured	\$2,037.79	\$2,037.79	\$2,143.88	\$2,143.88	\$1,934.98	\$1,934.98	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12
2510933K25	4/1/16	5.000%	\$85,755.30	Assured	\$2,143.88	\$2,143.88	\$2,143.88	\$2,143.88	\$1,934.98	\$1,934.98	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12
2510933K33	4/1/17	4.000%	\$89,998.86	Assured	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12
25109341	4/1/18	5.000%	\$93,004.71	Assured	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12
251093538	4/1/19	5.250%	\$96,771.83	Assured	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84
251093538	4/1/19	5.250%	\$102,022.28	Assured	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08
251093566	4/1/20	5.250%	\$549,016.70	Assured	\$13,658.70	\$13,658.70	\$11,620.90	\$11,620.90	\$9,477.02	\$9,477.02	\$7,542.05	\$7,542.05	\$5,216.93	\$5,216.93	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08
U200 2008-A																		
2510934M56	4/1/15	5.000%	\$101,668.65	Assured	\$2,541.72	\$2,541.72	\$2,665.49	\$2,665.49	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52
2510934M56	4/1/16	5.000%	\$106,619.47	Assured	\$2,665.49	\$2,665.49	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52
2510934M56	4/1/17	5.000%	\$112,100.74	Assured	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52
2510934M80	4/1/18	4.000%	\$117,562.00	Assured	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64
2510934M98	4/1/19	5.000%	\$122,356.01	Assured	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90
2510934M98	4/1/20	5.000%	\$128,367.72	Assured	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19
2510934N22	4/1/20	5.000%	\$134,999.88	Assured	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75
2510934N40	4/1/21	5.000%	\$141,628.85	Assured	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72
2510934N40	4/1/22	5.000%	\$141,628.85	Assured	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72
2510934N55	4/1/24	5.000%	\$304,829.13	Assured	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73
2510934N63	4/1/28	5.000%	\$706,552.91	Assured	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82
			\$1,976,613.35		\$48,827.47	\$48,827.47	\$46,285.76	\$46,285.76	\$43,620.27	\$43,620.27	\$40,817.75	\$40,817.75	\$38,466.11	\$38,466.11	\$35,407.21	\$35,407.21	\$32,198.02	\$32,198.02
U200 2008-B(1)																		
2510934P53	4/1/15	5.000%	\$281,843.18	Assured	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08	\$7,146.08
2510934P61	4/1/16	5.000%	\$121,648.75	Assured	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22
2510934P79	4/1/17	5.000%	\$126,599.57	Assured	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99
2510934P87	4/1/18	5.000%	\$134,025.80	Assured	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65
			\$664,117.30		\$16,002.93	\$16,002.93	\$9,556.85	\$9,556.85	\$6,515.63	\$6,515.63	\$3,590.65	\$3,590.65	\$3,590.65	\$3,590.65	\$3,590.65	\$3,590.65	\$3,590.65	\$3,590.65
			\$11,701,973.09		\$297,220.18	\$297,220.18	\$264,886.95	\$264,886.95	\$234,927.93	\$234,927.93	\$204,144.82	\$204,144.82	\$172,548.12	\$172,548.12	\$141,644.17	\$141,644.17	\$109,826.74	\$109,826.74
Subject to Mandatory Redemption																		



# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

CUSIP	Maturity Date	Rate	Principal	Insurer	Interest										Total Interest	Total Principal & Interest			
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26			10/1/26	4/1/27	10/1/27
UTGO 1999-A																			
251093SM3	4/1/15	5.250%	\$100,784.57	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,291.19	\$106,075.76
251093SM1	4/1/16	5.000%	\$105,912.21	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,591.22	\$116,503.43
251093SM6	4/1/17	5.000%	\$111,216.66	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,682.50	\$127,899.16
251093SM4	4/1/18	5.000%	\$116,874.74	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$23,374.95	\$140,249.69
251093SM2	4/1/19	5.000%	\$122,769.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$30,677.41	\$153,447.05
			\$557,497.83		-	-	-	-	-	-	-	-	-	-	-	-	-	\$86,617.27	\$644,115.10
UTGO 2001-A(1)																			
251093XU6	4/1/15	5.375%	\$210,056.27	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,290.52	\$221,346.79
251093XU3	4/1/16	5.375%	\$221,372.43	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$23,797.54	\$245,169.97
251093XU1	4/1/17	5.375%	\$233,495.86	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$37,635.08	\$271,130.94
251093XU9	4/1/18	5.375%	\$495,082.12	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$106,442.66	\$601,524.77
251093XU7	4/1/19	5.000%	\$495,082.12	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$123,770.53	\$618,852.65
251093XU2	4/1/20	5.000%	\$495,082.12	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$148,524.64	\$643,606.75
251093XU0	4/1/21	5.000%	\$495,082.12	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$173,728.74	\$668,335.86
			\$2,645,153.02		-	-	-	-	-	-	-	-	-	-	-	-	-	\$624,739.70	\$3,269,892.73
UTGO 2002																			
251093WV8	4/1/21	5.125%	\$114,576.15	NPRG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,104.19	\$155,680.34
251093WV6	4/1/22	5.125%	\$120,411.04	NPRG	\$3,085.53	\$3,085.53	-	-	-	-	-	-	-	-	-	-	-	\$49,368.53	\$169,779.57
			\$234,987.19		\$3,085.53	\$3,085.53	-	-	-	-	-	-	-	-	-	-	-	\$99,472.72	\$325,459.91
UTGO 2003-A																			
251093XQ9	4/1/15	4.000%	\$10,608.90	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$424.36	\$11,033.26
251093XQ8	4/1/16	5.250%	\$90,175.67	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,734.22	\$94,909.89
251093XQ6	4/1/17	5.250%	\$105,912.21	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,130.78	\$117,042.99
251093XQ4	4/1/18	5.250%	\$111,393.48	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,544.47	\$128,937.95
251093XQ2	4/1/19	5.250%	\$117,228.37	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$24,617.96	\$141,846.33
251093XQ7	4/1/20	4.500%	\$17,681.50	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$32,396.94	\$155,813.84
251093XQ5	4/1/21	5.250%	\$112,277.55	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	\$22,455.51	\$22,455.51
251093XQ3	4/1/22	4.625%	\$136,501.21	Synco	\$408.88	\$3,309.31	-	-	-	-	-	-	-	-	-	-	-	\$4,774.01	\$147,644.98
251093XQ1	4/1/23	4.625%	\$176,069.12	Synco	\$3,309.31	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$35,367.43	\$186,665.41
251093XQ0	4/1/24	5.250%	\$53,044.51	Synco	\$1,226.65	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$50,164.20	\$24,223.66
251093XX3	4/1/22	4.625%	\$176,069.12	Synco	\$408.88	\$3,309.31	-	-	-	-	-	-	-	-	-	-	-	\$6,542.16	\$24,223.66
251093XX1	4/1/23	4.625%	\$53,044.51	Synco	\$3,309.31	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$52,949.03	\$179,018.16
251093YA2	4/1/23	4.625%	\$98,132.35	Synco	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$22,079.78	\$75,124.29
251093YB0	4/1/23	5.250%	\$1,120,123.29	Synco	\$7,520.83	\$7,520.83	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$46,367.53	\$144,499.88
					\$7,520.83	\$7,520.83	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$3,802.63	\$309,082.86	\$1,429,206.15
UTGO 2004-A(1)																			
251093YX2	4/1/19	5.250%	\$159,133.54	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,772.55	\$200,906.09
251093YX0	4/1/20	4.250%	\$6,542.16	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,668.25	\$8,210.41
251093YX7	4/1/21	5.250%	\$215,183.91	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$67,782.93	\$282,966.84
251093YX4	4/1/21	5.000%	\$233,395.86	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$81,688.55	\$315,084.40
251093YX1	4/1/22	5.250%	\$245,065.65	Ambac	\$6,432.97	\$6,432.97	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$102,927.57	\$347,993.22
251093YX8	4/1/23	4.500%	\$13,261.13	Ambac	\$6,432.97	\$6,432.97	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$6,432.69	\$5,370.76	\$18,631.89
251093YX5	4/1/23	5.250%	\$244,712.02	Ambac	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$115,626.43	\$360,338.45
251093YX3	4/1/24	4.600%	\$27,759.96	Ambac	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$12,769.58	\$40,529.54
251093ZB3	4/1/24	5.250%	\$243,651.13	Ambac	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$127,916.84	\$371,567.97
251093ZF0	4/1/24	5.250%	\$1,388,705.34	Ambac	\$20,189.36	\$20,189.36	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$13,756.39	\$557,523.46	\$1,946,228.80

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

CUSIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
<b>UTGO 2004-B(1)</b>																				
251093Z10	4/1/15	5.000%	\$306,774.10	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,338.70	\$322,112.80
251093Z11	4/1/16	5.250%	\$321,080.19	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$33,807.92	\$355,788.11
251093Z12	4/1/17	4.000%	\$10,785.72	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,294.29	\$12,080.00
251093Z13	4/1/17	5.250%	\$328,168.72	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$51,686.57	\$379,855.29
251093Z14	4/1/18	5.250%	\$70,726.02	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,832.46	\$85,578.48
			\$1,038,434.74		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$116,979.95	\$1,155,414.69
<b>UTGO 2004-B(2)</b>																				
251093Z15	4/1/19	5.250%	\$20,433.73	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,473.78	\$22,807.51
<b>UTGO 2005-B</b>																				
251093Z16	4/1/15	5.000%	\$81,081.29	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,049.06	\$85,030.35
251093Z17	4/1/16	5.000%	\$85,048.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,504.80	\$93,552.84
251093Z18	4/1/17	4.300%	\$89,114.78	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,405.81	\$100,610.59
251093Z19	4/1/18	5.000%	\$93,181.53	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,636.31	\$111,817.83
251093Z20	4/1/19	5.000%	\$97,778.72	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$24,444.68	\$122,223.40
251093Z21	4/1/20	5.000%	\$176,815.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$53,044.51	\$229,859.55
251093Z22	4/1/21	5.000%	\$176,815.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$61,985.26	\$238,700.31
251093Z23	4/1/22	5.000%	\$176,815.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$70,726.02	\$247,541.06
251093Z24	4/1/23	5.000%	\$176,815.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$79,566.77	\$256,381.81
251093Z25	4/1/24	5.000%	\$176,815.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$88,407.52	\$265,222.56
251093Z26	4/1/25	5.000%	\$176,815.04	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$97,348.27	\$274,063.31
			\$1,506,994.60		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$518,009.02	\$2,025,003.62
<b>UTGO 2005-C</b>																				
251093Z27	4/1/15	5.000%	\$81,511.73	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,075.59	\$85,587.32
251093Z28	4/1/16	5.000%	\$85,755.30	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,575.53	\$94,330.82
251093Z29	4/1/17	4.300%	\$89,998.86	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,609.85	\$101,608.71
251093Z30	4/1/18	5.000%	\$93,004.71	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,600.94	\$111,605.65
251093Z31	4/1/19	5.250%	\$96,717.83	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$25,388.43	\$122,106.26
251093Z32	4/1/20	5.250%	\$102,022.38	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$32,137.02	\$134,159.30
			\$549,010.70		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$100,387.36	\$649,398.06
<b>UTGO 2008-A</b>																				
251093Z33	4/1/15	5.000%	\$101,668.65	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,083.43	\$106,752.08
251093Z34	4/1/16	5.000%	\$106,619.47	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,661.95	\$117,281.42
251093Z35	4/1/17	5.000%	\$112,100.74	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,815.11	\$128,915.85
251093Z36	4/1/18	4.000%	\$117,582.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,613.12	\$136,195.12
251093Z37	4/1/19	5.000%	\$122,356.01	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$30,589.00	\$152,945.01
251093Z38	4/1/20	5.000%	\$128,367.72	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$38,510.32	\$166,878.04
251093Z39	4/1/21	5.000%	\$134,909.88	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$47,218.46	\$182,128.33
251093Z40	4/1/22	5.000%	\$141,028.85	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$56,651.54	\$197,680.39
251093Z41	4/1/23	5.000%	\$146,829.13	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$144,979.49	\$291,808.63
251093Z42	4/1/24	5.000%	\$152,552.91	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$182,128.33	\$334,681.24
251093Z43	4/1/25	5.000%	\$158,285.27	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$229,859.55	\$388,144.82
			\$1,976,615.45		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$813,066.29	\$2,789,681.64
<b>UTGO 2008-B(1)</b>																				
251093Z44	4/1/15	5.000%	\$281,843.18	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,092.16	\$295,935.34
251093Z45	4/1/16	5.000%	\$121,648.75	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,164.87	\$133,813.62
251093Z46	4/1/17	5.000%	\$126,599.57	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,989.94	\$145,589.51
251093Z47	4/1/18	5.000%	\$134,025.80	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$26,805.16	\$160,830.96
			\$664,117.30		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$72,052.13	\$736,169.43
<b>Total</b>																				
			\$11,701,973.09		\$77,302.50	\$77,302.50	\$56,104.69	\$56,104.69	\$37,442.09	\$37,442.09	\$22,084.20	\$22,084.20	\$13,566.13	\$13,566.13	\$9,260.69	\$9,260.69	\$4,743.06	\$4,743.06	\$3,291,404.54	\$14,993,377.63

\* Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

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## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A											
CUSIP 251093ZK1										CUSIP 251093N63											
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest				
10/1/14	Amibac	6/30/15	-	\$20,333.73	5.240%	\$532.74					10/1/14	Assured	6/30/15	-	\$706,552.91	5.000%	\$17,663.82				
4/1/15	Amibac	6/30/15	\$5,481.27	\$14,852.46	5.240%	\$532.74					4/1/15	Assured	6/30/15	-	\$706,552.91	5.000%	\$17,663.82				
10/1/15	Amibac	6/30/16	-	\$14,852.46	5.240%	\$389.13					10/1/15	Assured	6/30/16	-	\$706,552.91	5.000%	\$17,663.82				
4/1/16	Amibac	6/30/16	\$5,834.30	\$9,017.57	5.240%	\$389.13					4/1/16	Assured	6/30/16	-	\$706,552.91	5.000%	\$17,663.82				
10/1/16	Amibac	6/30/17	-	\$9,017.57	5.240%	\$236.26					10/1/16	Assured	6/30/17	-	\$706,552.91	5.000%	\$17,663.82				
4/1/17	Amibac	6/30/17	\$6,011.71	\$3,005.86	5.240%	\$236.26					4/1/17	Assured	6/30/17	-	\$706,552.91	5.000%	\$17,663.82				
10/1/17	Amibac	6/30/18	-	\$3,005.86	5.240%	\$78.75					10/1/17	Assured	6/30/18	-	\$706,552.91	5.000%	\$17,663.82				
4/1/18	Amibac	6/30/18	\$3,005.86	-	5.240%	\$78.75					4/1/18	Assured	6/30/18	-	\$706,552.91	5.000%	\$17,663.82				
Total						\$2,473.78					Total						\$706,552.91				
Issuance: 2008-A										Issuance: 2008-A											
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest				
10/1/14	Assured	6/30/15	-	\$304,829.13	5.000%	\$7,620.73					10/1/2022	Assured	6/30/2023	-	\$706,552.91	5.000%	\$17,663.82				
4/1/15	Assured	6/30/15	-	\$304,829.13	5.000%	\$7,620.73					4/1/2023	Assured	6/30/2023	-	\$706,552.91	5.000%	\$17,663.82				
10/1/15	Assured	6/30/16	-	\$304,829.13	5.000%	\$7,620.73					10/1/2023	Assured	6/30/2024	-	\$706,552.91	5.000%	\$17,663.82				
4/1/16	Assured	6/30/16	-	\$304,829.13	5.000%	\$7,620.73					4/1/2024	Assured	6/30/2024	-	\$706,552.91	5.000%	\$17,663.82				
10/1/16	Assured	6/30/17	-	\$304,829.13	5.000%	\$7,620.73					10/1/2024	Assured	6/30/2025	-	\$706,552.91	5.000%	\$17,663.82				
4/1/17	Assured	6/30/17	-	\$304,829.13	5.000%	\$7,620.73					4/1/2025	Assured	6/30/2025	\$163,907.54	\$542,645.36	5.000%	\$17,663.82				
10/1/17	Assured	6/30/18	-	\$304,829.13	5.000%	\$7,620.73					10/1/2025	Assured	6/30/2026	-	\$542,645.36	5.000%	\$13,566.13				
4/1/18	Assured	6/30/18	-	\$304,829.13	5.000%	\$7,620.73					4/1/2026	Assured	6/30/2026	-	\$370,427.51	5.000%	\$13,566.13				
10/1/18	Assured	6/30/19	-	\$304,829.13	5.000%	\$7,620.73					10/1/2026	Assured	6/30/2027	-	\$370,427.51	5.000%	\$9,260.69				
4/1/19	Assured	6/30/19	-	\$304,829.13	5.000%	\$7,620.73					4/1/2027	Assured	6/30/2027	\$180,704.97	\$189,722.54	5.000%	\$4,743.06				
10/1/19	Assured	6/30/20	-	\$304,829.13	5.000%	\$7,620.73					10/1/2027	Assured	6/30/2028	-	\$189,722.54	5.000%	\$4,743.06				
4/1/20	Assured	6/30/20	-	\$304,829.13	5.000%	\$7,620.73					4/1/2028	Assured	6/30/2028	-	\$189,722.54	5.000%	\$4,743.06				
10/1/20	Assured	6/30/21	-	\$304,829.13	5.000%	\$7,620.73					Total						\$706,552.91				
4/1/21	Assured	6/30/21	-	\$304,829.13	5.000%	\$7,620.73													\$443,743.87		
10/1/21	Assured	6/30/22	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/22	Assured	6/30/22	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
10/1/2022	Assured	6/30/2023	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/2023	Assured	6/30/2023	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
10/1/2023	Assured	6/30/2024	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/2024	Assured	6/30/2024	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
10/1/2024	Assured	6/30/2025	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/2025	Assured	6/30/2025	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
10/1/2025	Assured	6/30/2026	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/2026	Assured	6/30/2026	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
10/1/2026	Assured	6/30/2027	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/2027	Assured	6/30/2027	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
10/1/2027	Assured	6/30/2028	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
4/1/2028	Assured	6/30/2028	-	\$304,829.13	5.000%	\$7,620.73													\$706,552.91		
Total						\$144,979.49					Total						\$706,552.91				
						\$144,979.49											\$706,552.91				

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# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

CUSIP	Maturity Date	Rate	Principal	Insurer	Interest										Total				
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest
UTG0999-A																			
251093SR2	4/1/15	5.250%	\$238,911.21	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$238,911.21	\$238,911.21
251093SR2	4/1/16	5.000%	\$251,066.35	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$251,066.35	\$251,066.35
251093SR2	4/1/17	5.000%	\$263,640.62	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$263,640.62	\$263,640.62
251093SR2	4/1/18	5.000%	\$277,053.18	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,053.18	\$277,053.18
251093SR2	4/1/19	5.000%	\$290,884.88	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$290,884.88	\$290,884.88
251093SR2	4/1/20	5.000%	\$1,321,556.25	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,321,556.25	\$1,321,556.25
UTG0001-A(1)																			
251093SR2	4/1/15	5.375%	\$497,941.27	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$497,941.27	\$497,941.27
251093SR2	4/1/16	5.375%	\$524,766.39	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$524,766.39	\$524,766.39
251093SR2	4/1/17	5.375%	\$553,268.08	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$553,268.08	\$553,268.08
251093SR2	4/1/18	5.375%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/19	5.000%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/20	5.000%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/21	5.000%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/22	5.000%	\$6,270,371.53	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,270,371.53	\$6,270,371.53
UTG0002																			
251093SR2	4/1/21	5.125%	\$271,604.33	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$271,604.33	\$271,604.33
251093SR2	4/1/22	5.125%	\$295,436.03	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$295,436.03	\$295,436.03
251093SR2	4/1/23	5.125%	\$557,040.36	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$557,040.36	\$557,040.36
UTG0003-A																			
251093SR2	4/1/15	4.000%	\$25,148.55	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$25,148.55	\$25,148.55
251093SR2	4/1/16	5.250%	\$213,762.67	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$213,762.67	\$213,762.67
251093SR2	4/1/17	5.250%	\$251,066.35	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$251,066.35	\$251,066.35
251093SR2	4/1/18	5.250%	\$264,059.76	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$264,059.76	\$264,059.76
251093SR2	4/1/19	5.250%	\$277,891.47	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,891.47	\$277,891.47
251093SR2	4/1/20	4.800%	\$41,914.25	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,914.25	\$41,914.25
251093SR2	4/1/21	5.250%	\$366,155.48	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$366,155.48	\$366,155.48
251093SR2	4/1/22	4.625%	\$41,914.25	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,914.25	\$41,914.25
251093SR2	4/1/23	4.625%	\$298,848.59	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,848.59	\$298,848.59
251093SR2	4/1/24	4.600%	\$125,742.74	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$125,742.74	\$125,742.74
251093SR2	4/1/25	5.250%	\$232,634.08	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$232,634.08	\$232,634.08
251093SR2	4/1/26	5.250%	\$2,655,267.62	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,655,267.62	\$2,655,267.62
UTG0004-A(1)																			
251093SR2	4/1/19	5.250%	\$377,228.23	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$377,228.23	\$377,228.23
251093SR2	4/1/20	4.250%	\$15,508.27	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,508.27	\$15,508.27
251093SR2	4/1/21	5.000%	\$510,096.40	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$510,096.40	\$510,096.40
251093SR2	4/1/22	5.250%	\$553,268.08	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$553,268.08	\$553,268.08
251093SR2	4/1/23	4.500%	\$31,435.69	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,435.69	\$31,435.69
251093SR2	4/1/24	5.250%	\$580,093.20	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$580,093.20	\$580,093.20
251093SR2	4/1/25	4.600%	\$65,805.37	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$65,805.37	\$65,805.37
251093SR2	4/1/26	5.250%	\$577,578.34	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$577,578.34	\$577,578.34
251093SR2	4/1/27	5.250%	\$3,291,945.05	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,291,945.05	\$3,291,945.05

\* Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

CUSIP	Maturity Date	Rate	Principal	Insurer	Interest										Total Interest	Total Principal & Interest		
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26			10/1/26	4/1/27
UTGO 2004-B(1)																		
251932P8	4/1/15	5.000%	\$727,212.31	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$36,360.61	\$763,572.92
251932Q6	4/1/16	5.250%	\$763,258.46	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$80,142.14	\$843,400.60
251932R4	4/1/17	4.000%	\$25,567.69	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$3,068.12	\$28,635.81
251932S2	4/1/17	5.250%	\$777,928.45	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$122,523.73	\$900,452.18
251932T0	4/1/18	5.250%	\$167,656.99	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$35,207.97	\$202,864.96
			\$2,461,623.80														\$277,902.57	\$2,739,526.37
UTGO 2004-B(2)																		
251932X1	4/1/19	5.240%	\$48,201.39	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$5,864.14	\$54,065.52
UTGO 2005-B																		
251932G53	4/1/15	5.000%	\$191,967.26	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$9,598.36	\$201,565.62
251932G61	4/1/16	5.000%	\$201,607.53	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$20,160.75	\$221,768.29
251932G79	4/1/17	4.300%	\$211,247.81	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$27,250.97	\$238,498.78
251932G87	4/1/18	5.000%	\$220,888.09	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$265,065.71	\$289,732.24
251932G95	4/1/19	5.000%	\$231,785.79	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$57,946.45	\$289,732.24
251932H29	4/1/20	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$125,742.74	\$544,885.23
251932H37	4/1/21	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$146,699.87	\$565,842.35
251932H45	4/1/22	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$167,656.99	\$586,799.47
251932H52	4/1/23	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$188,614.12	\$607,756.60
251932H60	4/1/24	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$209,571.24	\$628,713.72
251932H78	4/1/25	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$230,528.37	\$649,638.85
			\$3,572,351.37														\$1,227,947.48	\$4,800,298.85
UTGO 2005-C																		
251932J92	4/1/15	5.000%	\$193,224.68	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$9,661.23	\$202,885.92
251932K25	4/1/16	5.000%	\$203,284.10	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$20,328.41	\$223,612.51
251932K33	4/1/17	4.300%	\$213,343.52	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$27,521.31	\$240,864.84
251932K41	4/1/18	5.000%	\$220,468.95	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$44,093.79	\$264,562.73
251932K58	4/1/19	5.250%	\$229,270.94	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$60,183.62	\$289,454.56
251932K66	4/1/20	5.250%	\$241,845.21	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$76,181.24	\$318,026.45
			\$1,301,437.41														\$237,969.61	\$1,539,407.02
UTGO 2006-A																		
251932M56	4/1/15	5.000%	\$241,006.93	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$12,050.35	\$253,057.27
251932M64	4/1/16	5.000%	\$252,742.92	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$25,274.29	\$278,017.21
251932M72	4/1/17	5.000%	\$265,736.33	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$39,860.45	\$305,596.78
251932M80	4/1/18	4.000%	\$278,729.75	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$44,596.76	\$323,326.51
251932M98	4/1/19	5.000%	\$290,046.60	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$72,511.65	\$362,558.25
251932N22	4/1/20	5.000%	\$304,297.44	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$91,289.23	\$395,586.67
251932N30	4/1/21	5.000%	\$319,805.71	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$111,932.00	\$431,737.71
251932N48	4/1/22	5.000%	\$335,733.13	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$134,293.25	\$470,026.38
251932N55	4/1/24	5.000%	\$722,601.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$343,675.88	\$1,066,277.52
251932N63	4/1/28	5.000%	\$1,674,893.36	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,051,900.93	\$2,726,794.29
			\$4,685,593.81														\$1,927,384.79	\$6,612,978.60
UTGO 2008-B(1)																		
251932P53	4/1/15	5.000%	\$668,113.12	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$33,405.66	\$701,518.77
251932P61	4/1/16	5.000%	\$288,370.03	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$28,837.00	\$317,207.03
251932P79	4/1/17	5.000%	\$300,106.02	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$45,015.90	\$345,121.92
251932P87	4/1/18	5.000%	\$317,710.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$63,542.00	\$381,252.00
			\$1,574,299.16														\$170,800.56	\$1,745,099.72
			\$27,739,687.74														\$7,802,319.61	\$35,542,007.36

\* Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)							Issuance: 2008-A							
CLISIP 251093ZX1							CLISIP 251093N63							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Ambac	6/30/15	-	\$48,201.39	5.240%	\$1,262.88	10/1/14	Assured	6/30/15	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/15	Ambac	6/30/15	\$12,993.42	\$35,207.97	5.240%	\$1,262.88	4/1/15	Assured	6/30/15	-	\$1,674,893.36	5.000%	\$41,872.33	
10/1/15	Ambac	6/30/16	-	\$35,207.97	5.240%	\$922.45	10/1/15	Assured	6/30/16	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/16	Ambac	6/30/16	\$13,831.70	\$21,376.27	5.240%	\$922.45	4/1/16	Assured	6/30/16	-	\$1,674,893.36	5.000%	\$41,872.33	
10/1/16	Ambac	6/30/17	-	\$21,376.27	5.240%	\$560.06	10/1/16	Assured	6/30/17	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/17	Ambac	6/30/17	\$14,250.84	\$7,125.42	5.240%	\$560.06	4/1/17	Assured	6/30/17	-	\$1,674,893.36	5.000%	\$41,872.33	
10/1/17	Ambac	6/30/18	-	\$7,125.42	5.240%	\$186.69	10/1/17	Assured	6/30/18	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/18	Ambac	6/30/18	\$7,135.42	-	5.240%	\$186.69	4/1/18	Assured	6/30/18	-	\$1,674,893.36	5.000%	\$41,872.33	
Total						\$5,864.14	Total						\$1,051,900.93	
Issuance: 2008-A							Issuance: 2008-A							
CLISIP 251093N55							CLISIP 251093N55							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Assured	6/30/15	-	\$722,601.64	5.000%	\$18,065.04	10/1/2022	Assured	6/30/2023	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/15	Assured	6/30/15	-	\$722,601.64	5.000%	\$18,065.04	4/1/2023	Assured	6/30/2023	-	\$1,674,893.36	5.000%	\$41,872.33	
10/1/15	Assured	6/30/16	-	\$722,601.64	5.000%	\$18,065.04	10/1/2023	Assured	6/30/2024	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/16	Assured	6/30/16	-	\$722,601.64	5.000%	\$18,065.04	4/1/2024	Assured	6/30/2024	-	\$1,674,893.36	5.000%	\$41,872.33	
10/1/16	Assured	6/30/17	-	\$722,601.64	5.000%	\$18,065.04	10/1/2024	Assured	6/30/2025	-	\$1,674,893.36	5.000%	\$41,872.33	
4/1/17	Assured	6/30/17	-	\$722,601.64	5.000%	\$18,065.04	4/1/2025	Assured	6/30/2025	\$388,546.08	\$1,286,348.28	5.000%	\$41,872.33	
10/1/17	Assured	6/30/18	-	\$722,601.64	5.000%	\$18,065.04	10/1/2025	Assured	6/30/2026	-	\$1,286,348.28	5.000%	\$41,872.33	
4/1/18	Assured	6/30/18	-	\$722,601.64	5.000%	\$18,065.04	4/1/2026	Assured	6/30/2026	\$408,244.78	\$878,103.50	5.000%	\$41,872.33	
10/1/18	Assured	6/30/19	-	\$722,601.64	5.000%	\$18,065.04	10/1/2026	Assured	6/30/2027	-	\$878,103.50	5.000%	\$41,872.33	
4/1/19	Assured	6/30/19	-	\$722,601.64	5.000%	\$18,065.04	4/1/2027	Assured	6/30/2027	\$428,363.62	\$449,739.88	5.000%	\$41,872.33	
10/1/19	Assured	6/30/20	-	\$722,601.64	5.000%	\$18,065.04	10/1/2027	Assured	6/30/2028	-	\$449,739.88	5.000%	\$41,872.33	
4/1/20	Assured	6/30/20	-	\$722,601.64	5.000%	\$18,065.04	4/1/2028	Assured	6/30/2028	\$449,739.88	-	5.000%	\$41,872.33	
10/1/20	Assured	6/30/21	-	\$722,601.64	5.000%	\$18,065.04	Total		\$1,674,893.36					
4/1/21	Assured	6/30/21	-	\$722,601.64	5.000%	\$18,065.04								
10/1/21	Assured	6/30/22	-	\$722,601.64	5.000%	\$18,065.04								
4/1/22	Assured	6/30/22	-	\$722,601.64	5.000%	\$18,065.04								
10/1/2022	Assured	6/30/2023	-	\$722,601.64	5.000%	\$18,065.04								
4/1/2023	Assured	6/30/2023	-	\$722,601.64	5.000%	\$18,065.04								
10/1/2023	Assured	6/30/2024	-	\$722,601.64	5.000%	\$18,065.04								
4/1/2024	Assured	6/30/2024	\$352,498.83	\$370,102.81	5.000%	\$9,252.57								
10/1/2024	Assured	6/30/2025	-	\$370,102.81	5.000%	\$9,252.57								
Total						\$343,675.88	Total						\$1,051,900.93	
						\$722,601.64							\$1,051,900.93	

Exhibit B

EMERGENCY MANAGER ORDER

B-1

ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE AND RESTRUCTURING OF CERTAIN UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY OF DETROIT BY THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$287,560,790 DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BONDS (UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014 IN ONE OR MORE SUB-SERIES FOR THE PURPOSE OF PROVIDING CERTAIN BANKRUPTCY PLAN OF ADJUSTMENT FINANCING FOR THE CITY RELATED TO UNLIMITED TAX GENERAL OBLIGATION BOND CLAIMS; AUTHORIZING A FIFTH SUPPLEMENT TO THE OUTSTANDING MASTER DEBT RETIREMENT TRUST INDENTURE TO SECURE REPAYMENT OF SAID BONDS; IMPLEMENTING THE ASSIGNMENT OF PAYMENTS ON NOT TO EXCEED \$43,349,210 OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS (STUB UTGO BONDS) PURSUANT TO THE PLAN OF ADJUSTMENT; AND AUTHORIZING THE AUTHORIZED OFFICERS TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE TRANSFER OF A PORTION OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS IN CONSIDERATION FOR BONDS ISSUED BY THE MICHIGAN FINANCE AUTHORITY.



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ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE AND RESTRUCTURING OF CERTAIN UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY OF DETROIT BY THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$287,560,790 DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BONDS (UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014 IN ONE OR MORE SUB-SERIES FOR THE PURPOSE OF PROVIDING CERTAIN BANKRUPTCY PLAN OF ADJUSTMENT FINANCING FOR THE CITY RELATED TO UNLIMITED TAX GENERAL OBLIGATION BOND CLAIMS; AUTHORIZING A FIFTH SUPPLEMENT TO THE OUTSTANDING MASTER DEBT RETIREMENT TRUST INDENTURE TO SECURE REPAYMENT OF SAID BONDS; IMPLEMENTING THE ASSIGNMENT OF PAYMENTS ON NOT TO EXCEED \$43,349,210 OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS (STUB UTGO BONDS) PURSUANT TO THE PLAN OF ADJUSTMENT; AND AUTHORIZING THE AUTHORIZED OFFICERS TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE TRANSFER OF A PORTION OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS IN CONSIDERATION FOR BONDS ISSUED BY THE MICHIGAN FINANCE AUTHORITY.

WHEREAS, at elections held on November 7, 1978, August 5, 1980, November 4, 1986, August 2, 1988, August 4, 1992, August 5, 1996, November 4, 1997, November 7, 2000, November 6, 2001, April 29, 2003, November 2, 2004 and February 24, 2009 (the "Prior Elections"), the qualified electors of the City of Detroit, County of Wayne, State of Michigan (the "City") authorized the issuance and sale of general obligation unlimited tax bonds of the City to finance certain public capital improvement projects of the City; and

WHEREAS, pursuant to the authorizations provided by certain of the Prior Elections, the City Charter, Act 279, Public Acts of Michigan, 1909, as amended ("Act 279"), Act 202, Public Acts of Michigan, 1943, as amended ("Act 202"), and Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), the City issued certain general obligation unlimited tax bonds (collectively, but not including the 2010A UTGO Bonds, as hereinafter defined, the "Prior UTGO Bonds") outstanding in the amounts set forth on Exhibit A attached hereto; and

WHEREAS, on March 18, 2010, pursuant to Act 80, Public Acts of Michigan, 1981, as amended ("Act 80") the City issued \$249,790,000 of its Distributable State Aid General Obligation Limited Tax Bonds, Series 2010 (the "DSA Bonds") secured by and payable from money received or to be received by the City derived from the imposition of taxes by the State of Michigan (the "State") and returned or to be returned to the City as provided by law ("Distributable Aid"); and



WHEREAS, in connection with the issuance of the DSA Bonds, the City entered into a Master Debt Retirement Trust Indenture (the "Master Indenture") and a First Supplemental Debt Retirement Trust Indenture, each dated as of March 1, 2010, (the "First Supplemental Indenture") between the City and U.S. Bank National Association, Detroit, Michigan, as master trustee (the "Master Trustee" or the "Trustee"), that provides for the escrow of Distributable Aid payments received by the Trustee on behalf of the City to pay the debt service on obligations of the City secured by Distributable Aid (the "Distributable Aid Obligations"); and

WHEREAS, pursuant to Act 80, the Master Indenture and the First Supplemental Indenture, the DSA Bonds have a first lien on the City's Distributable Aid to secure the payment of the DSA Bonds and to provide for the direct payment to the Master Trustee of the Distributable Aid to be held in trust and used solely for payment of principal of and interest on Distributable Aid Obligations, and for that purpose, the City, the Master Trustee and the State Treasurer of the State of Michigan (the "State Treasurer") entered into an Agreement dated as of March 1, 2010 (the "DSA Bonds Deposit Agreement"); and

WHEREAS, on December 16, 2010, pursuant to the City Charter, Act 279 and Act 34, the City issued \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds-Direct Payment) (the "2010A UTGO Bonds") and sold them to the Michigan Finance Authority (the "MFA") under Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"); and

WHEREAS, in connection with the issuance of the 2010A UTGO Bonds, the City entered into a Second Supplemental Debt Retirement Trust Indenture, dated as of December 1, 2010 (the "Second Supplemental Indenture") with the Trustee, to further provide for the security and payment of the 2010A UTGO Bonds with the unlimited tax levy and a second lien on Distributable Aid; and

WHEREAS, pursuant to Act 227, in order to provide for the direct payment of Distributable Aid to the Trustee to pay the debt service on the 2010A UTGO Bonds, the City, the MFA and the State Treasurer entered into an Agreement to Deposit Distributable State Aid with the Master Trustee for payment of the 2010A UTGO Bonds (the "UTGO Bonds Deposit Agreement"); and

WHEREAS, pursuant to Resolutions adopted on March 27, 2012 by the City Council of the City, certain Sale Orders of the Finance Director and Act 34, the City issued: (i) \$38,865,000 Self Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A2) (the "Series 2012(A2) Bonds"); (ii) \$30,730,000 Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B) (the "Series 2012(A2-B) Bonds"); (iii) \$6,405,000 General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation) Series 2012B (the "Series 2012B Bonds"); and (iv) \$53,520,000 Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2) (the "Series 2012(B2) Bonds, and collectively with the Series 2012(A2) Bonds, the Series 2012(A2-B) Bonds and the Series 2012B Bonds, the "Third Lien Bonds"); and

WHEREAS, the Third Lien Bonds were sold to the MFA and pursuant to Act 227 and Act 140, in order to provide for the direct payment of Distributable Aid to the Master Trustee to



pay the debt service on the Third Lien Bonds, the City, the MFA and the State Treasurer entered into an Agreement to Deposit Distributable State Aid (as amended the "2012 Deposit Agreement") with the Master Trustee and the City and the Master Trustee entered into a Third Supplemental Debt Retirement Trust Indenture, dated as of March 1, 2012, as amended (the "Third Supplemental Indenture") and a Fourth Supplemental Debt Retirement Trust Indenture dated as of August 1, 2012 (the "Fourth Supplemental Indenture") for payment of the Third Lien Bonds on a third lien basis subordinate to the first lien on Distributable State Aid securing the DSA Bonds and subordinate to the second lien on Distributable Aid securing the Series 2010A UTGO Bonds; and

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; and

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, on \_\_\_\_\_, 2014, the Emergency Manager filed on behalf of the City a \_\_\_\_\_ Amended Plan for the Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, more than 90% of the Prior UTGO Bonds are insured by Ambac Assurance Corporation; Assured Guaranty Municipal Corp. together with Assured Guaranty Corp.; and National Public Finance Guarantee Corporation (each a "Bond Insurer" and collectively, the "Bond Insurers"); and

WHEREAS, pursuant to the Plan of Adjustment and a settlement agreement dated July 18, 2014 among the City and the Bond Insurers (the "UTGO Settlement Agreement") the City intends to restructure a portion of the outstanding Prior UTGO Bonds (the "Restructured UTGO



Bonds”) as provided in this Order; and

WHEREAS, pursuant to a bond purchase contract (the “Purchase Contract”) between the City and the MFA, the City shall deliver the Bonds authorized hereunder (the “Bonds” or the “Municipal Obligation”) to the MFA, and in consideration thereof, the MFA will deliver its [Local Government Loan Program Revenue Bonds, Series 2014 (City of Detroit Unlimited Tax General Obligation Local Project Bonds)] (the “MFA Bonds”) to (i) the holders of the Holders Restructured UTGO Bonds (as defined in the UTGO Settlement Agreement) and (ii) the Bond Insurers and the Dissenting Bond Insurer as holders of the Insurer Owned Restructured UTGO Bonds (as defined in the UTGO Settlement Agreement) in consideration for the transfer of the Restructured UTGO Bonds to the MFA; and

WHEREAS, the MFA Bonds will be issued by the MFA in Authorized Denominations in the same aggregate principal amounts per maturity as the Restructured UTGO Bonds, rounded down as provided in this Order, for each denomination to the nearest Authorized Denomination; and on the Effective Date, as hereinafter defined, the holders of the Holders Restructured UTGO Bonds shall be paid the difference in principal amount, if any, between the Holders Restructured UTGO Bonds and the principal amount of MFA Bonds allocated and transferred to them as provided herein by the City from its General Fund or by the Master Trustee at the direction of the City from available funds on deposit in the Debt Retirement Fund (the “Debt Retirement Fund”) established hereunder, as determined by an Authorized Officer; and

WHEREAS, a portion of the Prior UTGO Bonds not restructured by the Municipal Obligation which mature on or after April 1, 2015, in the principal amount of \$43,349,210 (the “Stub UTGO Bonds” and collectively with the 2010A UTGO Bonds, the Municipal Obligation and any Additional Bonds (defined below), the “UTGO Bonds”) shall be reinstated, remain Outstanding in the amounts and will remain payable as shown on Exhibit C hereto; and

WHEREAS, the Stub UTGO Bonds also will be in Authorized Denominations; and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the “Effective Date”); and

WHEREAS, on or after the Effective Date, the City shall issue and deliver the Municipal Obligation to the MFA and pursuant to the Plan of Adjustment, the Assigned UTGO Bond Tax Proceeds (as hereinafter defined), will be assigned to the Income Stabilization Funds and the GRS (collectively, the “Plan Assignees”) as such terms are defined in the Plan of Adjustment; and

WHEREAS, the Emergency Manager deems it necessary to authorize the issuance of the Bonds in one or more series in the aggregate principal amount of not to exceed Two Hundred Eighty-Seven Million Five Hundred Sixty Thousand Seven Hundred Ninety Dollars (\$287,560,790); and

WHEREAS, pursuant to the resolutions authorizing the Prior UTGO Bonds and the 2010A UTGO Bonds, this Order and Section 4a of Act 279, the City has pledged, and to the



extent permitted by applicable law, including without limitation, Section 12(1)(x) of Act 436, will create a lien upon the Debt Millage Revenues (as hereinafter defined) to pay the debt service on the UTGO Bonds; and

WHEREAS, pursuant to Section 4a of Act 279, and Section 701 of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, the Emergency Manager desires to provide for the deposit of the Debt Millage Revenues into a separate escrow account to be used for the sole purpose of paying principal of and interest on the UTGO Bonds and the administrative costs related to the deposit and escrow of Debt Millage Revenues; and

WHEREAS, in order to effectuate a lien, to the extent permitted by law, upon the debt millage revenues (the "Debt Millage Revenues") derived from the unlimited tax pledge in favor of the Registered Owners of the Bonds, it is necessary for the City to provide for the deposit of the proceeds of 100% of the City's unlimited tax general obligation debt millage levy in trust to further secure payment of the debt service on the Bonds, with U.S. Bank National Association, as Debt Millage Escrow Trustee (the "Debt Millage Escrow Trustee"), pursuant to a Debt Millage Deposit Escrow Agreement (the "Debt Millage Escrow Agreement") between the City and the Debt Millage Escrow Trustee; and

WHEREAS, the Emergency Manager recommends that the Bonds be secured by a fourth lien pledge of Distributable Aid under a Fifth Supplemental Debt Retirement Trust Indenture (the "Fifth Supplemental Indenture"), in addition to a pledge of the City's unlimited tax full faith and credit; and

WHEREAS, the Emergency Manager desires the Debt Millage Revenues to constitute special revenues under Section 902 of the Bankruptcy Code and to afford the holders of the UTGO Bonds the protection provided to "pledged special revenues," as that term is used in Section 922(d) of the Bankruptcy Code.

WHEREAS, the MFA may distribute one or more preliminary official statements (together with any supplements thereto, each a "Preliminary Official Statement") and final official statements (together with any supplements thereto, each an "Official Statement") to the holders of the MFA Bonds; and

WHEREAS, the Emergency Manager also desires to authorize the submission of disclosure information to the MFA, as applicable, if necessary in connection with the issuance and delivery of the Municipal Obligation and the issuance and delivery of the MFA Bonds; and

WHEREAS, the MFA will require, as a condition precedent to accepting the Municipal Obligation, that the City agree to provide continuing disclosure as required by Section (b)(5) of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended; and

WHEREAS, the Emergency Manager also desires to authorize the submission of disclosure information to the holders of the Stub UTGO Bonds, if necessary in connection with the secondary marketing, if any, of the Stub UTGO Bonds by the holders thereof on the Effective Date; and



WHEREAS, pursuant to the authority of Section 315(1)(d) of Act 34, the Emergency Manager desires to delegate to the Finance Director the authority to make certain determinations with respect to the Bonds, if necessary, within the parameters of this Order and to take such other actions and make such other determinations as may be necessary to accomplish the delivery of the Bonds and the transactions contemplated by this Order, as shall be confirmed by the Finance Director in the Supplemental Order; and

WHEREAS, prior to the issuance of the Bonds, pursuant to Sections 12(1) (u) and 19(1) of Act 436, the Emergency Manager must obtain the approval of the issuance of the Bonds by the City Council, and if the City Council disapproves of the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, PURSUANT TO THE CHARTER, ACT 34, ACT 227, ACT 279, AND ACT 436 AS FOLLOWS:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment unless a different meaning clearly appears from the context:

“Act 34” means Act 34, Public Acts of Michigan, 2001, as amended.

“Act 80” means Act 80, Public Acts of Michigan, 1981, as amended.

“Act 227” means Act 227, Public Acts of Michigan, 1985, as amended.

“Act 279” means Act 279, Public Acts of Michigan, 1909, as amended.

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

“Additional Bonds” shall mean any unlimited tax general obligation bonds issued under Act 279 on a parity with the Prior UTGO Bonds, the 2010A UTGO Bonds, the Municipal Obligation and the Stub UTGO Bonds as to the Aggregate UTGO Tax Levy.

“Aggregate UTGO Tax Levy” means all proceeds of the Debt Millage Revenues.

“Ambac” means Ambac Assurance Corporation.

“Assigned UTGO Bond Tax Proceeds” means that portion of the Aggregate UTGO Tax Levy designated to pay the principal of and interest on the Stub UTGO Bonds.

“Assured” means Assured Guaranty Municipal Corp. and Assured Guaranty Corp.



"Authorized Denominations" shall mean denominations of Bonds and Stub UTGO Bonds equal to multiples of \$1.00.

"Authorized Officer" means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the Mayor of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City's sole discretion.

"Bankruptcy Case" means the City's Bankruptcy Case No. 13-53846 in the U.S. Bankruptcy Court for the Eastern District of Michigan.

"Bankruptcy Court Order" has the meaning set forth in the recitals hereto.

"Board" has the meaning set forth in the recitals hereto.

"Bond" or "Bonds" means the Municipal Obligations.

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

"Bond Insurer" means Ambac, Assured or NPFG, as the case may be, as an issuer of a bond insurance policy with respect to that portion of the Restructured UTGO Bonds such entity insures.

"Bond Orders" means collectively this Order and the Supplemental Order.

"Bond Registry" means the books for the registration of Bonds maintained by the Master Trustee.

"Bondowner", "Owner" or "Registered Owner" means, with respect to any Bond, the person in whose name such Bond is registered in the Bond Registry.

"Business Day" means a day which is not (i) a Saturday, Sunday or legal holiday on which banks located in either the State of Michigan or the state or states in which the principal corporate trust office of the Master Trustee, is located are authorized or required by law to be closed, or (ii) a day on which the New York Stock Exchange is closed.

"Charter" means the Charter of the City, as amended from time to time.

"City" means the City of Detroit, County of Wayne, State of Michigan.

"Closing Date" means the date or dates upon which the Restructured UTGO Bonds are transferred to the MFA in consideration for the MFA Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.



“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Council” means the City Council of the City of Detroit, Michigan.

“Debt Millage Deposit” or “Debt Millage Deposits” means whenever used herein singularly, each payment of Debt Millage Revenues, and collectively all payments of Debt Millage Revenues by the City to the Debt Millage Escrow Trustee for deposit in the UTGO Debt Millage Fund in accordance with the Debt Millage Escrow Agreement.

“Debt Millage Escrow Agreement” means the Debt Millage Deposit Escrow Agreement, between the City and the Debt Millage Escrow Trustee, for the collection of 100% of the City’s unlimited tax general obligation bond debt millage.

“Debt Millage Escrow Trustee” means U.S. Bank National Association, Detroit, Michigan, as Debt Millage Escrow Trustee, and any successor to the Debt Millage Escrow Trustee substituted in its place pursuant to the provisions of the Debt Millage Escrow Agreement.

“Debt Millage Revenues” means the proceeds of the ad valorem debt millage levies, including interest subsidy payments received by the City in respect of the 2010A UTGO Bonds delinquent millage payments received from Wayne County, Michigan, or otherwise, pledged to and on account of unlimited tax general obligation bonds of the City for the payment of debt service on the Prior UTGO Bonds (or after the Effective Date, the UTGO Bonds), and the 2010A UTGO Bonds, the Municipal Obligation, the Stub UTGO Bonds and any Additional Bonds.

“Debt Retirement Fund” means the fund so designated and established under Section 501 hereof.

“Dissenting Bond Insurer” means Syncora Guarantee, Inc.

“Distributable Aid” has the meaning given in Act 80.

“DSA Bonds” means the City’s \$249,790,000 original principal amount Distributable State Aid General Obligation Limited Tax Bonds, Series 2010.

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

“Fifth Supplemental Indenture” means the Fifth Supplemental Debt Retirement Trust Indenture, dated as of the date of issuance of the Bonds, between the City and the Master Trustee providing for the escrow of Distributable State Aid payments received by the Master Trustee on behalf of the City to pay the debt service on the Bonds.

“Finance Director” means the Finance Director of the City or his/her deputy or designee.

“First Lien Bonds” means the DSA Bonds.

“First Supplemental Indenture” means the First Supplemental Debt Retirement Trust Indenture dated as of March 1, 2010, between the City and the Master Trustee, providing for the



escrow of Distributable Aid payments received by the Master Trustee on behalf of the City to pay the debt service on the DSA Bonds.

“Fiscal Year” means the fiscal year of the City as in effect from time to time.

“Fourth Supplemental Indenture” has the meaning set forth in the recitals hereto.

“GRS” means General Retirement System for the City of Detroit.

“Income Stabilization Fund” means the Income Stabilization Funds as defined in the Plan of Adjustment.

“Interest Payment Date” has the meaning given such term in Section 302.

“Master Indenture” shall mean the Master Debt Retirement Trust Indenture dated as of March 1, 2010 by and between the City and U.S. Bank National Association, Detroit, Michigan, as Master Trustee, as supplemented by (i) the First Supplemental Indenture; (ii) the Second Supplemental Indenture; (iii) the Third Supplemental Indenture; (iv) the Fourth Supplemental Indenture; and (v) the Fifth Supplemental Indenture, by and between the City and the Master Trustee.

“Master Trustee” means U.S. Bank National Association, Detroit, Michigan, as Master Trustee under the Master Indenture, and successors to the Master Trustee substituted in its place pursuant to the provisions of the Master Indenture.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“MFA” means the Michigan Finance Authority, as successor to the Michigan Municipal Bond Authority.

“MFA Bonds” means has the meaning set forth in the recitals hereto.

“Municipal Obligation” has the meaning set forth in the recitals hereto.

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

“NPFG” means National Public Finance Guaranty Corporation.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VII.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:



- (A) Bonds theretofore canceled by the Master Trustee or delivered to the Master Trustee for cancellation;
- (B) Bonds for whose payment money in the necessary amount, without the need for reinvestment thereof, has been theretofore deposited with the Master Trustee in trust for the registered owners of such Bonds;
- (C) Bonds delivered to the Master Trustee for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
- (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
- (E) Bonds deemed paid as provided in Section 801.

“Permitted Investments” means those investments specified in Article III of the Debt Millage Escrow Agreement.

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Plan Assignees” means the Income Stabilization Funds and the GRS.

“Prior DSA Bonds” means, collectively, the First Lien Bonds, the Second Lien Bonds and the Third Lien Bonds.

“Prior UTGO Bonds” has the meaning set forth in the recitals hereto.

“Pro Rata” means the proportion that a claim of one Holder of Restructured UTGO Bonds bears to the aggregate of all claims of all Holders of Restructured UTGO Bonds.

“Purchase Contract” means the purchase contract negotiated by the Finance Director between the City and the MFA, providing for the terms and conditions of the delivery of the Municipal Obligation to the MFA in anticipation of the transfer of the Restructured Bonds to the MFA in consideration for the MFA Bonds on the terms and conditions and in form and substance reasonably acceptable to the Bond Insurers.

“Regular Record Date” has the meaning given such term in Section 302.

“Restructured UTGO Bonds” has the meaning set forth in the recitals hereto.

“Second Lien Bonds” means the 2010A UTGO Bonds.

“Second Supplemental Indenture” has the meaning set forth in the recitals hereto.

“State” means the State of Michigan.

“State Treasurer” means the Treasurer of the State.



“Stub UTGO Bonds” has the meaning set forth in the recitals hereto.

“Supplemental Order” means, to the extent necessary, the order or orders of the Authorized Officer making certain determinations and/or confirming the final details of the Bonds upon the sale thereof in accordance with the parameters of this Order and the terms of the Purchase Contract.

“Tax-Exempt Bonds” means those Bonds, if any, the interest on which is excluded from gross income for federal tax purposes, as determined by the Authorized Officer in the Supplemental Order.

“Third Lien Bonds” has the meaning set forth in the recitals hereto.

“Third Supplemental Indenture” has the meaning set forth in the recitals hereto.

“UTGO Bonds” has the meaning in the recitals hereto.

“UTGO Bond Tax Levy” means that portion of the Aggregate UTGO Tax Levy at a level that was pledged to pay the Prior UTGO Bonds.

“UTGO Debt Millage Fund” means the fund so designated and authorized by Section 501 hereof and established under the Debt Millage Escrow Agreement.

“2010A UTGO Bonds” means the City’s outstanding Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A).

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## ARTICLE II

### DETERMINATIONS

Section 201. Finding, and Declaration of Need to Issue Bonds; Authorized Denominations. (a) The Emergency Manager hereby finds and declares that it is necessary for the City to restructure and refund (under applicable state law) \$287,560,790 of the Prior UTGO Bonds which mature on or after April 1, 2015, by restructuring them as Restructured UTGO Bonds to be transferred to the MFA and in such form issuing them in the principal amounts as



shown on Exhibit B as Municipal Obligations, in Authorized Denominations and leaving \$43,349,210 of the Prior UTGO Bonds remaining outstanding as Stub UTGO Bonds in Authorized Denominations as shown on Exhibit C, pursuant to and in accordance with the provisions of Act 34 and Act 279, for the purpose of satisfying the Class 8 claims as required by the Plan of Adjustment. The MFA Bonds will, in the aggregate, mature or be subject to mandatory redemption and optional redemption in the same principal amounts per maturity, and bear interest at the same interest rates as the Restructured UTGO Bonds.

(b) On the Effective Date, that portion of the Aggregate UTGO Tax Levy designated to pay the principal of and interest on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation) (the "Assigned UTGO Bond Tax Proceeds") shall be assigned by the Plan of Adjustment (without any further consent or action on the part of, or additional consideration payable to, the Bond Insurers, the Dissenting Bond Insurer or the holders of the Stub UTGO Bonds) to the Plan Assignees, and such proceeds shall not be paid to the paying agent for the UTGO Bonds, but shall be paid to the Plan Assignees directly by the Debt Millage Escrow Trustee.

Section 202. Declaration of Borrowing. The City shall issue the Bonds as hereinafter provided and as finally confirmed by the Authorized Officer in the Supplemental Order, secured by the unlimited tax full faith, credit and resources of the City which will be payable from ad valorem taxes levied on all taxable property within the City without limitation as to rate or amount, for the purposes stated herein.

### ARTICLE III

#### AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS

Section 301. Authorization of Bonds and Pledge. (a) The City hereby authorizes the issuance of the Bonds in such series and in such principal amounts as shall be confirmed in the Supplemental Order. The Bonds shall be payable from and secured, to the extent permitted by applicable law, including, without limitation, Section 12(1)(x) of Act 436, by a lien on the Debt Millage Revenues derived from an annual levy of ad valorem taxes on all taxable property in the City without limitation as to rate or amount. Pursuant to authorization provided in Act 227, the City hereby pledges as additional security for the payment of principal of and interest on the Bonds, Distributable Aid payments that the City is eligible to receive on a fourth lien basis subordinate to the pledge thereof for the payment of the Prior DSA Bonds. The Finance Director is hereby authorized and directed to negotiate, approve and execute the Fifth Supplemental Indenture for and on behalf of the City with U.S. Bank National Association, Detroit, Michigan, as Master Trustee, to provide for a fourth lien pledge of Distributable Aid to secure payment of the Bonds. Nothing in this Order shall restrict or be construed as restricting the City's ability to make additional pledges or assignments of Distributable Aid as security for current or future bonds or obligations of the City, subject to the requirements for the issuance of additional bonds and obligations set forth in the Master Indenture.

(b) The Debt Millage Revenues as pledged by the City to secure payment of the Bonds, shall constitute "special revenues," as defined in Section 902 of the Bankruptcy Code and "pledged special revenues," as the term is used in Section 922(d) of the Bankruptcy Code.



Section 302. Designations, Dates, Interest Rates, Maturities, Redemption and Other Terms of the Bonds and Stub UTGO Bonds.

(a) The Bonds shall be designated as "DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BONDS (UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014 and may bear such later or earlier dates and additional or alternative designations as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from "R-1" upwards, respectively unless otherwise provided by the Authorized officer in the Supplemental Order. The Bonds shall be dated and issued in Denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds shall be issued in multiple separate series, each one corresponding to the related series of the Prior UTGO Bonds listed on Exhibit A hereto. Each separate series of the Municipal Obligations shall be issued in a principal amount equal to 86.9% of the outstanding principal amount of each maturity of the related series of Prior UTGO Bonds in Authorized Denominations as provided in Section 201(a). Each series of Municipal Obligations shall be further subdivided into two subseries, with one subseries equal to 84.5% of the outstanding principal amount of each maturity of the related series of Prior UTGO Bonds, in Authorized Denominations, and the second subseries equal to 2.4% of the outstanding principal amount of each maturity of the related series of Prior UTGO Bonds, in Authorized Denominations.

(c) The Bonds and the Stub UTGO Bonds shall bear interest from \_\_\_\_\_, 201\_, at the same interest rate per annum as the related Prior UTGO Bonds; be subject to amortization on the same schedule as the related Prior UTGO Bonds; mature on the same dates; and be subject to redemption in the same manner as the related Prior UTGO Bonds. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of a 360 day year consisting of twelve, 30 day months. In the event that a calculation of interest is not an integral multiple of \$0.01, the Paying Agent shall round all amounts less than or equal to \$0.0049 down to the nearest \$0.01 and round all amounts greater than \$.0049 up to the nearest \$0.01. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(d) On or after the Effective Date, the Municipal Obligations shall be delivered to the MFA in consideration for bonds to be issued by the MFA (the "MFA Bonds") and the following additional provisions shall apply:

(1) Each subseries of Municipal Obligations shall be in the form of a single fully-registered, nonconvertible bond in the denomination of the full principal amount thereof, dated as of the date of delivery of the Municipal Obligations, payable in principal installments serially shown on Exhibit B and approved by the MFA and the Authorized Officer. The obligation to deliver the Municipal Obligations to the MFA shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the City and the MFA providing for the transfer of the Municipal Obligations to the MFA in consideration for the MFA Bonds, and an Authorized Officer is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the



determinations set forth above. An Authorized Officer is authorized and directed to approve of a series designation with respect to each series of Municipal Obligations.

(2) Each subseries of the Municipal Obligations shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Municipal Obligations shall be payable as provided in the Bond form in this Order as the same may be amended to conform to MFA requirements.

(3) The Master Trustee shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Treasurer.

(4) Upon payment by the City of all outstanding principal of and interest on a Municipal Obligation, the MFA shall deliver the respective Municipal Obligation to the City for cancellation.

(e) Concurrently with the restructuring of a portion of the Prior UTGO Bonds and issuance of the MFA Bonds, the Stub UTGO Bonds, in Authorized Denominations as provided in Section 201(a), will be reinstated and remain Outstanding and will be payable from the UTGO Bond Tax Levy, provided that the Assigned UTGO Bond Tax Proceeds as assigned by the Plan of Adjustment shall be paid by the Debt Millage Escrow Trustee to the Plan Assignees and such proceeds shall not be paid to the paying agent for the Stub UTGO Bonds.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Finance Director and authenticated by the manual signature of the Finance Director, and the seal of the City (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery, they shall be delivered by the Finance Director to the MFA in consideration for the issuance of the MFA Bonds.

Section 304. Authentication of the Bonds. Anything in this Order to the contrary notwithstanding, the Bonds bearing the manual or facsimile signatures of the Mayor and the Finance Director shall require no further authorization.

Section 305. The MFA's Depository. Notwithstanding any other provision herein to the contrary, as long as the MFA is the owner of the Bonds, the Bonds are payable as to principal, premium, if any, and interest at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, or such other qualified bank or financial institution as shall be designated in writing to the City by the MFA (the "Authority's Depository"). The City will deposit, or cause the Master Trustee, to deposit with the MFA's Depository payments of the principal of, premium, if any, and interest on the Bonds in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. Written notice of any redemption of the Bonds shall be given by the City and received by the MFA's Depository at least 40 days prior to the date on which such redemption is to be made.



Section 306. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the City, and the City receives evidence to its satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City such security or indemnity as may be required by it to save the City harmless, then, in the absence of notice to the City that such Bond has been acquired by a bona fide purchaser, the City shall execute and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds of like tenor issued under this Order.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or required by the Michigan Attorney General and the MFA or permitted by the Supplemental Order or as approved by an Authorized Officer and Bond Counsel:

[Form of Bond]

United States of America  
State of Michigan  
County of Wayne

CITY OF DETROIT  
DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BOND  
(UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014\_\_

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: \_\_\_\_\_ Dollars (\$ \_\_\_,000)

DATE OF ORIGINAL ISSUE: \_\_\_\_\_, 2014

The CITY OF DETROIT, County of Wayne, State of Michigan (the "City"), for value received, hereby promises to pay to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, in lawful money of the United States of America, unless prepaid prior thereto as hereinafter provided. Capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Order, as hereinafter defined.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the [Date of Original Issue] shown above, until paid at the rate [of interest as set forth on the attached schedule] [of \_\_\_\_\_ percent (\_\_\_\_%) per annum]. Interest is first payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ of each year, as set forth in the Purchase Contract.

Notwithstanding any other provision of this bond, as long as the MFA is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or at such other place as shall be designated in writing to the City by the MFA (the "Authority's Depository"); (b) the City agrees that it will cause the Master Trustee to deposit with the MFA's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the City and received by the MFA's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

[In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest



(the "additional interest") at a rate equal to the rate of interest which is two percent above the MFA's cost of providing funds (as determined by the MFA) to make payment on the bonds of the MFA issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MFA has been fully reimbursed for all costs incurred by the MFA (as determined by the MFA) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the MFA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MFA) the investment of amounts in the reserve account established by the MFA for the bonds of the MFA issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MFA issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the MFA) of such deficiency as additional interest on this bond.]

This bond is a single, fully-registered, non-convertible bond in the principal sum of \$ \_\_\_,000, issued pursuant to and in accordance with Act 34, Public Acts of Michigan, 2001, as amended, and Act 279, Public Acts of Michigan, 1909, as amended, Act 227, Public Acts of Michigan, 1985, as amended ("Act 227") and pursuant to and in accordance with an Order duly adopted by the Emergency Manager of the City on \_\_\_, [and a Supplemental Order of the Authorized Officer of the City issued on \_\_\_, (together,] the "Order"). The Bonds are issued for the purpose of restructuring certain unlimited tax general obligation bonds of the City as described in the Order, pursuant to the City's Plan of Adjustment under the Bankruptcy Case.

[Optional and/or Mandatory Redemption Provisions]

This Bond is payable out of the City's Debt Retirement Fund for this issue (which will be held by the Master Trustee), and the City is obligated to levy annually sufficient taxes to provide for the payment of the principal of and interest on the bonds of this issue as they mature on all taxable property in the City without limitation as to rate or amount (the revenues of such levy, the "Debt Millage Revenues").

The Bonds shall be payable from and secured, to the extent permitted by applicable law, including without limitation, Section 12(1)(x) of Act 436, by a lien on the Debt Millage Revenues.

The Debt Millage Revenues as pledged by the City to secure payment of the Bonds, shall constitute "special revenues," as defined in Section 902 of the Bankruptcy Code and "pledged special revenues," as the term is used in Section 922(d) of the Bankruptcy Code.

As additional security for the City's obligation to pay the Bonds, pursuant to Act 227 the City has pledged the payments that the City is eligible to receive from the State of Michigan under Act 140, Public Acts of Michigan, 1971, as amended ("Distributable Aid"), and certain monies in the funds and accounts established by the City with U.S. Bank National Association, as master trustee (the "Trustee"), pursuant to the terms and conditions of a Master Debt Retirement Trust Indenture dated as of March 1, 2010, as supplemented, by (i) the First Supplemental Debt Retirement Trust Indenture dated as of March 1, 2010; (ii) the Second



Supplemental Debt Retirement Trust Indenture dated as of December 1, 2010; (iii) the Third Supplemental Debt Retirement Trust Indenture dated as of March 1, 2012; (iv) the Fourth Supplemental Debt Retirement Trust Indenture dated as of August 1, 2012; and (v) the Fifth Supplemental Debt Retirement Trust Indenture, dated as of \_\_\_\_\_, 2014, by and between the City and the Master Trustee (collectively, the "Trust Indenture"). The pledge and lien on Distributable Aid securing the Bonds is on a fourth lien basis to a lien on Distributable Aid securing the City's outstanding Prior DSA Bonds. The City has reserved the right to make additional pledges or assignments of Distributable Aid on a prior, parity or subordinate basis with the pledge of Distributable Aid securing the Prior DSA Bonds and the Bonds as security for future bonds or obligations of the City, subject to the requirements for the issuance of additional bonds and obligations as provided in the Trust Indenture.

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

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

IN WITNESS WHEREOF, the City of Detroit by authority of its Mayor, has caused this bond to be signed for and on its behalf and in its name by the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of its Finance Director and the official seal of the City to be impressed hereon, all as of the Date of Original Issue.

**CITY OF DETROIT**

County of Wayne  
State of Michigan

By \_\_\_\_\_

Its Mayor

(SEAL)

By \_\_\_\_\_

Its Finance Director



## ARTICLE IV

### SPECIAL COVENANTS

Section 401. Tax Exemption Covenant for Tax-Exempt Bonds. The City covenants that it will not take any action, or fail to take any action required to be taken, if taking such action or failing to take such action would adversely affect the general exclusion from gross income of interest on any Tax-Exempt Bonds, from federal income taxation under the Code.

Section 402. Arbitrage Covenant. (a) The City will not directly or indirectly (1) use or permit the use of any proceeds of any Tax-Exempt Bonds or other funds of the City or (2) take or omit to take any action required by Section 148(a) of the Code in order to maintain the exclusion from gross income of the interest on any Tax-Exempt Bonds for federal income tax purposes. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to the Tax-Exempt Bonds and the requirements set forth in the Non-Arbitrage and Tax Compliance Certificate of the City.

(b) Without limiting the generality of subsection (a), above, the City agrees that there shall be paid by the City from time to time all amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code. This covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds.

(c) Notwithstanding any provision of this Section, if the City obtains an opinion of Bond Counsel to the effect that any action required under this Section is no longer required, or that some further action is required, to maintain the exclusion from gross income of the interest of any Tax-Exempt Bonds for federal income tax purposes pursuant to Section 103 of the Code, the City may conclusively rely on such opinion in complying with the provisions hereof.

## ARTICLE V

### FUNDS AND ACCOUNTS; DISPOSITION OF BOND PROCEEDS

Section 501. Establishment of Accounts and Funds. (a) The City hereby establishes and creates the following special, separate and segregated accounts and funds which shall be held in trust by the Master Trustee for the benefit of the Bondholders:

- A. Debt Retirement Fund; and
- B. Series 2014 Escrow Fund.

(b) Pursuant to Section 201(b) of the Fifth Supplemental Indenture, the Master Trustee shall establish within the Series 2014 Escrow Fund, the separate and segregated sub-accounts designated the "Distributable Aid Account," the "Series 2014 Tax Levy Account" and the "General Account," the deposits into which and withdrawals from which shall be governed by Article II of the Fifth Supplemental Indenture.

(c) The UTGO Debt Millage Fund shall be established with the Debt Millage Escrow Trustee by the Finance Director of the City under the Debt Millage Escrow Agreement which is



hereby authorized. The Finance Director is hereby authorized to negotiate the terms of the Debt Millage Escrow Agreement and to execute and deliver it for and on behalf of the City. The Finance Director is further hereby authorized to establish such accounts, subaccounts or other funds as shall be required for the Bonds, if any, to accommodate the requirements of such series of Bonds.

Section 502. Debt Retirement Fund-All Bonds. Proceeds of the Debt Millage Revenues levied pursuant to Section 301 hereof and transferred by the Debt Millage Escrow Trustee to the Master Trustee in accordance with the terms of the Debt Millage Escrow Agreement shall be used to pay the principal of and interest on the Bonds when due. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Master Trustee, and so long as the principal of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds shall be retained by the City to be used for any lawful purpose.

Section 503. Debt Retirement Fund – Series 2014 Escrow Fund. As additional security for Bonds, Distributable Aid payments to be received by the City from time to time shall be distributed by the State Treasurer to the Master Trustee and deposited by the Master Trustee in the Debt Retirement Fund (designated the “Distributable State Aid – Common Debt Retirement Fund” in the Master Indenture), and allocated and set-aside by the Master Trustee into the Series 2014 Escrow Fund in accordance with the provisions of the Master Indenture and the related Fifth Supplemental Indenture for the payment of the principal of and interest on the Bonds when due. Any amounts remaining in the Debt Retirement Fund after the setting aside of the amounts necessary to satisfy the Deposit Date Balance Requirements (defined in the Master Indenture) of all DSA Escrow Funds (defined in the Master Indenture), shall be released to the City for deposit to the General Fund of the City.

Section 504. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Master Trustee, upon written direction or upon oral direction promptly confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

## ARTICLE VI

### THE MASTER TRUSTEE

Section 601. Master Trustee. Except as otherwise required by the MFA, the Master Trustee for the Bonds shall act as bond registrar, transfer agent and trustee for the Bonds, and shall be initially U.S. Bank National Association, Detroit, Michigan, or such other bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Master Trustee means and includes any company into which the Master Trustee may be merged or converted or with which



it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Master Trustee may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Master Trustee as determined by the Finance Director, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Master Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. The Finance Director is authorized to enter into a Fifth Supplement to the Master Trust Indenture in the form of a Fifth Supplemental Indenture with the Master Trustee, and from time to time as required, may designate a similarly qualified successor Master Trustee and enter into an agreement therewith for such services.

Section 602. Fifth Supplemental Indenture. The Authorized Officers are each hereby authorized and directed on behalf of the City to take any and all other actions and perform any and all acts that shall be required, necessary or desirable to enter into and implement the Fifth Supplemental Indenture with the Master Trustee, including, but not limited to, entering into an agreement with the State Treasurer in accordance with Act 227 to provide for the direct payment of Distributable Aid by the State Treasurer to the Master Trustee as additional security for the Bonds.

## ARTICLE VII

### SUPPLEMENTAL ORDERS OR RESOLUTIONS

Section 701. Supplemental Orders or Resolutions Not Requiring Consent of Holders of the Bonds. The City may with the prior written consent of the Bond Insurers, which in the opinion of the independent Bond Counsel are affected by such order or resolution, but without the consent of any Bondowner, adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;
- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order;
- (iv) to amend provisions in the Order relating to rebate to the United States Government or otherwise, which in the opinion of Bond Counsel are required in order to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes; and
- (v) such other action not materially, adversely and directly affecting the security of the Bonds;

provided that the effectiveness of any supplemental order or resolution is subject to Section 702 to the extent applicable.



Section 702. Opinion and Filing Under Act 34. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Master Trustee, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of the Finance Director or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VIII

### DEFEASANCE

Section 801. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturing, irrevocable instructions to call such Bonds for redemption shall be given only with the prior written consent of the MFA and on such terms as may be required by the MFA. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Owners of such Bonds. After such deposit, such Bonds shall no longer be entitled to the benefits of this Order (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Order for the benefit of such Bonds shall be discharged.

## ARTICLE IX

### OTHER PROVISIONS OF GENERAL APPLICATION

Section 901. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer and the City Clerk are hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

The Finance Director is authorized to file applications with and to pay the related fees, if any, to the Michigan Department of Treasury at his discretion under Act 34 for an Order or Orders of Approval to issue all or a portion of the Bonds, and apply for such waivers or other Treasury approvals as necessary to implement the issuance, delivery and security for the Bonds, and as required by the Michigan Department of Treasury and Act 34. The Finance Director is authorized and directed to apply for ratings on the Bonds, if necessary, and pay any post closing filing fees required by Act 34 to the Michigan Department of Treasury or other specified agency, from legally available funds.



Section 902. Continuing Disclosure Undertaking. The City shall enter into a continuing disclosure undertaking pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") for the benefit of the MFA and the holders and beneficial owners of the MFA Bonds in connection with the delivery of the Bonds as to which the Rule is applicable, as more specifically set forth in Exhibit D hereto (the "Undertaking"); provided, however, that the terms of the Undertaking are subject to completion and modification prior to delivery of the Bonds by the Finance Director to such extent as the Finance Director shall deem necessary to comply with law or market requirements. The Finance Director is authorized to execute and deliver the Undertaking after completion and modification as provided in this Order and the Supplemental Order.

Section 903. Delegation of City to, and Authorization of Actions of the Mayor and the Finance Director. (a) Prior to the delivery date for the Bonds, the Finance Director may cause the preparation and approve the form and distribution of City disclosure, if necessary, for any Preliminary Official Statement or Official Statement of the MFA and offering materials to be used in conjunction with the transfer of the Municipal Obligations to the MFA in form and substance reasonably acceptable to the Bond Insurers, and the issuance of the MFA Bonds, and the Mayor or Finance Director shall deem the City's disclosure "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

(b) The Finance Director is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from Bond proceeds or other available funds, for and on behalf of the City.

(c) Except as otherwise provided herein, all determinations and decisions of the Finance Director with respect to the issuance and sale of the Bonds as permitted or required by this Order shall be confirmed by the Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 904. Act 34 Approval of the Bonds. The Bonds shall neither be issued nor delivered unless and only so long as the issuance of the Bonds as provided herein shall have been authorized and approved in accordance with the applicable provisions of Act 34.

Section 905. Approving Legal Opinions with Respect to the Bonds. Transfer of the Bonds to the MFA shall be conditioned upon receiving, at the time of delivery, the approving opinion of Bond Counsel, approving legality of the Bonds and, with respect to Bonds determined by the Finance Director to be issued on a tax-exempt basis, the exclusion from gross income of the interest paid thereon from federal and State income taxation only.



Section 906. Negotiated Transaction. (a) Pursuant to Section 309(1) of Act 34 the Emergency Manager determines to negotiate the delivery of the Bonds to the MFA in consideration for the transfer by the City to the MFA of the Bonds, as provided in the Purchase Contract approved by the Finance Director within the parameters established hereby, and confirmed by the Finance Director in the Supplemental Order. The reason for choosing a negotiated transaction instead of a competitive sale is that the terms of the Plan of Adjustment and the UTGO Settlement Agreement require the City to secure the payment of the Bonds with Distributable Aid under the terms of Act 227 which may only be accomplished by a delivery of the Bonds to the MFA. The negotiated transaction will allow the Municipal Obligations to be transferred to the MFA in consideration for the MFA Bonds to successfully implement a portion of the Plan of Adjustment.

(b) Subject to the foregoing, the Purchase Contract shall be dated the date of delivery of the Bonds. The Finance Director is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City.

Section 907. Delivery of Bonds. Subject to the approval of the Supplemental Order, the Finance Director is hereby authorized to deliver the Municipal Obligations to the MFA upon the issuance and delivery of the MFA Bonds in consideration therefor.

Section 908. Official Statement. The Finance Director is hereby authorized to execute the Official Statement or other offering materials with respect to the Bonds in the form approved by him with such changes as the Finance Director may authorize. Circulation of the Preliminary Official Statement, if any, or other preliminary offering materials is hereby approved.

Section 909. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable as a cost of issuance from available funds in accordance with the agreement of such firm on file with the Emergency Manager.

Section 910. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Master Trustee, the MFA, the holders of the Bonds, the holders of the MFA Bonds, the Bond Insurers, and the Dissenting Bond Insurer any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City, or the MFA shall be for the sole and exclusive benefit of the City and the MFA.

Section 911. No Recourse Under Order. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member,



officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 912. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 913. Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience of reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 914. Conflict. All resolutions or parts of resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 915. Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 916. Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract among the City, the MFA, the holders of the Bonds and the Bond Insurers.

Section 917. Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 918. Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director

If to the Master Trustee, to:

U.S. Bank National Association  
535 Griswold, Suite 550 Buhl Bldg.  
Detroit, MI 48226  
Attention: Corporate Trust Dept.

If to the MFA, to:

Michigan Finance Authority  
Austin Building, 1st Floor  
430 W. Allegan  
Lansing, MI 48922

If to the Bond Insurers to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and General  
Counsel's Office

Assured Guaranty Municipal Corp and Assured  
Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Attention: Terence Workman

National Public Finance Guarantee Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J. Rizzo

EXHIBIT A

OUTSTANDING PRIOR UTGO BONDS



# UTGO Series Prior Bonds - Debt Service

UTGO Series	STIP	Maturity Date	Rate	Principal	Issuer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/19	4/1/20	10/1/20	4/1/21
Interest																	
UTGO 1999-A	99A01	4/1/15	5.250%	\$2,450,000.00	Assured	\$74,812.50	\$74,812.50	-	-	-	-	-	-	-	-	-	-
	99A02	4/1/15	5.250%	\$2,450,000.00	Assured	\$74,812.50	\$74,812.50	-	-	-	-	-	-	-	-	-	-
	99A03	4/1/16	5.000%	\$2,495,000.00	Assured	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00
	99A04	4/1/17	5.000%	\$3,145,000.00	Assured	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00
	99A05	4/1/18	5.000%	\$3,305,000.00	Assured	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00
UTGO 2001-A(1)	01A01	4/1/15	5.000%	\$15,765,000.00	Assured	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50
	01A02	4/1/15	5.000%	\$15,765,000.00	Assured	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50	\$397,687.50
	01A03	4/1/16	5.375%	\$5,940,000.00	NPFG	\$159,637.50	\$159,637.50	-	-	-	-	-	-	-	-	-	-
	01A04	4/1/16	5.375%	\$6,200,000.00	NPFG	\$168,237.50	\$168,237.50	-	-	-	-	-	-	-	-	-	-
	01A05	4/1/17	5.375%	\$6,600,000.00	NPFG	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00
UTGO 2002	02A01	4/1/21	5.125%	\$3,240,000.00	NPFG	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00	\$83,025.00
	02A02	4/1/22	5.125%	\$3,405,000.00	NPFG	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13	\$87,253.13
	02A03	4/1/23	5.125%	\$6,645,000.00	NPFG	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13
	02A04	4/1/24	5.125%	\$6,645,000.00	NPFG	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13
	02A05	4/1/25	5.125%	\$6,645,000.00	NPFG	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13	\$170,278.13
UTGO 2003-A	03A01	4/1/15	4.000%	\$6,000.00	Syncona	\$6,000.00	\$6,000.00	-	-	-	-	-	-	-	-	-	-
	03A02	4/1/15	4.250%	\$2,550,000.00	Syncona	\$66,937.50	\$66,937.50	\$78,618.75	\$78,618.75	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50
	03A03	4/1/16	5.250%	\$2,995,000.00	Syncona	\$82,687.50	\$82,687.50	\$87,018.75	\$87,018.75	\$91,612.50	\$91,612.50	\$91,612.50	\$91,612.50	\$91,612.50	\$91,612.50	\$91,612.50	\$91,612.50
	03A04	4/1/17	5.250%	\$3,150,000.00	Syncona	\$87,018.75	\$87,018.75	\$91,612.50	\$91,612.50	\$96,206.25	\$96,206.25	\$96,206.25	\$96,206.25	\$96,206.25	\$96,206.25	\$96,206.25	\$96,206.25
	03A05	4/1/18	5.250%	\$3,490,000.00	Syncona	\$91,612.50	\$91,612.50	\$96,206.25	\$96,206.25	\$100,791.25	\$100,791.25	\$100,791.25	\$100,791.25	\$100,791.25	\$100,791.25	\$100,791.25	\$100,791.25
UTGO 2004-A(1)	04A01	4/1/19	5.250%	\$500,000.00	Syncona	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75	\$83,343.75
	04A02	4/1/20	5.250%	\$3,175,000.00	Syncona	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00	\$101,325.00
	04A03	4/1/21	5.250%	\$3,800,000.00	Syncona	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50	\$11,562.50
	04A04	4/1/22	4.625%	\$500,000.00	Syncona	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25	\$93,581.25
	04A05	4/1/23	4.625%	\$1,500,000.00	Syncona	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50
UTGO 2004-A(2)	04A06	4/1/23	5.250%	\$3,775,000.00	Syncona	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75
	04A07	4/1/24	5.250%	\$3,775,000.00	Syncona	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75
	04A08	4/1/25	5.250%	\$3,775,000.00	Syncona	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75
	04A09	4/1/26	5.250%	\$3,775,000.00	Syncona	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75
	04A10	4/1/27	5.250%	\$3,775,000.00	Syncona	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75	\$821,468.75
UTGO 2005-A	05A01	4/1/19	5.250%	\$4,500,000.00	Ambac	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00
	05A02	4/1/20	4.250%	\$195,000.00	Ambac	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25
	05A03	4/1/20	5.250%	\$6,085,000.00	Ambac	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25
	05A04	4/1/21	5.000%	\$6,600,000.00	Ambac	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50
	05A05	4/1/22	5.250%	\$6,930,000.00	Ambac	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50	\$8,437.50
UTGO 2005-A(1)	05A06	4/1/23	5.250%	\$3,750,000.00	Ambac	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00
	05A07	4/1/23	5.250%	\$6,930,000.00	Ambac	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00
	05A08	4/1/23	5.250%	\$3,750,000.00	Ambac	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00
	05A09	4/1/23	5.250%	\$3,750,000.00	Ambac	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00
	05A10	4/1/23	5.250%	\$3,750,000.00	Ambac	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00	\$181,650.00
UTGO 2005-A(2)	05A11	4/1/24	4.600%	\$6,890,000.00	Ambac	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50
	05A12	4/1/24	5.250%	\$39,270,000.00	Ambac	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00
	05A13	4/1/25	5.250%	\$39,270,000.00	Ambac	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00
	05A14	4/1/26	5.250%	\$39,270,000.00	Ambac	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00
	05A15	4/1/27	5.250%	\$39,270,000.00	Ambac	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00	\$1,017,705.00



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# UTGO Series Prior Bonds - Debt Service

Maturity Date	Rate	Principal	Insurer	Interest														Total Interest	Principal & Interest	
				10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28			
UTGO 1999-A																				
4/1/15	5.250%	\$2,850,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$149,625.00	\$2,999,625.00
4/1/16	5.000%	\$2,995,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$299,500.00	\$3,294,500.00
4/1/17	5.000%	\$3,145,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$471,750.00	\$3,616,750.00
4/1/18	5.000%	\$3,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$661,000.00	\$3,966,000.00
4/1/19	5.000%	\$3,470,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$867,500.00	\$4,337,500.00
4/1/20	5.000%	\$3,645,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,087,500.00	\$4,725,000.00
UTGO 2001-A(1)																				
4/1/15	5.375%	\$5,940,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$319,275.00	\$6,259,275.00
4/1/16	5.375%	\$6,260,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$672,950.00	\$6,932,950.00
4/1/17	5.375%	\$6,600,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,064,250.00	\$7,664,250.00
4/1/18	5.375%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,010,000.00	\$17,010,000.00
4/1/19	5.000%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,500,000.00	\$17,500,000.00
4/1/20	5.000%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,200,000.00	\$18,200,000.00
4/1/21	5.000%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,900,000.00	\$18,900,000.00
4/1/22	5.000%	\$74,800,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,666,475.00	\$92,466,475.00
UTGO 2002																				
4/1/21	5.125%	\$3,240,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,162,350.00	\$4,402,350.00
4/1/22	5.125%	\$3,405,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,396,650.00	\$4,801,650.00
4/1/23	5.125%	\$6,645,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,558,400.00	\$9,203,400.00
UTGO 2003-A																				
4/1/15	4.000%	\$300,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,000.00	\$312,000.00
4/1/16	5.250%	\$2,550,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$133,875.00	\$2,683,875.00
4/1/17	5.250%	\$2,995,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$314,475.00	\$3,309,475.00
4/1/18	5.250%	\$3,135,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$496,125.00	\$3,631,125.00
4/1/19	5.250%	\$3,315,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$696,150.00	\$4,011,150.00
4/1/20	4.500%	\$500,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$916,125.00	\$4,406,125.00
4/1/21	5.250%	\$3,175,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,000,125.00	\$4,175,125.00
4/1/22	4.625%	\$5,180,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,418,550.00	\$5,278,550.00
4/1/23	4.625%	\$3,565,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,855,000.00	\$6,085,000.00
4/1/24	4.625%	\$3,565,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,497,300.00	\$5,062,300.00
4/1/25	5.250%	\$2,775,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$624,375.00	\$2,124,375.00
4/1/26	5.250%	\$31,675,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,311,187.50	\$4,086,187.50
4/1/27	5.250%	\$31,675,000.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,740,287.50	\$40,415,287.50
UTGO 2004-A(1)																				
4/1/19	5.250%	\$4,500,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,181,250.00	\$5,681,250.00
4/1/20	4.250%	\$155,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$77,175.00	\$232,175.00
4/1/21	5.000%	\$6,085,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,916,775.00	\$8,001,775.00
4/1/22	5.250%	\$6,930,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,310,000.00	\$9,240,000.00
4/1/23	4.500%	\$375,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,910,600.00	\$3,840,600.00
4/1/24	5.250%	\$6,920,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,514,775.00	\$526,475.00
4/1/25	5.250%	\$6,920,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,269,700.00	\$10,189,700.00
4/1/26	4.600%	\$6,985,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$361,100.00	\$1,146,100.00
4/1/27	5.250%	\$6,985,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,617,250.00	\$10,597,250.00
4/1/28	5.250%	\$39,270,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,765,725.00	\$55,035,725.00

# UTGO Series Prior Bonds - Debt Service

UT	STIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
Interest																					
2004-B(1)																					
UT	2004-B(1)	4/1/15	5.000%	\$8,075,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$433,750.00	\$9,108,750.00
UT	2004-B(1)	4/1/16	5.250%	\$9,105,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$956,025.00	\$10,061,025.00
UT	2004-B(1)	4/1/17	4.000%	\$305,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$56,600.00	\$361,600.00
UT	2004-B(1)	4/1/17	5.250%	\$9,280,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,461,600.00	\$10,741,600.00
UT	2004-B(1)	4/1/18	5.250%	\$2,000,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,420,000.00	\$4,420,000.00
2004-B(2)																					
UT	2004-B(2)	4/1/19	5.500%	\$29,365,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,307,975.00	\$32,672,975.00
2005-B																					
UT	2005-B	4/1/15	5.000%	\$2,290,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$114,500.00	\$2,404,500.00
UT	2005-B	4/1/16	5.000%	\$2,405,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$240,500.00	\$2,645,500.00
UT	2005-B	4/1/17	4.000%	\$2,520,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$325,000.00	\$2,845,000.00
UT	2005-B	4/1/18	5.000%	\$2,635,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$327,000.00	\$3,162,000.00
UT	2005-B	4/1/19	5.000%	\$2,765,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$691,250.00	\$3,456,250.00
UT	2005-B	4/1/20	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,500,000.00	\$6,500,000.00
UT	2005-B	4/1/21	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,750,000.00	\$6,750,000.00
UT	2005-B	4/1/22	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,000,000.00	\$7,000,000.00
UT	2005-B	4/1/23	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,250,000.00	\$7,250,000.00
UT	2005-B	4/1/24	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,500,000.00	\$7,500,000.00
UT	2005-B	4/1/25	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,750,000.00	\$7,750,000.00
2005-C																					
UT	2005-C	4/1/15	5.000%	\$2,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$115,250.00	\$2,420,250.00
UT	2005-C	4/1/16	5.000%	\$2,425,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$242,500.00	\$2,667,500.00
UT	2005-C	4/1/17	4.300%	\$2,545,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$328,305.00	\$2,873,305.00
UT	2005-C	4/1/18	5.000%	\$2,630,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$356,000.00	\$3,156,000.00
UT	2005-C	4/1/19	5.250%	\$2,735,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$717,937.50	\$3,452,937.50
UT	2005-C	4/1/20	5.250%	\$2,885,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$908,775.00	\$3,793,775.00
2006-A																					
UT	2006-A	4/1/15	5.000%	\$2,875,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$143,750.00	\$3,018,750.00
UT	2006-A	4/1/16	5.000%	\$3,015,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$301,500.00	\$3,316,500.00
UT	2006-A	4/1/17	5.000%	\$3,170,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$475,500.00	\$3,645,500.00
UT	2006-A	4/1/18	4.000%	\$3,325,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$532,000.00	\$3,857,000.00
UT	2006-A	4/1/19	5.000%	\$3,460,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$865,000.00	\$4,325,000.00
UT	2006-A	4/1/20	5.000%	\$3,630,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,089,000.00	\$4,719,000.00
UT	2006-A	4/1/21	5.000%	\$3,815,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,335,250.00	\$5,150,250.00
UT	2006-A	4/1/22	5.000%	\$4,005,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,602,000.00	\$5,607,000.00
UT	2006-A	4/1/23	5.000%	\$4,020,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,099,750.00	\$12,719,750.00
UT	2006-A	4/1/24	5.000%	\$19,980,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,548,250.00	\$32,528,250.00
UT	2006-A	4/1/25	5.000%	\$55,895,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$22,992,000.00	\$78,887,000.00
2008-B(1)																					
UT	2008-B(1)	4/1/15	5.000%	\$7,970,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$398,500.00	\$8,368,500.00
UT	2008-B(1)	4/1/16	5.000%	\$3,440,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$344,000.00	\$3,784,000.00
UT	2008-B(1)	4/1/17	5.000%	\$3,580,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$357,000.00	\$4,117,000.00
UT	2008-B(1)	4/1/18	5.000%	\$3,790,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$758,000.00	\$4,548,000.00
2008-B(2)																					
UT	2008-B(2)	4/1/15	5.000%	\$18,780,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,037,500.00	\$20,817,500.00
UT	2008-B(2)	4/1/16	5.000%	\$330,910,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$93,075,789.00	\$423,984,789.00

Subject to Mandatory Redemption



# UTGO Series Prior Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)														Issuance: 2008-A													
CUSIP 251093ZNX1							Mandatory Redemption Amounts							CUSIP 251093N63							Mandatory Redemption Amounts						
Date	Insurer	Fiscal Year	Outstanding	Rate	Interest		Date	Insurer	Fiscal Year	Outstanding	Rate	Interest		Date	Insurer	Fiscal Year	Outstanding	Rate	Interest								
10/1/14	Ambac	6/30/15	\$575,000.00	5.240%	\$15,065.00	-	10/1/14	Assured	6/30/15	\$19,980,000.00	5.000%	\$499,500.00	-	10/1/14	Assured	6/30/15	\$19,980,000.00	5.000%	\$499,500.00								
4/1/15	Ambac	6/30/15	\$420,000.00	5.240%	\$15,065.00	\$155,000.00	4/1/15	Assured	6/30/15	\$420,000.00	5.000%	\$15,065.00	-	4/1/15	Assured	6/30/15	\$19,980,000.00	5.000%	\$499,500.00								
10/1/15	Ambac	6/30/16	\$420,000.00	5.240%	\$11,004.00	-	10/1/15	Assured	6/30/16	\$420,000.00	5.000%	\$11,004.00	-	10/1/15	Assured	6/30/16	\$19,980,000.00	5.000%	\$499,500.00								
4/1/16	Ambac	6/30/16	\$255,000.00	5.240%	\$11,004.00	\$165,000.00	4/1/16	Assured	6/30/16	\$255,000.00	5.000%	\$11,004.00	-	4/1/16	Assured	6/30/16	\$19,980,000.00	5.000%	\$499,500.00								
10/1/16	Ambac	6/30/17	\$255,000.00	5.240%	\$6,681.00	-	10/1/16	Assured	6/30/17	\$255,000.00	5.000%	\$6,681.00	-	10/1/16	Assured	6/30/17	\$19,980,000.00	5.000%	\$499,500.00								
4/1/17	Ambac	6/30/17	\$85,000.00	5.240%	\$6,681.00	\$170,000.00	4/1/17	Assured	6/30/17	\$85,000.00	5.000%	\$6,681.00	-	4/1/17	Assured	6/30/17	\$19,980,000.00	5.000%	\$499,500.00								
10/1/17	Ambac	6/30/18	\$85,000.00	5.240%	\$2,227.00	-	10/1/17	Assured	6/30/18	\$85,000.00	5.000%	\$2,227.00	-	10/1/17	Assured	6/30/18	\$19,980,000.00	5.000%	\$499,500.00								
4/1/18	Ambac	6/30/18	\$85,000.00	5.240%	\$2,227.00	\$85,000.00	4/1/18	Assured	6/30/18	\$85,000.00	5.000%	\$2,227.00	-	4/1/18	Assured	6/30/18	\$19,980,000.00	5.000%	\$499,500.00								
Total						\$69,954.00	Total						\$19,980,000.00	Total						\$12,548,250.00							
						\$69,954.00							\$19,980,000.00							\$12,548,250.00							
CUSIP 251093N55							Mandatory Redemption Amounts							CUSIP 251093N63							Mandatory Redemption Amounts						
Date	Insurer	Fiscal Year	Outstanding	Rate	Interest		Date	Insurer	Fiscal Year	Outstanding	Rate	Interest		Date	Insurer	Fiscal Year	Outstanding	Rate	Interest								
10/1/14	Assured	6/30/15	\$8,620,000.00	5.000%	\$215,500.00	-	10/1/2022	Assured	6/30/23	\$19,980,000.00	5.000%	\$499,500.00	-	10/1/2022	Assured	6/30/23	\$19,980,000.00	5.000%	\$499,500.00								
4/1/15	Assured	6/30/15	\$8,620,000.00	5.000%	\$215,500.00	-	4/1/2023	Assured	6/30/23	\$19,980,000.00	5.000%	\$499,500.00	-	4/1/2023	Assured	6/30/23	\$19,980,000.00	5.000%	\$499,500.00								
10/1/15	Assured	6/30/16	\$8,620,000.00	5.000%	\$215,500.00	-	10/1/2023	Assured	6/30/24	\$19,980,000.00	5.000%	\$499,500.00	-	10/1/2023	Assured	6/30/24	\$19,980,000.00	5.000%	\$499,500.00								
4/1/16	Assured	6/30/16	\$8,620,000.00	5.000%	\$215,500.00	-	4/1/2024	Assured	6/30/24	\$19,980,000.00	5.000%	\$499,500.00	-	4/1/2024	Assured	6/30/24	\$19,980,000.00	5.000%	\$499,500.00								
10/1/16	Assured	6/30/17	\$8,620,000.00	5.000%	\$215,500.00	-	10/1/2024	Assured	6/30/25	\$19,980,000.00	5.000%	\$499,500.00	-	10/1/2024	Assured	6/30/25	\$19,980,000.00	5.000%	\$499,500.00								
4/1/17	Assured	6/30/17	\$8,620,000.00	5.000%	\$215,500.00	-	4/1/2025	Assured	6/30/25	\$15,345,000.00	5.000%	\$383,625.00	\$4,635,000.00	4/1/2025	Assured	6/30/25	\$15,345,000.00	5.000%	\$383,625.00								
10/1/17	Assured	6/30/18	\$8,620,000.00	5.000%	\$215,500.00	-	10/1/2025	Assured	6/30/26	\$10,475,000.00	5.000%	\$261,875.00	\$4,870,000.00	10/1/2025	Assured	6/30/26	\$10,475,000.00	5.000%	\$261,875.00								
4/1/18	Assured	6/30/18	\$8,620,000.00	5.000%	\$215,500.00	-	4/1/2026	Assured	6/30/26	\$10,475,000.00	5.000%	\$261,875.00	-	4/1/2026	Assured	6/30/26	\$10,475,000.00	5.000%	\$261,875.00								
10/1/18	Assured	6/30/19	\$8,620,000.00	5.000%	\$215,500.00	-	10/1/2026	Assured	6/30/27	\$5,110,000.00	5.000%	\$5,110,000.00	\$5,110,000.00	10/1/2026	Assured	6/30/27	\$5,110,000.00	5.000%	\$5,110,000.00								
4/1/19	Assured	6/30/19	\$8,620,000.00	5.000%	\$215,500.00	-	4/1/2027	Assured	6/30/27	\$5,110,000.00	5.000%	\$5,110,000.00	-	4/1/2027	Assured	6/30/27	\$5,110,000.00	5.000%	\$5,110,000.00								
10/1/19	Assured	6/30/20	\$8,620,000.00	5.000%	\$215,500.00	-	10/1/2027	Assured	6/30/28	\$5,365,000.00	5.000%	\$5,365,000.00	\$5,365,000.00	10/1/2027	Assured	6/30/28	\$5,365,000.00	5.000%	\$5,365,000.00								
4/1/20	Assured	6/30/20	\$8,620,000.00	5.000%	\$215,500.00	-	4/1/2028	Assured	6/30/28	\$5,365,000.00	5.000%	\$5,365,000.00	-	4/1/2028	Assured	6/30/28	\$5,365,000.00	5.000%	\$5,365,000.00								
Total						\$4,099,750.00	Total						\$19,980,000.00	Total						\$12,548,250.00							
						\$4,099,750.00							\$19,980,000.00							\$12,548,250.00							

## RESTRUCTURED UTGO BONDS AND MUNICIPAL OBLIGATIONS

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# Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

STP	Maturity Date	Rate	Principal	Issuer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
1999-A	4/1/15	5.250%	\$2,408,250.00	Assured	\$63,216.56	\$63,216.56	\$63,269.38	\$63,269.38	\$66,438.13	\$66,438.13	\$69,818.13	\$69,818.13	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75
1999-B	4/1/15	5.250%	\$2,330,775.00	Assured	\$63,269.38	\$63,269.38	\$63,269.38	\$63,269.38	\$66,438.13	\$66,438.13	\$69,818.13	\$69,818.13	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75
1999-C	4/1/17	5.000%	\$2,457,525.00	Assured	\$66,438.13	\$66,438.13	\$66,438.13	\$66,438.13	\$69,818.13	\$69,818.13	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75
1999-D	4/1/18	5.000%	\$2,792,725.00	Assured	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75
1999-E	4/1/19	5.000%	\$2,932,150.00	Assured	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75	\$73,303.75
2001-A(1)	4/1/15	5.375%	\$3,019,300.00	NPEFC	\$134,893.69	\$134,893.69	\$142,160.69	\$142,160.69	\$149,881.88	\$149,881.88	\$157,931.25	\$157,931.25	\$166,438.13	\$166,438.13	\$175,288.89	\$175,288.89	\$184,885.02	\$184,885.02
2001-B	4/1/16	5.375%	\$5,289,700.00	NPEFC	\$142,160.69	\$142,160.69	\$149,881.88	\$149,881.88	\$157,931.25	\$157,931.25	\$166,438.13	\$166,438.13	\$175,288.89	\$175,288.89	\$184,885.02	\$184,885.02	\$194,885.02	\$194,885.02
2001-C	4/1/17	5.375%	\$5,577,000.00	NPEFC	\$149,881.88	\$149,881.88	\$157,931.25	\$157,931.25	\$166,438.13	\$166,438.13	\$175,288.89	\$175,288.89	\$184,885.02	\$184,885.02	\$194,885.02	\$194,885.02	\$205,750.00	\$205,750.00
2001-D	4/1/18	5.375%	\$11,830,000.00	NPEFC	\$157,931.25	\$157,931.25	\$166,438.13	\$166,438.13	\$175,288.89	\$175,288.89	\$184,885.02	\$184,885.02	\$194,885.02	\$194,885.02	\$205,750.00	\$205,750.00	\$217,223.81	\$217,223.81
2001-E	4/1/19	5.000%	\$11,830,000.00	NPEFC	\$166,438.13	\$166,438.13	\$175,288.89	\$175,288.89	\$184,885.02	\$184,885.02	\$194,885.02	\$194,885.02	\$205,750.00	\$205,750.00	\$217,223.81	\$217,223.81	\$229,750.00	\$229,750.00
2001-F	4/1/21	5.000%	\$11,830,000.00	NPEFC	\$205,750.00	\$205,750.00	\$217,223.81	\$217,223.81	\$229,750.00	\$229,750.00	\$242,829.38	\$242,829.38	\$256,432.84	\$256,432.84	\$270,508.84	\$270,508.84	\$285,156.13	\$285,156.13
2002	4/1/21	5.125%	\$2,737,800.00	NPEFC	\$70,156.13	\$70,156.13	\$73,728.89	\$73,728.89	\$77,412.56	\$77,412.56	\$81,205.13	\$81,205.13	\$85,109.63	\$85,109.63	\$89,129.69	\$89,129.69	\$93,261.72	\$93,261.72
2003-A	4/1/15	4.000%	\$2,533,500.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-B	4/1/15	4.250%	\$2,154,750.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-C	4/1/16	5.250%	\$2,533,500.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-D	4/1/17	5.250%	\$2,661,750.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-E	4/1/18	5.250%	\$2,801,375.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-F	4/1/19	5.250%	\$2,949,050.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-G	4/1/20	5.250%	\$3,097,125.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-H	4/1/21	5.250%	\$3,254,875.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-I	4/1/22	5.250%	\$3,422,500.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2003-J	4/1/23	4.625%	\$1,267,500.00	Syncona	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00	\$1,267,500.00
2003-K	4/1/23	5.250%	\$2,544,875.00	Syncona	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00	\$5,070.00
2004-A(1)	4/1/19	5.250%	\$3,802,500.00	Ambac	\$99,815.63	\$99,815.63	\$104,722.91	\$104,722.91	\$110,672.91	\$110,672.91	\$116,672.91	\$116,672.91	\$122,722.91	\$122,722.91	\$128,822.91	\$128,822.91	\$134,972.91	\$134,972.91
2004-B	4/1/20	4.250%	\$5,141,825.00	Ambac	\$104,722.91	\$104,722.91	\$110,672.91	\$110,672.91	\$116,672.91	\$116,672.91	\$122,722.91	\$122,722.91	\$128,822.91	\$128,822.91	\$134,972.91	\$134,972.91	\$141,172.91	\$141,172.91
2004-C	4/1/21	5.000%	\$5,855,850.00	Ambac	\$110,672.91	\$110,672.91	\$116,672.91	\$116,672.91	\$122,722.91	\$122,722.91	\$128,822.91	\$128,822.91	\$134,972.91	\$134,972.91	\$141,172.91	\$141,172.91	\$147,422.91	\$147,422.91
2004-D	4/1/22	5.250%	\$3,168,875.00	Ambac	\$116,672.91	\$116,672.91	\$122,722.91	\$122,722.91	\$128,822.91	\$128,822.91	\$134,972.91	\$134,972.91	\$141,172.91	\$141,172.91	\$147,422.91	\$147,422.91	\$153,722.91	\$153,722.91
2004-E	4/1/23	5.250%	\$3,487,400.00	Ambac	\$122,722.91	\$122,722.91	\$128,822.91	\$128,822.91	\$134,972.91	\$134,972.91	\$141,172.91	\$141,172.91	\$147,422.91	\$147,422.91	\$153,722.91	\$153,722.91	\$160,072.91	\$160,072.91
2004-F	4/1/25	5.250%	\$6,633,325.00	Ambac	\$128,822.91	\$128,822.91	\$134,972.91	\$134,972.91	\$141,172.91	\$141,172.91	\$147,422.91	\$147,422.91	\$153,722.91	\$153,722.91	\$160,072.91	\$160,072.91	\$166,422.91	\$166,422.91
2004-G	4/1/24	5.250%	\$3,183,150.00	Ambac	\$134,972.91	\$134,972.91	\$141,172.91	\$141,172.91	\$147,422.91	\$147,422.91	\$153,722.91	\$153,722.91	\$160,072.91	\$160,072.91	\$166,422.91	\$166,422.91	\$172,822.91	\$172,822.91



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# Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

SIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
UTGO 1999-A																				
133538946	4/1/15	5.250%	\$2,408,250.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$126,433.13	\$2,534,683.13
133538946	4/1/16	5.000%	\$2,530,775.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$253,077.50	\$2,783,852.50
133538946	4/1/17	5.000%	\$2,657,525.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$398,628.75	\$3,056,153.75
133538946	4/1/18	5.000%	\$2,792,725.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$538,545.00	\$3,331,270.00
133538946	4/1/19	5.000%	\$2,932,150.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$683,037.50	\$3,615,187.50
133538946	4/1/20	5.000%	\$3,075,425.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$836,562.50	\$3,911,987.50
133538946	4/1/21	5.000%	\$3,221,425.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$998,156.25	\$4,219,581.25
UTGO 2001-A(1)																				
133538946	4/1/15	5.375%	\$5,019,300.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$269,787.38	\$5,289,087.38
133538946	4/1/16	5.375%	\$5,289,700.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$368,642.75	\$5,658,342.75
133538946	4/1/17	5.375%	\$5,577,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$899,291.25	\$6,476,291.25
133538946	4/1/18	5.375%	\$5,830,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,243,450.00	\$7,073,450.00
133538946	4/1/19	5.000%	\$11,830,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,957,500.00	\$14,787,500.00
133538946	4/1/20	5.000%	\$11,830,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,549,000.00	\$15,379,000.00
133538946	4/1/21	5.000%	\$11,830,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,140,500.00	\$15,970,500.00
133538946	4/1/22	5.000%	\$63,206,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,928,471.38	\$78,134,471.38
UTGO 2002																				
133538946	4/1/21	5.125%	\$2,737,800.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$982,185.75	\$3,719,985.75
133538946	4/1/22	5.125%	\$2,877,225.00	NPFG	\$73,728.89	\$73,728.89	\$73,728.89	-	-	-	-	-	-	-	-	-	-	-	\$1,179,602.25	\$4,058,887.25
133538946	4/1/23	5.125%	\$5,015,025.00	NPFG	\$73,728.89	\$73,728.89	\$73,728.89	-	-	-	-	-	-	-	-	-	-	-	\$2,161,848.00	\$7,176,873.00
UTGO 2003-A																				
133538946	4/1/15	4.000%	\$253,500.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,140.00	\$263,640.00
133538946	4/1/16	5.250%	\$2,154,750.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$113,124.38	\$2,267,874.38
133538946	4/1/17	5.250%	\$2,530,775.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$265,731.38	\$2,796,506.38
133538946	4/1/18	5.250%	\$2,661,750.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$419,225.63	\$3,080,975.63
133538946	4/1/19	5.250%	\$2,801,175.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$588,246.75	\$3,389,421.75
133538946	4/1/20	5.250%	\$2,949,050.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$774,125.63	\$3,723,175.63
133538946	4/1/21	5.250%	\$3,096,925.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$945,105.63	\$4,041,030.63
133538946	4/1/22	5.250%	\$3,254,800.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,140,075.00	\$4,391,105.00
133538946	4/1/23	5.250%	\$3,428,675.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,345,950.00	\$4,774,625.00
133538946	4/1/24	5.250%	\$3,618,550.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,563,325.00	\$5,181,875.00
133538946	4/1/25	5.250%	\$3,822,425.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,795,700.00	\$5,618,125.00
133538946	4/1/26	5.250%	\$4,046,300.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,048,575.00	\$6,094,875.00
133538946	4/1/27	5.250%	\$4,280,175.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,312,450.00	\$6,592,625.00
133538946	4/1/28	5.250%	\$4,524,050.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,596,325.00	\$7,120,375.00
133538946	4/1/29	5.250%	\$4,777,925.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,890,200.00	\$7,668,125.00
133538946	4/1/30	5.250%	\$5,041,800.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,192,075.00	\$8,233,875.00
133538946	4/1/31	5.250%	\$5,315,675.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,503,950.00	\$8,819,625.00
133538946	4/1/32	5.250%	\$5,599,550.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,825,825.00	\$9,425,375.00
133538946	4/1/33	5.250%	\$5,893,425.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,157,700.00	\$10,051,125.00
133538946	4/1/34	5.250%	\$6,197,300.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,500,575.00	\$10,697,875.00
133538946	4/1/35	5.250%	\$6,511,175.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,853,450.00	\$11,364,625.00
133538946	4/1/36	5.250%	\$6,835,050.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,216,325.00	\$12,051,375.00
133538946	4/1/37	5.250%	\$7,168,925.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,589,200.00	\$12,758,125.00
133538946	4/1/38	5.250%	\$7,522,800.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,962,075.00	\$13,484,875.00
133538946	4/1/39	5.250%	\$7,896,675.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,345,950.00	\$14,242,625.00
133538946	4/1/40	5.250%	\$8,280,550.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,739,825.00	\$15,020,375.00
133538946	4/1/41	5.250%	\$8,684,425.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,153,700.00	\$15,838,125.00
133538946	4/1/42	5.250%	\$9,108,300.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,587,575.00	\$16,695,875.00
133538946	4/1/43	5.250%	\$9,552,175.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,031,450.00	\$17,583,625.00
133538946	4/1/44	5.250%	\$10,016,050.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,505,325.00	\$18,521,375.00
133538946	4/1/45	5.250%	\$10,499,925.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,000,200.00	\$19,500,125.00
133538946	4/1/46	5.250%	\$11,003,800.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,517,075.00	\$20,520,875.00
133538946	4/1/47	5.250%	\$11,527,675.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,048,950.00	\$21,576,625.00
133538946	4/1/48	5.250%	\$12,072,550.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,593,825.00	\$22,666,375.00
133538946	4/1/49	5.250%	\$12,638,425.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,152,700.00	\$23,791,125.00
133538946	4/1/50	5.250%	\$13,225,300.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,732,575.00	\$24,957,875.00
133538946	4/1/51	5.250%	\$13,834,175.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,333,450.00	\$26,167,625.00
133538946	4/1/52	5.250%	\$14,458,050.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,955,325.00	\$27,413,375.00
133538946	4/1/53	5.250%	\$15,106,925.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$13,608,200.00	\$28,715,125.00
133538946	4/1/54	5.250%	\$15,780,800.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,287,075.00	\$30,067,875.00
133538946	4/1/55	5.250%	\$16,480,675.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,990,950.00	\$31,471,625.00
133538946	4/1/56	5.250%	\$17,206,550.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,716,825.00	\$32,923,375.00
133538946	4/1/57	5.250%	\$17,958,425.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,458,700.00	\$34,417,125.00
133538946	4/1/58	5.250%	\$18,736,300.00	Syncona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,222,575.00	\$35,958,875.00
133538946	4/1/59</																			





# Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)													Issuance: 2008-A												
CUSIP 251093XN1													CUSIP 251093N63												
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest												
10/1/14	Amibac	6/30/15	-	\$485,875.00	5.240%	\$12,729.93	10/1/14	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/15	Amibac	6/30/15	\$130,975.00	\$354,900.00	5.240%	\$12,729.93	4/1/15	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/15	Amibac	6/30/16	-	\$354,900.00	5.240%	\$9,298.38	10/1/15	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/16	Amibac	6/30/16	\$139,425.00	\$215,475.00	5.240%	\$9,298.38	4/1/16	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/16	Amibac	6/30/17	-	\$215,475.00	5.240%	\$5,645.45	10/1/16	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/17	Amibac	6/30/17	\$143,650.00	\$71,825.00	5.240%	\$5,645.45	4/1/17	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/17	Amibac	6/30/18	-	\$71,825.00	5.240%	\$1,881.82	10/1/17	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/18	Amibac	6/30/18	\$71,825.00	-	5.240%	\$1,881.82	4/1/18	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50												
Total						\$59,111.13	Total						\$16,883,100.00	\$10,403,271.25											
Total						\$485,875.00	Total						\$16,883,100.00												
Issuance: 2008-A													Issuance: 2008-A												
CUSIP 251093N55													CUSIP 251093N55												
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest												
10/1/14	Assured	6/30/15	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/14	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/15	Assured	6/30/15	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/15	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/15	Assured	6/30/16	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/15	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/16	Assured	6/30/16	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/16	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/16	Assured	6/30/17	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/16	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/17	Assured	6/30/17	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/17	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/17	Assured	6/30/18	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/17	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/18	Assured	6/30/18	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/18	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/18	Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/18	Assured	6/30/19	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/19	Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/19	Assured	6/30/19	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/19	Assured	6/30/20	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/19	Assured	6/30/20	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/20	Assured	6/30/20	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/20	Assured	6/30/20	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/20	Assured	6/30/21	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/20	Assured	6/30/21	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/21	Assured	6/30/21	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/21	Assured	6/30/21	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/21	Assured	6/30/22	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/21	Assured	6/30/22	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/22	Assured	6/30/22	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/22	Assured	6/30/22	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/22	Assured	6/30/23	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/22	Assured	6/30/23	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/23	Assured	6/30/23	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/23	Assured	6/30/23	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/23	Assured	6/30/24	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/23	Assured	6/30/24	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/24	Assured	6/30/24	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/24	Assured	6/30/24	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/24	Assured	6/30/25	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/24	Assured	6/30/25	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/25	Assured	6/30/25	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/25	Assured	6/30/25	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/25	Assured	6/30/26	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/25	Assured	6/30/26	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/26	Assured	6/30/26	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/26	Assured	6/30/26	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/26	Assured	6/30/27	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/26	Assured	6/30/27	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/27	Assured	6/30/27	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/27	Assured	6/30/27	-	\$16,883,100.00	5.000%	\$422,077.50												
10/1/27	Assured	6/30/28	-	\$7,283,900.00	5.000%	\$182,097.50	10/1/27	Assured	6/30/28	-	\$16,883,100.00	5.000%	\$422,077.50												
4/1/28	Assured	6/30/28	-	\$7,283,900.00	5.000%	\$182,097.50	4/1/28	Assured	6/30/28	-	\$16,883,100.00	5.000%	\$422,077.50												
Total						\$3,464,288.75	Total						\$16,883,100.00	\$10,403,271.25											
Total						\$7,283,900.00	Total						\$16,883,100.00												







## Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

[illegible]



# Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

Maturity Date	Rate	Principal	Insurer	Beneficial Holder	Interest										Total Interest	Principal & Interest		
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26			10/1/26	4/1/27
UTGO 1999-A																		
4/1/15	5.250%	\$68,406.00	Assured	Assured														\$71,591.00
4/1/16	5.000%	\$71,880.00	Assured	Assured														\$79,048.00
4/1/17	5.000%	\$75,480.00	Assured	Assured														\$86,802.00
4/1/18	5.000%	\$79,320.00	Assured	Assured														\$95,184.00
4/1/19	5.000%	\$83,280.00	Assured	Assured														\$104,106.00
		\$78,360.00																\$437,145.00
UTGO 2001-A(1)																		
4/1/15	5.375%	\$19,851.00	NPFPG	Amibac														\$20,917.99
4/1/16	5.375%	\$20,921.00	NPFPG	Amibac														\$23,170.01
4/1/17	5.375%	\$22,057.00	NPFPG	Amibac														\$25,613.69
4/1/18	5.375%	\$46,787.00	NPFPG	Amibac														\$56,846.21
4/1/19	5.000%	\$46,787.00	NPFPG	Amibac														\$58,483.75
4/1/20	5.000%	\$46,787.00	NPFPG	Amibac														\$60,821.10
4/1/21	5.000%	\$46,787.00	NPFPG	Amibac														\$63,162.45
4/1/15	5.375%	\$122,709.00	NPFPG	Assured														\$129,303.61
4/1/16	5.375%	\$129,319.00	NPFPG	Assured														\$143,220.79
4/1/17	5.375%	\$136,343.00	NPFPG	Assured														\$158,328.31
4/1/18	5.375%	\$289,213.00	NPFPG	Assured														\$351,393.80
4/1/19	5.000%	\$289,213.00	NPFPG	Assured														\$361,516.25
4/1/20	5.000%	\$289,213.00	NPFPG	Assured														\$375,976.90
4/1/21	5.000%	\$289,213.00	NPFPG	Assured														\$390,437.55
		\$1,795,200.00																\$2,219,195.40
UTGO 2002																		
4/1/21	5.125%	\$10,826.00	NPFPG	Amibac		\$291.59												\$3,484.55
4/1/22	5.125%	\$11,279.00	NPFPG	Amibac		\$291.59												\$4,064.39
4/1/21	5.125%	\$66,932.00	NPFPG	Assured	\$1,807.49	\$1,807.49												\$74,011.86
4/1/22	5.125%	\$70,341.00	NPFPG	Assured	\$2,094.08	\$2,094.08												\$78,839.81
		\$159,480.00																\$20,401.60
2003-A																		
4/1/15	4.000%	\$450.00	Syncona	Syncona														\$18.00
4/1/15	5.250%	\$3,822.00	Syncona	Syncona														\$4,072.66
4/1/16	5.250%	\$4,480.00	Syncona	Syncona														\$4,960.35
4/1/17	5.250%	\$4,722.00	Syncona	Syncona														\$5,465.72
4/1/18	5.250%	\$4,609.00	Syncona	Syncona														\$5,072.49
4/1/19	5.250%	\$5,231.00	Syncona	Syncona														\$5,733.14
4/1/20	4.500%	\$7,190.00	Syncona	Syncona														\$7,604.14
4/1/21	5.250%	\$4,259.00	Syncona	Syncona														\$6,258.09
4/1/22	4.625%	\$5,750.00	Syncona	Syncona														\$7,126.36
4/1/23	5.250%	\$5,344.00	Syncona	Syncona														\$1,027.50
4/1/24	4.625%	\$5,248.00	Syncona	Syncona														\$1,588.48
4/1/25	5.250%	\$51.99	Syncona	Syncona														\$183.73
4/1/26	4.625%	\$4,161.00	Syncona	Syncona														\$6,125.60
4/1/27	5.250%	\$940.00	Syncona	Amibac														\$977.60
4/1/15	4.000%	\$940.00	Syncona	Amibac														\$8,409.48
4/1/16	5.250%	\$7,990.00	Syncona	Amibac														\$9,853.32
4/1/17	5.250%	\$9,284.00	Syncona	Amibac														\$10,360.32
4/1/18	5.250%	\$9,870.00	Syncona	Amibac														\$11,424.53
4/1/19	5.250%	\$10,387.00	Syncona	Amibac														\$12,568.27
4/1/20	5.250%	\$10,935.00	Syncona	Amibac														\$13,803.44
4/1/21	4.500%	\$1,567.00	Syncona	Amibac														\$1,990.09
4/1/22	5.250%	\$9,948.00	Syncona	Amibac														\$11,803.44
4/1/23	5.250%	\$12,094.00	Syncona	Amibac														\$13,001.62
4/1/24	4.625%	\$1,566.00	Syncona	Amibac														\$16,538.55
4/1/25	5.250%	\$11,170.00	Syncona	Amibac														\$2,145.42
4/1/26	4.625%	\$4,700.00	Syncona	Amibac														\$2,456.40
4/1/27	5.250%	\$8,694.00	Syncona	Amibac														\$6,656.38
4/1/28	5.250%	\$5,810.00	Syncona	Assured														\$12,801.92
4/1/15	4.000%	\$49,388.00	Syncona	Assured														\$6,042.40
4/1/16	5.250%	\$58,007.00	Syncona	Assured														\$51,980.87
4/1/17	5.250%	\$61,008.00	Syncona	Assured														\$64,090.74
4/1/18	5.250%	\$64,204.00	Syncona	Assured														\$70,616.76
4/1/19	5.250%	\$67,594.00	Syncona	Assured														\$77,686.84
4/1/20	4.500%	\$9,684.00	Syncona	Assured														\$13,482.84
4/1/21	5.250%	\$61,493.00	Syncona	Assured														\$85,337.43
4/1/22	5.250%	\$74,760.00	Syncona	Assured														\$12,298.68
4/1/23	4.625%	\$9,684.00	Syncona	Assured														\$80,863.10
4/1/24	4.625%	\$69,046.00	Syncona	Assured														\$102,234.30
4/1/25	5.250%	\$29,052.00	Syncona	Assured														\$13,583.08
4/1/26	4.625%	\$53,746.00	Syncona	Assured														\$27,474.30
4/1/27	5.250%	\$760,200.00	Syncona	Assured														\$3,453.08
4/1/28	5.250%		Syncona	Assured														\$98,099.32
																		\$12,092.90
																		\$41,144.90
																		\$79,140.99
																		\$89,966.90

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\* Subject to Mandatory Redemption



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\* Subject to Mandatory Redemption

# Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A												
CUSIP 251093ZK1										CUSIP 251093N63												
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Ambac	6/30/15	-	\$13,800.00	5.240%	\$361.56					10/1/14	Assured	6/30/15	-	\$479,520.00	5.000%	\$11,985.00					
4/1/15	Ambac	6/30/15	\$3,720.00	\$10,080.00	5.240%	\$361.56					4/1/15	Assured	6/30/15	-	\$479,520.00	5.000%	\$11,985.00					
10/1/15	Ambac	6/30/16	-	\$10,080.00	5.240%	\$264.10					10/1/15	Assured	6/30/16	-	\$479,520.00	5.000%	\$11,985.00					
4/1/16	Ambac	6/30/16	\$3,960.00	\$6,120.00	5.240%	\$264.10					4/1/16	Assured	6/30/16	-	\$479,520.00	5.000%	\$11,985.00					
10/1/16	Ambac	6/30/17	-	\$6,120.00	5.240%	\$160.34					10/1/16	Assured	6/30/17	-	\$479,520.00	5.000%	\$11,985.00					
4/1/17	Ambac	6/30/17	\$4,080.00	\$2,040.00	5.240%	\$160.34					4/1/17	Assured	6/30/17	-	\$479,520.00	5.000%	\$11,985.00					
10/1/17	Ambac	6/30/18	-	\$2,040.00	5.240%	\$53.45					10/1/17	Assured	6/30/18	-	\$479,520.00	5.000%	\$11,985.00					
4/1/18	Ambac	6/30/18	\$13,800.00	-	5.240%	\$53.45					4/1/18	Assured	6/30/18	-	\$479,520.00	5.000%	\$11,985.00					
Total						\$1,678.90																
Issuance: 2008-A																						
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Assured	6/30/15	-	\$206,880.00	5.000%	\$5,172.00					10/1/2022	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,985.00					
4/1/15	Assured	6/30/15	-	\$206,880.00	5.000%	\$5,172.00					4/1/2023	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,985.00					
10/1/15	Assured	6/30/16	-	\$206,880.00	5.000%	\$5,172.00					10/1/2023	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,985.00					
4/1/16	Assured	6/30/16	-	\$206,880.00	5.000%	\$5,172.00					4/1/2024	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,985.00					
10/1/16	Assured	6/30/17	-	\$206,880.00	5.000%	\$5,172.00					10/1/2024	Assured	6/30/25	-	\$479,520.00	5.000%	\$11,985.00					
4/1/17	Assured	6/30/17	-	\$206,880.00	5.000%	\$5,172.00					4/1/2025	Assured	6/30/25	\$111,240.00	\$368,280.00	5.000%	\$11,985.00					
10/1/17	Assured	6/30/18	-	\$206,880.00	5.000%	\$5,172.00					10/1/2025	Assured	6/30/26	-	\$368,280.00	5.000%	\$9,207.00					
4/1/18	Assured	6/30/18	-	\$206,880.00	5.000%	\$5,172.00					4/1/2026	Assured	6/30/26	\$116,880.00	\$251,400.00	5.000%	\$9,207.00					
10/1/18	Assured	6/30/19	-	\$206,880.00	5.000%	\$5,172.00					10/1/2026	Assured	6/30/27	-	\$251,400.00	5.000%	\$6,285.00					
4/1/19	Assured	6/30/19	-	\$206,880.00	5.000%	\$5,172.00					4/1/2027	Assured	6/30/27	-	\$128,760.00	5.000%	\$6,285.00					
10/1/19	Assured	6/30/20	-	\$206,880.00	5.000%	\$5,172.00					10/1/2027	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00					
4/1/20	Assured	6/30/20	-	\$206,880.00	5.000%	\$5,172.00					4/1/2028	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00					
Total						\$5,172.00											\$479,520.00					
						\$301,155.00																

Issuance: 2008-A																						
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Assured	6/30/15	-	\$206,880.00	5.000%	\$5,172.00					10/1/2022	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,985.00					
4/1/15	Assured	6/30/15	-	\$206,880.00	5.000%	\$5,172.00					4/1/2023	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,985.00					
10/1/15	Assured	6/30/16	-	\$206,880.00	5.000%	\$5,172.00					10/1/2023	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,985.00					
4/1/16	Assured	6/30/16	-	\$206,880.00	5.000%	\$5,172.00					4/1/2024	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,985.00					
10/1/16	Assured	6/30/17	-	\$206,880.00	5.000%	\$5,172.00					10/1/2024	Assured	6/30/25	-	\$479,520.00	5.000%	\$11,985.00					
4/1/17	Assured	6/30/17	-	\$206,880.00	5.000%	\$5,172.00					4/1/2025	Assured	6/30/25	\$111,240.00	\$368,280.00	5.000%	\$11,985.00					
10/1/17	Assured	6/30/18	-	\$206,880.00	5.000%	\$5,172.00					10/1/2025	Assured	6/30/26	-	\$368,280.00	5.000%	\$9,207.00					
4/1/18	Assured	6/30/18	-	\$206,880.00	5.000%	\$5,172.00					4/1/2026	Assured	6/30/26	\$116,880.00	\$251,400.00	5.000%	\$9,207.00					
10/1/18	Assured	6/30/19	-	\$206,880.00	5.000%	\$5,172.00					10/1/2026	Assured	6/30/27	-	\$251,400.00	5.000%	\$6,285.00					
4/1/19	Assured	6/30/19	-	\$206,880.00	5.000%	\$5,172.00					4/1/2027	Assured	6/30/27	-	\$128,760.00	5.000%	\$6,285.00					
10/1/19	Assured	6/30/20	-	\$206,880.00	5.000%	\$5,172.00					10/1/2027	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00					
4/1/20	Assured	6/30/20	-	\$206,880.00	5.000%	\$5,172.00					4/1/2028	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00					
Total						\$98,394.00											\$301,155.00					
						\$206,880.00																

EXHIBIT C

STUB UTGO BONDS



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Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service

STIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 2004-B(1)																		
093278	4/1/15	5.000%	\$1,136,425.00	Ambac	\$28,410.63	\$28,410.63	\$31,309.82	\$31,309.82	\$31,309.82	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10
093279	4/1/16	5.250%	\$1,192,755.00	Ambac	\$31,309.82	\$31,309.82	\$31,309.82	\$31,309.82	\$31,309.82	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10
093280	4/1/17	4.000%	\$399,955.00	Ambac	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10
093281	4/1/17	4.000%	\$399,955.00	Ambac	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10	\$799.10
093282	4/1/17	5.250%	\$1,215,080.00	Ambac	\$31,911.60	\$31,911.60	\$31,911.60	\$31,911.60	\$31,911.60	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50
093283	4/1/18	5.250%	\$262,000.00	Ambac	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50
093284	4/1/18	5.250%	\$3,846,815.00	Ambac	\$99,308.64	\$99,308.64	\$70,898.02	\$70,898.02	\$39,588.20	\$39,588.20	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50
UTGO 2004-B(2)																		
093285	4/1/19	5.240%	\$75,325.00	Ambac	\$1,973.52	\$1,973.52	\$1,441.52	\$1,441.52	\$875.21	\$875.21	\$291.74	\$291.74	\$291.74	\$291.74	\$291.74	\$291.74	\$291.74	\$291.74
UTGO 2005-B																		
093286	4/1/15	5.000%	\$299,990.00	Assured	\$7,499.75	\$7,499.75	\$7,876.38	\$7,876.38	\$7,876.38	\$7,097.58	\$7,097.58	\$8,629.63	\$8,629.63	\$9,055.38	\$9,055.38	\$16,375.00	\$16,375.00	\$16,375.00
093287	4/1/16	5.000%	\$313,055.00	Assured	\$7,876.38	\$7,876.38	\$7,876.38	\$7,876.38	\$7,876.38	\$7,097.58	\$7,097.58	\$8,629.63	\$8,629.63	\$9,055.38	\$9,055.38	\$16,375.00	\$16,375.00	\$16,375.00
093288	4/1/17	4.300%	\$330,120.00	Assured	\$7,097.58	\$7,097.58	\$7,097.58	\$7,097.58	\$7,097.58	\$7,097.58	\$7,097.58	\$8,629.63	\$8,629.63	\$9,055.38	\$9,055.38	\$16,375.00	\$16,375.00	\$16,375.00
093289	4/1/18	5.000%	\$345,185.00	Assured	\$8,629.63	\$8,629.63	\$8,629.63	\$8,629.63	\$8,629.63	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$16,375.00	\$16,375.00	\$16,375.00
093290	4/1/19	5.000%	\$362,215.00	Assured	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$16,375.00	\$16,375.00	\$16,375.00
093291	4/1/20	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
093292	4/1/21	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
093293	4/1/22	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
093294	4/1/23	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
093295	4/1/24	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
093296	4/1/24	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
093297	4/1/25	5.000%	\$5,582,565.00	Assured	\$138,408.71	\$138,408.71	\$130,908.96	\$130,908.96	\$123,032.58	\$123,032.58	\$115,935.00	\$115,935.00	\$107,305.38	\$107,305.38	\$98,250.00	\$98,250.00	\$81,875.00	\$81,875.00
UTGO 2005-C																		
093298	4/1/15	5.000%	\$301,955.00	Assured	\$7,548.88	\$7,548.88	\$7,941.88	\$7,941.88	\$7,941.88	\$7,167.99	\$7,167.99	\$8,613.25	\$8,613.25	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
093299	4/1/16	5.000%	\$317,675.00	Assured	\$7,941.88	\$7,941.88	\$7,941.88	\$7,941.88	\$7,941.88	\$7,167.99	\$7,167.99	\$8,613.25	\$8,613.25	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
093300	4/1/17	4.300%	\$333,395.00	Assured	\$7,167.99	\$7,167.99	\$7,167.99	\$7,167.99	\$7,167.99	\$7,167.99	\$7,167.99	\$8,613.25	\$8,613.25	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
093301	4/1/18	5.000%	\$344,530.00	Assured	\$8,613.25	\$8,613.25	\$8,613.25	\$8,613.25	\$8,613.25	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
093302	4/1/19	5.250%	\$358,285.00	Assured	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
093303	4/1/20	5.250%	\$377,035.00	Assured	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
093304	4/1/20	5.250%	\$2,033,775.00	Assured	\$50,597.77	\$50,597.77	\$43,048.89	\$43,048.89	\$35,107.02	\$35,107.02	\$27,899.83	\$27,899.83	\$19,328.78	\$19,328.78	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79
UTGO 2008-A																		
093305	4/1/15	5.000%	\$376,625.00	Assured	\$9,415.63	\$9,415.63	\$9,874.13	\$9,874.13	\$9,874.13	\$10,381.75	\$10,381.75	\$8,711.50	\$8,711.50	\$11,331.50	\$11,331.50	\$11,888.25	\$11,888.25	\$11,888.25
093306	4/1/16	5.000%	\$394,965.00	Assured	\$9,874.13	\$9,874.13	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	\$8,711.50	\$8,711.50	\$11,331.50	\$11,331.50	\$11,888.25	\$11,888.25	\$11,888.25
093307	4/1/17	5.000%	\$415,270.00	Assured	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	\$8,711.50	\$8,711.50	\$11,331.50	\$11,331.50	\$11,888.25	\$11,888.25	\$11,888.25
093308	4/1/18	4.000%	\$455,575.00	Assured	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$11,331.50	\$11,331.50	\$11,888.25	\$11,888.25	\$11,888.25
093309	4/1/19	5.000%	\$455,575.00	Assured	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50
093310	4/1/20	5.000%	\$475,530.00	Assured	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25
093311	4/1/21	5.000%	\$499,765.00	Assured	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13
093312	4/1/22	5.000%	\$524,655.00	Assured	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38
093313	4/1/22	5.000%	\$524,655.00	Assured	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38
093314	4/1/23	5.000%	\$1,129,200.00	Assured	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50
093315	4/1/24	5.000%	\$1,129,200.00	Assured	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50
093316	4/1/28	5.000%	\$2,460,180.00	Assured	\$180,878.25	\$180,878.25	\$171,462.63	\$171,462.63	\$161,588.50	\$161,588.50	\$151,206.75	\$151,206.75	\$142,495.25	\$142,495.25	\$131,163.75	\$131,163.75	\$119,275.50	\$119,275.50
UTGO 2008-B(1)																		
093317	4/1/15	5.000%	\$1,044,070.00	Assured	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75	\$26,101.75
093318	4/1/16	5.000%	\$450,640.00	Assured	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50
093319	4/1/17	5.000%	\$468,980.00	Assured	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50
093320	4/1/17	5.000%	\$468,980.00	Assured	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50	\$11,724.50
093321	4																	



# UTGO Series STUB Bonds - Debt Service

STP	Maturity Date	Rate	Principal	Insurer	Interest										Total Interest	Total Principal & Interest	
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/26	4/1/27			10/1/27
UTGO 1999-A																	
251093SM3	4/1/15	5.250%	\$373,350.00	Assured	-	-	-	-	-	-	-	-	-	-	-	\$19,600.88	\$392,950.88
251093SM1	4/1/15	5.250%	\$373,350.00	Assured	-	-	-	-	-	-	-	-	-	-	-	\$19,600.88	\$392,950.88
251093SNT	4/1/16	5.000%	\$392,345.00	Assured	-	-	-	-	-	-	-	-	-	-	-	\$39,234.50	\$431,579.50
251093SP6	4/1/17	5.000%	\$411,995.00	Assured	-	-	-	-	-	-	-	-	-	-	-	\$61,799.25	\$473,794.25
251093SQ4	4/1/18	5.000%	\$432,955.00	Assured	-	-	-	-	-	-	-	-	-	-	-	\$86,591.00	\$519,546.00
251093SR2	4/1/19	5.000%	\$454,570.00	Assured	-	-	-	-	-	-	-	-	-	-	-	\$113,642.50	\$568,212.50
			\$2,065,215.00		-	-	-	-	-	-	-	-	-	-	-	\$320,868.13	\$2,386,083.13
UTGO 2001-A(1)																	
251093JX6	4/1/15	5.375%	\$778,140.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$41,825.03	\$819,965.03
251093YK3	4/1/16	5.375%	\$820,660.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$88,156.45	\$908,816.45
251093YV1	4/1/17	5.375%	\$864,600.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$139,416.75	\$1,004,016.75
251093YN9	4/1/18	5.375%	\$1,834,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$394,310.00	\$2,228,310.00
251093YN7	4/1/19	5.000%	\$1,834,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$458,500.00	\$2,292,500.00
251093VP2	4/1/20	5.000%	\$1,834,000.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$550,200.00	\$2,384,200.00
251093VQ0	4/1/21	5.000%	\$9,798,800.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$641,900.00	\$2,475,900.00
					-	-	-	-	-	-	-	-	-	-	-	\$2,314,308.23	\$12,113,108.23
UTGO 2002																	
251093WV8	4/1/21	5.125%	\$424,440.00	NPPG	-	-	-	-	-	-	-	-	-	-	-	\$152,267.85	\$576,707.85
251093WV6	4/1/22	5.125%	\$446,055.00	NPPG	\$11,430.16	\$11,430.16	-	-	-	-	-	-	-	-	-	\$182,882.55	\$628,937.55
			\$870,495.00		\$11,430.16	\$11,430.16	-	-	-	-	-	-	-	-	-	\$335,150.40	\$1,205,645.40
UTGO 2003-A																	
251093XFP0	4/1/15	4.000%	\$39,300.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$1,572.00	\$40,872.00
251093XQ8	4/1/15	5.250%	\$334,050.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$17,537.63	\$351,587.63
251093XR6	4/1/16	5.250%	\$392,345.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$41,196.23	\$433,541.23
251093XS4	4/1/17	5.250%	\$412,650.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$64,992.38	\$477,642.38
251093XT2	4/1/18	5.250%	\$434,365.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$91,195.65	\$525,560.65
251093XC9	4/1/19	5.250%	\$457,190.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$120,012.38	\$577,202.38
251093XV7	4/1/20	4.500%	\$65,500.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$17,685.00	\$83,185.00
251093XW5	4/1/20	5.250%	\$415,925.00	Synco	-	-	-	-	-	-	-	-	-	-	-	\$131,016.38	\$546,941.38
251093XX3	4/1/21	5.250%	\$505,660.00	Synco	\$1,514.69	\$1,514.69	-	-	-	-	-	-	-	-	-	\$185,830.05	\$691,490.05
251093XXY1	4/1/22	4.625%	\$65,500.00	Synco	\$12,259.14	\$12,259.14	-	-	-	-	-	-	-	-	-	\$24,235.00	\$89,735.00
251093XZ8	4/1/22	5.250%	\$467,015.00	Synco	\$4,544.06	\$4,544.06	\$4,544.06	-	-	-	-	-	-	-	-	\$196,146.30	\$663,161.30
251093YAZ	4/1/23	4.625%	\$196,500.00	Synco	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	-	-	-	-	-	-	-	\$81,793.13	\$278,293.13
251093YB0	4/1/23	5.250%	\$363,525.00	Synco	\$27,860.43	\$27,860.43	\$14,086.59	\$14,086.59	-	-	-	-	-	-	-	\$171,765.56	\$535,290.56
			\$4,149,425.00		\$27,860.43	\$27,860.43	\$14,086.59	\$14,086.59	-	-	-	-	-	-	-	\$1,144,977.66	\$5,294,402.66
UTGO 2004-A(1)																	
251093YX2	4/1/19	5.250%	\$589,500.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	\$154,743.75	\$744,243.75
251093YY0	4/1/20	4.250%	\$24,235.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	\$6,179.93	\$30,414.93
251093YZ7	4/1/20	5.250%	\$797,135.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	\$251,097.53	\$1,048,232.53
251093ZAI	4/1/21	5.000%	\$864,600.00	Ambac	\$23,830.54	\$23,830.54	-	-	-	-	-	-	-	-	-	\$302,610.00	\$1,167,210.00
251093ZB9	4/1/22	5.250%	\$907,830.00	Ambac	\$1,105.31	\$1,105.31	\$1,105.31	-	-	-	-	-	-	-	-	\$381,288.60	\$1,289,118.60
251093ZC7	4/1/23	4.500%	\$49,125.00	Ambac	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	-	-	-	-	-	-	-	\$19,895.63	\$69,020.63
251093ZD5	4/1/23	5.250%	\$906,520.00	Ambac	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	-	-	-	-	-	-	-	\$428,330.70	\$1,334,850.70
251093ZEE3	4/1/24	4.600%	\$1,024,835.00	Ambac	\$23,602.99	\$23,602.99	\$23,602.99	\$23,602.99	\$23,602.99	-	-	-	-	-	-	\$47,304.10	\$1,50,139.10
251093ZF0	4/1/24	5.250%	\$902,590.00	Ambac	\$74,790.19	\$74,790.19	\$50,959.66	\$50,959.66	\$26,058.19	\$26,058.19	-	-	-	-	-	\$473,859.75	\$1,376,449.75
			\$5,144,370.00		\$74,790.19	\$74,790.19	\$50,959.66	\$50,959.66	\$26,058.19	\$26,058.19	-	-	-	-	-	\$2,065,309.98	\$7,209,679.98

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service

CUSIP	Maturity Date	Rate	Principal	Issuer	Interest										Total Interest	Total Principal & Interest		
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26			10/1/26	4/1/27
UTGO Series 2004-B(1)																		
251338466	4/1/15	5.000%	\$1,136,425.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$56,821.25	\$1,193,246.25
251338467	4/1/16	5.250%	\$1,192,755.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$125,239.38	\$1,317,994.38
251338468	4/1/17	4.000%	\$39,955.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$4,794.60	\$44,749.60
251338469	4/1/17	5.250%	\$1,215,680.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$191,469.60	\$1,407,149.60
251033210	4/1/18	5.250%	\$262,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$55,020.00	\$317,020.00
251033210	4/1/18	5.250%	\$3,846,815.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$433,344.73	\$4,280,159.73
UTGO Series 2004-B(2)																		
2513382X1	4/1/19	5.240%	\$75,325.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$9,163.97	\$84,488.97
UTGO Series 2005-B																		
251338G53	4/1/15	5.000%	\$299,990.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$14,999.50	\$314,989.50
251338G61	4/1/16	5.000%	\$315,055.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$31,505.50	\$346,560.50
251338G79	4/1/17	4.300%	\$330,120.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$42,585.48	\$372,705.48
251338C87	4/1/18	5.000%	\$345,185.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$69,037.00	\$414,222.00
251338C95	4/1/19	5.000%	\$362,215.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$90,553.75	\$452,768.75
251338Z29	4/1/20	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$196,500.00	\$851,500.00
251338J37	4/1/21	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$229,250.00	\$884,250.00
251338H45	4/1/22	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$262,000.00	\$917,000.00
251338H52	4/1/23	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$294,750.00	\$949,750.00
251338H60	4/1/24	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$327,500.00	\$982,500.00
251338J78	4/1/25	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$369,250.00	\$1,015,250.00
251338K58	4/1/25	5.000%	\$5,582,565.00	Assured	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$65,500.00	\$1,918,931.23	\$7,501,496.23
UTGO Series 2005-C																		
251338J92	4/1/15	5.000%	\$301,955.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$15,097.75	\$317,052.75
251338K25	4/1/16	5.000%	\$317,675.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$31,767.50	\$349,442.50
251338K33	4/1/17	4.300%	\$333,395.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$43,007.96	\$376,402.96
251338K41	4/1/18	5.000%	\$344,530.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$68,906.00	\$413,436.00
251338K58	4/1/19	5.250%	\$358,285.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$94,049.81	\$452,334.81
251338K66	4/1/20	5.250%	\$377,935.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$119,049.53	\$496,984.53
251338K66	4/1/20	5.250%	\$2,633,775.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$371,878.54	\$2,405,653.54
UTGO Series 2008-A																		
251338M56	4/1/15	5.000%	\$376,635.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$18,831.25	\$395,466.25
251338M64	4/1/16	5.000%	\$394,965.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$39,496.50	\$434,461.50
251338M72	4/1/17	5.000%	\$413,270.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$62,290.50	\$477,560.50
251338M80	4/1/18	4.000%	\$435,575.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$69,692.00	\$505,267.00
251338M98	4/1/19	5.000%	\$453,260.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$113,315.00	\$566,575.00
251338N22	4/1/20	5.000%	\$475,530.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$142,659.00	\$618,189.00
251338N30	4/1/21	5.000%	\$498,765.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$174,917.75	\$673,682.75
251338N48	4/1/22	5.000%	\$524,655.00	Assured	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$209,862.00	\$734,517.00
251338N55	4/1/24	5.000%	\$1,129,220.00	Assured	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$337,067.25	\$1,666,287.25
251338N63	4/1/28	5.000%	\$2,617,380.00	Assured	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$1,643,820.75	\$4,261,200.75
251338N63	4/1/28	5.000%	\$7,322,245.00	Assured	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$106,781.38	\$3,011,952.00	\$10,334,197.00
UTGO Series 2008-B(1)																		
251338P53	4/1/15	5.000%	\$1,044,070.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$52,203.50	\$1,096,273.50
251338P61	4/1/16	5.000%	\$450,640.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$45,064.00	\$495,704.00
251338P79	4/1/17	5.000%	\$468,980.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$70,347.00	\$539,327.00
251338P97	4/1/18	5.000%	\$496,490.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$99,298.00	\$595,788.00
251338P97	4/1/18	5.000%	\$2,460,180.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$266,912.50	\$2,727,092.50
Total																		
					\$286,362.15	\$286,362.15	\$207,836.25	\$207,836.25	\$138,701.82	\$138,701.82	\$138,701.82	\$138,701.82	\$138,701.82	\$138,701.82	\$138,701.82	\$138,701.82	\$12,192,797.36	\$55,542,007.36

Total Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A											
CUSIP 50932XVI							CUSIP 251093N63			CUSIP 251093N63											
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest				Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Ambac	6/30/15	-	\$75,325.00	5.240%	\$1,973.52				10/1/14	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/15	Ambac	6/30/15	\$50,305.00	\$55,020.00	5.240%	\$1,973.52				4/1/15	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/15	Ambac	6/30/16	-	\$55,020.00	5.240%	\$1,441.52				10/1/15	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/16	Ambac	6/30/16	\$21,015.00	\$33,405.00	5.240%	\$1,441.52				4/1/16	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/16	Ambac	6/30/17	-	\$33,405.00	5.240%	\$875.21				10/1/16	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/17	Ambac	6/30/17	\$22,270.00	\$11,135.00	5.240%	\$875.21				4/1/17	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/17	Ambac	6/30/18	-	\$11,135.00	5.240%	\$291.74				10/1/17	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/18	Ambac	6/30/18	\$11,135.00	\$0.00	5.240%	\$291.74				4/1/18	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50					
Total							\$9,163.97				Total							\$2,617,380.00			
Issuance: 2008-A										Issuance: 2008-A											
CUSIP 5093N55							CUSIP 251093N55			CUSIP 251093N55											
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest				Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Assured	6/30/15	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/14	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/15	Assured	6/30/15	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/15	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/15	Assured	6/30/16	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/15	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/16	Assured	6/30/16	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/16	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/16	Assured	6/30/17	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/16	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/17	Assured	6/30/17	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/17	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/17	Assured	6/30/18	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/17	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/18	Assured	6/30/18	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/18	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/18	Assured	6/30/19	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/18	Assured	6/30/19	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/19	Assured	6/30/19	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/19	Assured	6/30/19	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/19	Assured	6/30/20	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/19	Assured	6/30/20	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/20	Assured	6/30/20	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/20	Assured	6/30/20	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/20	Assured	6/30/21	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/20	Assured	6/30/21	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/21	Assured	6/30/21	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/21	Assured	6/30/21	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/21	Assured	6/30/22	-	\$1,129,220.00	5.000%	\$38,230.50				10/1/21	Assured	6/30/22	-	\$2,617,380.00	5.000%	\$65,434.50					
4/1/22	Assured	6/30/22	-	\$1,129,220.00	5.000%	\$38,230.50				4/1/22	Assured	6/30/22	-	\$2,617,380.00	5.000%	\$65,434.50					
10/1/2022	Assured	6/30/2023	\$550,855.00	\$578,365.00	5.000%	\$38,230.50				10/1/2022	Assured	6/30/2023	\$550,855.00	\$578,365.00	5.000%	\$38,230.50					
4/1/2023	Assured	6/30/2023	\$578,365.00	\$0.00	5.000%	\$14,459.13				4/1/2023	Assured	6/30/2023	\$578,365.00	\$0.00	5.000%	\$14,459.13					
10/1/2024	Assured	6/30/2024	\$578,365.00	\$0.00	5.000%	\$14,459.13				10/1/2024	Assured	6/30/2024	\$578,365.00	\$0.00	5.000%	\$14,459.13					
Total							\$537,067.25				Total							\$2,617,380.00			

## **EXHIBIT D**

### **FORM OF CONTINUING DISCLOSURE UNDERTAKING**

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Detroit, County of Wayne, State of Michigan (the "City") in connection with bonds issued by the City, purchased or to be purchased with funds from the Michigan Finance Authority Local Government Loan Program Revenue Bonds, Series [2014], of the Type designated City of Detroit Unlimited Tax General Obligation Local Project Bonds (the "Local Project Municipal Obligations") by the Michigan Finance Authority (the "MFA"). The City covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

- (a) *Definitions.* The following terms used herein shall have the following meanings:

"Audited Financial Statements" means the annual audited financial statement pertaining to the City prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

"Bondholders" shall mean the MFA and the registered owner of any MFA Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any MFA Bond (including any person holding an MFA Bond through a nominee, depository or other intermediary), or (b) is treated as the owner of any MFA Bond for federal income tax purposes.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access System or such other system, Internet Web Site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"MFA Bond" means any bond issued by the MFA which is secured in whole or in part by payments to be received on the Local Project Municipal Obligations.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

"SEC" means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The City hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA no later than 270 days after the end of its fiscal year the following annual financial information and operating data, commencing with the fiscal year ended June 30, 20\_\_ in an electronic format as prescribed by the MSRB, the Audited Financial Statements and updates of certain financial and operating data of the City appearing under the headings and tables in the Official Statement of



the MFA dated \_\_\_\_\_, 2014 relating to the MFA Bonds as follows: [Tables 1 through 32, inclusive, and 42 in Appendix II to the Official Statement ("Annual Financial Information").]

If the fiscal year of the City is changed, the City shall send notice of such change to the MSRB through EMMA prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

In the event that the Audited Financial Statements are not available by the date specified above, they will be provided when available and Unaudited Financial Statements will be filed by such date and the Audited Financial Statements will be filed as soon as available.

Such annual financial information and operating data described above are expected to be provided directly by the City by specific reference to documents available to the public through EMMA or filed with the SEC.

(c) *Notice of Failure to Disclose.* The City agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the City to provide the annual financial information with respect to the City described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The City agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Local Project Municipal Obligations:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Local Project Municipal Obligations, or other material events affecting the tax status of the Local Project Municipal Obligations;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Local Project Municipal Obligations, if material;
- (11) rating changes;



- (12) bankruptcy, insolvency, receivership or similar event of the City, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) *Materiality Determined Under Federal Securities Laws.* The City agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Termination of Reporting Obligation.* The City reserves the right to terminate their obligation to provide annual financial information and notices of material events, as set forth above, if and when the City is no longer an "obligated person" with respect to the MFA Bonds within the meaning of the Rule, including upon legal defeasance of all MFA Bonds.

(g) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(h) *Benefit of Bondholders.* The City agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder and any failure by the City to comply with the provisions of this undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the City, provided that the City agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a)



the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the MFA Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the City (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the City in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

(j) *Municipal Advisory Council of the State of Michigan.* The City shall also file by electronic or other means any information or notice required to be filed with the MSRB through EMMA pursuant to this Undertaking in a timely manner with the Municipal Advisory Council of the State of Michigan.

CITY OF DETROIT  
County of Wayne  
State of Michigan

By \_\_\_\_\_  
Its: Finance Director

Dated: \_\_\_\_\_, 2014

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Exhibit C

ANNUAL CERTIFICATION OF IMPOSITION OF DEBT MILLAGE LEVY



Exhibit C  
ANNUAL CERTIFICATION OF IMPOSITION OF DEBT MILLAGE LEVY

## Millage Calculation

Numerator		
Fiscal Year 2015 Interest	\$	24,753,181
Fiscal Year 2015 Principal	\$	37,795,000
Projected Bond Sales - Current Year (Interest)	\$	-
Projected Bond Sales - Current Year (Principal)	\$	-
Projected Bond Sales - Next Year (Interest)	\$	-
Projected Bond Sales - Next Year (Principal)	\$	-
<b>Fiscal Year 2015 Debt Service</b>	<b>\$</b>	<b>62,548,181</b>
Prior Year 2010E BAB Federal Tax Rebates	\$	3,351,142
Prior Year Real Property Tax Overcollection / (Undercollection)	\$	-
Prior Year Personal Property Tax Overcollection / (Undercollection)	\$	-
Earnings in Escrow Account	\$	-
Change in Escrow Account Funding Balance	\$	-
<b>Total Adjustments</b>	<b>\$</b>	<b>3,351,142</b>
<b>Tax Levy Requirement</b>	<b>\$</b>	<b>59,197,039</b>

Denominator		
Total Net Tax Base	\$	6,025,940,795

Millage		
Tax Rate		0.0098237
Tax Rate (per \$1000 valuation)		9.8237

Chief Financial Officer  
City of Detroit

Date

Exhibit D

FORM OF SETTLEMENT ESCROW AGREEMENT

D-1

AFDOCS/10855025.6

CLI-2220387v14

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## SETTLEMENT ESCROW AGREEMENT

THIS SETTLEMENT ESCROW AGREEMENT (the "Agreement" or "Settlement Escrow Agreement"), is dated as of the \_\_\_\_ day of \_\_\_\_\_, 2014, made by and among the City of Detroit, County of Wayne, State of Michigan (the "City"), Ambac Assurance Corporation ("Ambac"), Assured Guaranty Municipal Corp. and Assured Guaranty Corp. (together, "Assured"), and National Public Finance Guarantee Corporation ("NPFG"), and U. S. Bank National Association, Detroit, Michigan (in such capacity, the "Settlement Escrow Trustee"). In this Agreement, each of the City, Ambac, Assured, NPFG and the Settlement Escrow Trustee is referred to individually as a "Party"; Ambac, Assured, and NPFG (including their successors and assigns) are referred to collectively as the "Bond Insurers"; and the City, the Settlement Escrow Trustee and the Bond Insurers are referred to collectively as the "Parties."

Capitalized terms not otherwise defined herein shall have the meaning set forth in the UTGO Settlement Agreement (defined herein).

### WITNESSETH:

WHEREAS, the City and the Bond Insurers have heretofore entered into a Settlement Agreement, dated XX (the "UTGO Settlement Agreement") to consensually resolve their dispute under or in respect of the Prior UTGO Bonds, the Assured/NPFG Action, the AMBAC Action as it relates to the Prior UTGO Bonds, and the UTGO Claims, all arising out of a petition for relief filed by the City pursuant to Chapter 9 of title 11 of the United States Code in the United States Bankruptcy Court for the Eastern District of Michigan;

WHEREAS, if the Effective Date of the Plan does not occur on or prior to September 30, 2014, for any reason other than proximately by reason of the actions or positions taken by any of the Bond Insurers, or their failure to support the Plan as described in Section 3.1 of the UTGO Settlement Agreement, solely in their capacity as the insurers of the Prior UTGO Bonds and not in any other capacity (including, for the avoidance of doubt in their capacity as insurers of any other obligations of the City), the City will be obligated to pay into an escrow to be established with the Settlement Escrow Trustee under this Agreement the October 2014 scheduled interest debt service payment that would otherwise be made on the Restructured UTGO Bonds as if the transaction contemplated by the UTGO Settlement Agreement (other than the MFA Bond issuance) had closed (the "Pro Forma Restructured UTGO Bonds"), and any pro rata payments of principal and interest due thereafter, as further described in Section 2.8 of the UTGO Settlement Agreement and herein;

WHEREAS, the City has executed the Debt Millage Escrow Agreement pursuant to which the City will be required, as of the Effective Date, to segregate and deposit the UTGO Tax Levy with the Debt Millage Escrow Trustee;

NOW, THEREFORE, in consideration of the mutual undertakings, provisions and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to provide for the payment of the Pro Forma Restructured UTGO Bonds should the Effective Date



not occur on or prior to September 30, 2014, and to secure the performance and observance of the conditions and covenants herein set forth and for other valuable consideration, the receipt of which is hereby acknowledged, the City covenants and agrees with the Settlement Escrow Trustee and the Bond Insurers as follows:

**ARTICLE I.**  
**ESTABLISHMENT OF FUNDS AND ACCOUNTS**

Section 101 Establishment of Settlement Escrow Fund. There is hereby created and established with the Settlement Escrow Trustee, pursuant to Order No. \_\_\_\_ and this Agreement, a single and common trust fund designated the "Settlement Escrow Fund" (the "**Settlement Escrow Fund**").

Section 102 Deposits to the Settlement Escrow Fund.

(a) If the Effective Date of the Plan does not occur on or prior to September 30, 2014 for any reason other than proximately by reason of the actions or positions taken by any of the Bond Insurers, or their failure to support the Plan as described in Section 3.1 of the UTGO Settlement Agreement, solely in their capacity as the insurers of the Prior UTGO Bonds and not in any other capacity (including, for the avoidance of doubt in their capacity as insurers of any other obligations of the City), the City shall pay the Settlement Escrow Trustee, from Debt Millage Revenues, for deposit into the Settlement Escrow Fund the October 2014 scheduled interest debt service payment with respect to the Pro Forma Restructured UTGO Bonds, as shown on Exhibit A, and any pro rata payments of principal and interest due thereafter, as shown on Exhibit A, as if the transaction contemplated by the UTGO Settlement Agreement (other than the MFA Bond issuance) had closed. Any such monies in the Settlement Escrow Fund which would have been payable on October 1, 2014 shall be released to the Bond Insurers on the Effective Date of the Plan. Any other monies then on deposit in the Settlement Escrow Fund shall be transferred on the Effective Date to the Debt Millage Escrow Trustee for deposit in the 2014 UTGO Municipal Obligation Subaccount in the 2014 UTGO Bonds Account established pursuant to the Debt Millage Escrow Agreement.

(b) If the Plan is not effective by March 31, 2015, and the Bankruptcy Court has issued an Approval Order (that is not stayed pending appeal) approving the settlement embodied in the UTGO Settlement Agreement, the monies in the Settlement Escrow Fund will be released and paid to the Bond Insurers in the amounts shown in Exhibit A for each prior interest payment date and the City shall make, or shall cause the Debt Millage Escrow Trustee to make, all subsequent debt service payments on each interest date payment (as shown on Exhibit A) directly to the paying agent for the Prior UTGO Bonds. If an Approval Order is entered but is subject to a stay pending appeal, the City shall continue to pay into the Settlement Escrow Fund the scheduled debt service on the Pro Forma Restructured UTGO Bonds as shown on Exhibit A for so long as such stay remains in effect, and, as soon as such order is no longer subject to stay, shall thereafter apply all monies in the Settlement Escrow Fund first, to immediately reimburse the Bond Insurers for payments of principal and interest made on and after October 1, 2014 with respect to the Prior UTGO Bonds, and thereafter to make payments directly to the Paying Agent for the UTGO Bonds.



(c) Notwithstanding the foregoing, if any Bond Insurer shall have defaulted in its obligation to make payments under its respective Bond Insurance Policy or Policies, any payment required to be made to such Bond Insurer shall be made to the holders of the Prior UTGOs at the direction of the City but only to the extent of any uncured failure or shortfall in the Bond Insurer's payment.

Section 103 Partial Payments; Accounting.

(a) If on any interest payment date amounts held in the Settlement Escrow Fund are less than the amounts due with respect to all Pro Forma Restructured UTGO Bonds (as shown on Exhibit A), such payments shall distributed pro rata based upon the aggregate amount payable to each Bond Insurer. If the City fails to deposit into the Settlement Escrow Fund, or to otherwise pay to the Bond Insurers or holders of the Prior UTGO the amounts required by this Agreement, any deficiencies shall be paid into the Settlement Escrow Fund from the first available amounts of the Aggregate UTGO Tax Levy as provided for in Section 2.4(b)(i) of the UTGO Settlement Agreement, and shall be distributed to, or at the direction of the Bond Insurers, pro rata, as soon as practicable (subject to Section 102(b)) hereof.

(b) The Settlement Escrow Trustee shall keep and maintain a record showing each deposit into the Settlement Escrow Fund, and all transfers of funds made therefrom, which shall be provided to any Bond Insurer upon request.

(c) Any payment to a Bond Insurer shall be paid by wire transfer in immediately available funds into the accounts as shown in Section 501.

**ARTICLE II.**  
**INVESTMENT OF FUNDS**

Section 201 Permitted Investments. All money held by the Settlement Escrow Fund, without the need for further direction by the City, shall be invested by the Settlement Escrow Trustee in accordance with written instructions from the City in mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, that are at the time of purchase within the highest classification established by not less than two standard rating services and so long as the portfolio of such mutual funds is limited to bonds, and other obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by the full faith and credit of the United States. All investments shall mature or be redeemable at the option of the holder no later than the next interest payment date on the Pro Forma Restructured UTGO Bonds. In the absence of any written direction delivered to the Settlement Escrow Trustee by the City, the Settlement Escrow Trustee shall hold funds uninvested. The Settlement Escrow Trustee shall be entitled to rely on any written direction from the City as to the suitability and legality of the directed investment.



**ARTICLE III.**  
**THE SETTLEMENT ESCROW TRUSTEE**

Section 301 Powers and Duties of Settlement Escrow Trustee. (a) The Settlement Escrow Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters hereof, and may in all cases be reimbursed hereunder for reasonable compensation paid to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Settlement Escrow Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

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

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

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

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

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

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

(h) All moneys received by the Settlement Escrow Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purpose for which they



were received, but need not be segregated from other funds except to the extent required by this Settlement Escrow Agreement, as amended, or by law. The Settlement Escrow Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

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

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

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

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

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

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

Section 302 Fees and Expenses of Settlement Escrow Trustee. (a) The Settlement Escrow Trustee shall be entitled to reasonable and customary fees for services rendered under this Agreement, as amended, and shall be reimbursed for all expenses reasonably incurred in connection with such services. Such fees and expenses shall be payable by the City and shall be determined in accordance with the Fee Schedule attached as Exhibit E of this Agreement or as otherwise may be agreed to by the City and the Settlement Escrow Trustee. The Settlement Escrow Trustee shall not have a lien for the payment of its fees and expenses upon any of the money deposited with it in accordance with this Agreement.

(b) The City shall be liable for all fees, expenses, charges, losses, costs, liabilities and damages (including reasonable attorneys' or other professional fees) incurred by the Settlement



Escrow Trustee pursuant to this Agreement except for those which are adjudicated to have resulted from the gross negligence or willful misconduct of the Settlement Escrow Trustee, and shall pay such amounts to or at the direction of the Settlement Escrow Trustee.

Section 303 Resignation; Appointment of Successor Settlement Escrow Trustee; Successor Settlement Escrow Trustee Upon Merger, Consolidation or Sale. (a) The Settlement Escrow Trustee and any successor Settlement Escrow Trustee may resign only upon giving 60 days' prior written notice to the City and the Bond Insurers. Such resignation shall take effect only upon the appointment of a successor Settlement Escrow Trustee and the acceptance of such appointment by the successor Settlement Escrow Trustee. Upon appointment of a successor Settlement Escrow Trustee, the resigning Settlement Escrow Trustee shall, after payment of its fees, costs and expenses, assign all of its right, title and interest in the Settlement Escrow Fund, and transfer and assign its right, title and interest in the Settlement Escrow Agreement to the successor Settlement Escrow Trustee. The successor Settlement Escrow Trustee shall meet the requirements of Section 303(b) below and shall accept in writing its duties and responsibilities hereunder and file such acceptance with the City.

(b) In case the Settlement Escrow Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may be appointed by the Bond Insurers, with the prior written consent of the City (to the extent that no breach by the City of any material agreement or covenant, i.e. an "Event of Default," shall have occurred and be continuing under this Settlement Escrow Agreement, written notice of which has been provided by the Bond Insurers to the City and the Settlement Escrow Trustee), which consent shall not be unreasonably be withheld. Every such Settlement Escrow Trustee appointed pursuant to the provisions of this Section 303(b) (i) shall at all times be a bank having trust powers or a trust company, (ii) shall at all times be organized and doing business under the laws of the United States of America or of any state, (iii) shall have, or be wholly owned by an entity having, a combined capital and surplus of at least \$75,000,000, (iv) shall be authorized under such laws to exercise corporate trust powers, and (v) shall be subject to supervision or examination by federal or state authority.

(c) Any corporation or association into which the Settlement Escrow Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such company shall be eligible under Section 303(b) hereof, shall be and become successor Settlement Escrow Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 304 Removal of Settlement Escrow Trustee. The Settlement Escrow Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Settlement Escrow Trustee signed by the City and by all of the Bond Insurers. No removal of the Settlement Escrow Trustee and no appointment of a successor Settlement Escrow Trustee



shall become effective until the successor Settlement Escrow Trustee has accepted its appointment. Upon such removal and the payment of its fees, costs and expenses, the Settlement Escrow Trustee shall assign to the successor Settlement Escrow Trustee all of its right, title and interest in the Trust Estate.

#### **ARTICLE IV. MISCELLANEOUS**

Section 401 Notices; Payment Accounts. Except as other provided, all notices, certificates, requests, complaints, demands or other communications under this Agreement shall be deemed sufficiently given when sent by first class mail or overnight mail postage prepaid, addressed as follows:

If to the City, to:	City of Detroit Coleman A. Young Municipal Center 2 Woodward Avenue, Suite 1126 Detroit MI 48226 Attention: Chief Financial Officer
If to the Settlement Escrow Trustee, to:	[U.S. Bank National Association 535 Griswold, Suite 550 Detroit, Michigan 48226 Attention: Corporate Trust Services]
If to the Bond Insurers, to:	Ambac Assurance Corporation One State Street Plaza New York, New York 10004 Attention: Surveillance Department and General Counsel's Office
	 Assured Guaranty Municipal Corp and Assured Guaranty Corp. 31 West 52 <sup>nd</sup> Street New York, NY 10019 Attention: Kevin J. Lyons Attention: Terence Workman
	 National Public Finance Guarantee Corporation 113 King Street Armonk, NY 10504 Attention: Kenneth Epstein and William J. Rizzo

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

All payments to the Bond Insurers shall be made by wire transfer to the following accounts, unless otherwise changed by any Bond Insurer by written notice to the Escrow Agent:

[TO COME]

Section 402 Termination. This Agreement shall terminate following delivery of written direction from the City and the Bond Insurers to the Settlement Escrow Trustee to so terminate, together with written notice that all fees owed to the Settlement Escrow Trustee have been paid in full. Upon termination of this Agreement, any money remaining on deposit in the funds and accounts created and established hereunder shall be paid to the City.

Section 403 Amendments. This Agreement shall only be amended by the written agreement of all Parties.

Section 404 Severability. If any one or more sections, clauses or provisions of this Settlement Escrow Agreement shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions of the Agreement.

Section 405 Headings. Any headings shall be solely for convenience of reference and shall not constitute a part of the Agreement, nor shall they affect its meaning, construction or effect.

Section 406 Settlement Escrow Agreement Executed in Counterparts. This Settlement Escrow Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, and such counterparts together shall and will constitute one and the same instrument.

Section 407 Parties Interested Herein. Nothing in this Settlement Escrow Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Settlement Escrow Trustee, the City and the Bond Insurers any right, remedy or claim under or by reason of this Settlement Escrow Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement on behalf of the City shall be for the sole and exclusive benefit of the Settlement Escrow Trustee, the City, and the Bond Insurers.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

CITY OF DETROIT

By \_\_\_\_\_  
Kevyn D. Orr  
Its: Emergency Manager

AMBAC ASSURANCE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

ASSURED GUARANTY CORP.

By: \_\_\_\_\_  
Name:  
Title:

ASSURED GUARANTY MUNICIPAL CORP.

By: \_\_\_\_\_  
Name:  
Title:

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:



U. S. BANK NATIONAL ASSOCIATION,  
as Escrow Trustee

By \_\_\_\_\_

Its: \_\_\_\_\_



**EXHIBIT A**

**RESTRUCTURED UTGO BONDS DEBT SERVICE REQUIREMENTS  
AND APPLICABLE BOND INSURER**

## UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

SIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/19	4/1/20	10/1/20	4/1/21
UT 1999-A																
033303X16	4/1/15	5.250%	\$2,476,650.00	Assured	\$65,012.06	\$65,012.06	\$65,066.38	\$65,066.38	\$68,325.13	\$68,325.13	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$75,385.75	\$75,385.75
033303X17	4/1/16	5.000%	\$2,602,653.00	Assured	\$65,066.38	\$65,066.38	\$68,325.13	\$68,325.13	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$75,385.75	\$75,385.75	\$75,385.75	\$75,385.75
033303X18	4/1/17	5.000%	\$2,733,005.00	Assured	\$68,325.13	\$68,325.13	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$79,970.75	\$79,970.75	\$83,555.37	\$83,555.37	\$83,555.37	\$83,555.37
033303X19	4/1/18	5.000%	\$2,873,045.00	Assured	\$71,801.13	\$71,801.13	\$75,385.75	\$75,385.75	\$79,970.75	\$79,970.75	\$83,555.37	\$83,555.37	\$87,140.00	\$87,140.00	\$87,140.00	\$87,140.00
033303X20	4/1/19	5.000%	\$3,015,430.00	Assured	\$75,385.75	\$75,385.75	\$79,970.75	\$79,970.75	\$83,555.37	\$83,555.37	\$87,140.00	\$87,140.00	\$90,724.62	\$90,724.62	\$90,724.62	\$90,724.62
033303X21	4/1/20	5.000%	\$3,169,978.00	Assured	\$79,970.75	\$79,970.75	\$83,555.37	\$83,555.37	\$87,140.00	\$87,140.00	\$90,724.62	\$90,724.62	\$94,309.25	\$94,309.25	\$94,309.25	\$94,309.25
UT 2000-A(1)																
033303X26	4/1/15	5.75%	\$5,141,860.00	NPPG	\$138,724.99	\$138,724.99	\$146,108.39	\$146,108.39	\$154,138.88	\$154,138.88	\$162,169.37	\$162,169.37	\$170,199.86	\$170,199.86	\$170,199.86	\$170,199.86
033303X27	4/1/16	5.75%	\$5,439,940.00	NPPG	\$146,108.39	\$146,108.39	\$154,138.88	\$154,138.88	\$162,169.37	\$162,169.37	\$170,199.86	\$170,199.86	\$178,230.35	\$178,230.35	\$178,230.35	\$178,230.35
033303X28	4/1/17	5.75%	\$5,735,400.00	NPPG	\$154,138.88	\$154,138.88	\$162,169.37	\$162,169.37	\$170,199.86	\$170,199.86	\$178,230.35	\$178,230.35	\$186,260.84	\$186,260.84	\$186,260.84	\$186,260.84
033303X29	4/1/18	5.75%	\$6,030,860.00	NPPG	\$162,169.37	\$162,169.37	\$170,199.86	\$170,199.86	\$178,230.35	\$178,230.35	\$186,260.84	\$186,260.84	\$194,291.33	\$194,291.33	\$194,291.33	\$194,291.33
033303X30	4/1/19	5.000%	\$12,166,000.00	NPPG	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00
033303X31	4/1/20	5.000%	\$12,166,000.00	NPPG	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00
033303X32	4/1/21	5.000%	\$12,166,000.00	NPPG	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00
033303X33	4/1/22	5.000%	\$12,166,000.00	NPPG	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00	\$304,150.00
UT 2002																
033303X35	4/1/21	5.125%	\$2,815,560.00	NPPG	\$72,148.73	\$72,148.73	\$75,822.97	\$75,822.97	\$79,507.21	\$79,507.21	\$83,191.45	\$83,191.45	\$86,875.69	\$86,875.69	\$86,875.69	\$86,875.69
033303X36	4/1/22	5.125%	\$2,938,045.00	NPPG	\$75,822.97	\$75,822.97	\$79,507.21	\$79,507.21	\$83,191.45	\$83,191.45	\$86,875.69	\$86,875.69	\$90,560.93	\$90,560.93	\$90,560.93	\$90,560.93
033303X37	4/1/23	5.125%	\$3,060,530.00	NPPG	\$79,507.21	\$79,507.21	\$83,191.45	\$83,191.45	\$86,875.69	\$86,875.69	\$90,560.93	\$90,560.93	\$94,246.17	\$94,246.17	\$94,246.17	\$94,246.17
UT 2003-A																
033303X39	4/1/15	4.000%	\$2,600,700.00	Syncona	\$5,214.00	\$5,214.00	\$5,319.69	\$5,319.69	\$5,425.37	\$5,425.37	\$5,531.06	\$5,531.06	\$5,636.75	\$5,636.75	\$5,636.75	\$5,636.75
033303X40	4/1/16	5.250%	\$2,215,950.00	Syncona	\$68,319.69	\$68,319.69	\$71,855.44	\$71,855.44	\$75,391.19	\$75,391.19	\$78,926.94	\$78,926.94	\$82,462.69	\$82,462.69	\$82,462.69	\$82,462.69
033303X41	4/1/17	5.250%	\$2,602,655.00	Syncona	\$71,855.44	\$71,855.44	\$75,391.19	\$75,391.19	\$78,926.94	\$78,926.94	\$82,462.69	\$82,462.69	\$86,000.00	\$86,000.00	\$86,000.00	\$86,000.00
033303X42	4/1/18	5.250%	\$2,937,350.00	Syncona	\$75,391.19	\$75,391.19	\$78,926.94	\$78,926.94	\$82,462.69	\$82,462.69	\$86,000.00	\$86,000.00	\$89,535.75	\$89,535.75	\$89,535.75	\$89,535.75
033303X43	4/1/19	5.250%	\$3,272,810.00	Syncona	\$78,926.94	\$78,926.94	\$82,462.69	\$82,462.69	\$86,000.00	\$86,000.00	\$89,535.75	\$89,535.75	\$93,071.50	\$93,071.50	\$93,071.50	\$93,071.50
033303X44	4/1/20	4.500%	\$4,934,500.00	Syncona	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25	\$9,776.25
033303X45	4/1/21	5.250%	\$2,425,72.00	Syncona	\$72,425.72	\$72,425.72	\$75,961.47	\$75,961.47	\$79,497.22	\$79,497.22	\$83,032.97	\$83,032.97	\$86,568.72	\$86,568.72	\$86,568.72	\$86,568.72
033303X46	4/1/22	5.250%	\$3,354,300.00	Syncona	\$86,051.43	\$86,051.43	\$89,587.18	\$89,587.18	\$93,122.93	\$93,122.93	\$96,658.68	\$96,658.68	\$100,194.43	\$100,194.43	\$100,194.43	\$100,194.43
033303X47	4/1/23	5.250%	\$4,534,500.00	Syncona	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81	\$10,047.81
033303X48	4/1/22	4.625%	\$1,047,81.00	Syncona	\$81,322.11	\$81,322.11	\$84,857.86	\$84,857.86	\$88,393.61	\$88,393.61	\$91,929.36	\$91,929.36	\$95,465.11	\$95,465.11	\$95,465.11	\$95,465.11
033303X49	4/1/23	4.625%	\$1,047,81.00	Syncona	\$84,857.86	\$84,857.86	\$88,393.61	\$88,393.61	\$91,929.36	\$91,929.36	\$95,465.11	\$95,465.11	\$99,000.86	\$99,000.86	\$99,000.86	\$99,000.86
033303X50	4/1/23	4.625%	\$1,047,81.00	Syncona	\$88,393.61	\$88,393.61	\$91,929.36	\$91,929.36	\$95,465.11	\$95,465.11	\$99,000.86	\$99,000.86	\$102,536.61	\$102,536.61	\$102,536.61	\$102,536.61
033303X51	4/1/23	5.250%	\$2,411,475.00	Syncona	\$63,301.22	\$63,301.22	\$66,836.97	\$66,836.97	\$70,372.72	\$70,372.72	\$73,908.47	\$73,908.47	\$77,444.22	\$77,444.22	\$77,444.22	\$77,444.22
033303X52	4/1/23	5.250%	\$2,525,375.00	Syncona	\$66,836.97	\$66,836.97	\$70,372.72	\$70,372.72	\$73,908.47	\$73,908.47	\$77,444.22	\$77,444.22	\$80,979.97	\$80,979.97	\$80,979.97	\$80,979.97
UT 2004-A(1)																
033303X53	4/1/19	5.250%	\$5,910,500.00	Ambac	\$102,650.63	\$102,650.63	\$106,186.38	\$106,186.38	\$109,722.13	\$109,722.13	\$113,257.88	\$113,257.88	\$116,793.63	\$116,793.63	\$116,793.63	\$116,793.63
033303X54	4/1/20	5.250%	\$6,187,665.00	Ambac	\$106,186.38	\$106,186.38	\$109,722.13	\$109,722.13	\$113,257.88	\$113,257.88	\$116,793.63	\$116,793.63	\$120,329.38	\$120,329.38	\$120,329.38	\$120,329.38
033303X55	4/1/21	5.000%	\$5,735,400.00	Ambac	\$113,257.88	\$113,257.88	\$116,793.63	\$116,793.63	\$120,329.38	\$120,329.38	\$123,865.13	\$123,865.13	\$127,400.88	\$127,400.88	\$127,400.88	\$127,400.88
033303X56	4/1/22	5.250%	\$6,022,170.00	Ambac	\$116,793.63	\$116,793.63	\$120,329.38	\$120,329.38	\$123,865.13	\$123,865.13	\$127,400.88	\$127,400.88	\$130,936.63	\$130,936.63	\$130,936.63	\$130,936.63
033303X57	4/1/23	5.000%	\$3,525,875.00	Ambac	\$127,400.88	\$127,400.88	\$130,936.63	\$130,936.63	\$134,472.38	\$134,472.38	\$138,008.13	\$138,008.13	\$141,543.88	\$141,543.88	\$141,543.88	\$141,543.88
033303X58	4/1/23	5.000%	\$6,013,480.00	Ambac	\$130,936.63	\$130,936.63	\$134,472.38	\$134,472.38	\$138,008.13	\$138,008.13	\$141,543.88	\$141,543.88	\$145,079.63	\$145,079.63	\$145,079.63	\$145,079.63
033303X59	4/1/24	4.000%	\$6,862,165.00	Ambac	\$134,472.38	\$134,472.38	\$138,008.13	\$138,008.13	\$141,543.88	\$141,543.88	\$145,079.63	\$145,079.63	\$148,615.38	\$148,615.38	\$148,615.38	\$148,615.38
033303X60	4/1/24	5.250%	\$5,987,410.00	Ambac	\$138,008.13	\$138,008.13	\$141,543.88	\$141,543.88	\$145,079.63	\$145,079.63	\$148,615.38	\$148,615.38	\$152,151.13	\$152,151.13	\$152,151.13	\$152,151.13
033303X61	4/1/24	5.250%	\$34,125,630.00	Ambac	\$884,385.65	\$884,385.65	\$919,741.40	\$919,741.40	\$955,097.15	\$955,097.15	\$990,452.90	\$990,452.90	\$1,025,808.65	\$1,025,808.65	\$1,025,808.65	\$1,025,808.65
Report to Mandator: Redemption																



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## UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

SIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
Interest																				
<hr/>																				
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1999-A				Assured															\$130,024.13	\$2,606,674.13
2000-AX	4/1/15	5.250%	\$2,476,650.00	Assured															\$200,265.50	\$2,662,920.50
2000-AX	4/1/16	5.000%	\$2,602,655.00	Assured															\$314,955.75	\$3,142,955.75
2000-AX	4/1/17	5.000%	\$2,733,005.00	Assured															\$409,950.75	\$3,446,454.00
2000-AX	4/1/18	5.000%	\$2,872,045.00	Assured															\$574,409.00	\$3,760,287.50
2000-AX	4/1/19	5.000%	\$3,015,430.00	Assured															\$753,857.50	\$4,019,145.00
2000-AX	4/1/20	5.000%	\$3,166,000.00	Assured															\$948,307.50	\$4,287,307.50
2000-AX	4/1/21	5.000%	\$3,324,000.00	Assured															\$1,148,307.50	\$4,565,615.00
2000-AX	4/1/22	5.000%	\$3,488,000.00	Assured															\$1,362,307.50	\$4,847,922.50
2000-AX	4/1/23	5.000%	\$3,658,000.00	Assured															\$1,586,307.50	\$5,134,230.00
2000-AX	4/1/24	5.000%	\$3,834,000.00	Assured															\$1,820,307.50	\$5,424,537.50
2000-AX	4/1/25	5.000%	\$4,016,000.00	Assured															\$2,064,307.50	\$5,718,845.00
2000-AX	4/1/26	5.000%	\$4,204,000.00	Assured															\$2,318,307.50	\$6,017,152.50
2000-AX	4/1/27	5.000%	\$4,398,000.00	Assured															\$2,582,307.50	\$6,319,460.00
2000-AX	4/1/28	5.000%	\$4,598,000.00	Assured															\$2,856,307.50	\$6,625,767.50
2000-AX	4/1/29	5.000%	\$4,804,000.00	Assured															\$3,140,307.50	\$6,936,075.00
2000-AX	4/1/30	5.000%	\$5,016,000.00	Assured															\$3,434,307.50	\$7,250,382.50
2000-AX	4/1/31	5.000%	\$5,234,000.00	Assured															\$3,738,307.50	\$7,568,690.00
2000-AX	4/1/32	5.000%	\$5,458,000.00	Assured															\$4,052,307.50	\$7,890,997.50
2000-AX	4/1/33	5.000%	\$5,688,000.00	Assured															\$4,376,307.50	\$8,217,305.00
2000-AX	4/1/34	5.000%	\$5,922,000.00	Assured															\$4,710,307.50	\$8,547,612.50
2000-AX	4/1/35	5.000%	\$6,162,000.00	Assured															\$5,054,307.50	\$8,881,920.00
2000-AX	4/1/36	5.000%	\$6,404,000.00	Assured															\$5,398,307.50	\$9,200,227.50
2000-AX	4/1/37	5.000%	\$6,650,000.00	Assured															\$5,742,307.50	\$9,518,305.00
2000-AX	4/1/38	5.000%	\$6,900,000.00	Assured															\$6,086,307.50	\$9,836,305.00
2000-AX	4/1/39	5.000%	\$7,154,000.00	Assured															\$6,472,307.50	\$10,154,305.00
2000-AX	4/1/40	5.000%	\$7,412,000.00	Assured															\$6,858,307.50	\$10,472,305.00
2000-AX	4/1/41	5.000%	\$7,674,000.00	Assured															\$7,244,307.50	\$10,790,305.00
2000-AX	4/1/42	5.000%	\$7,940,000.00	Assured															\$7,630,307.50	\$11,108,305.00
2000-AX	4/1/43	5.000%	\$8,210,000.00	Assured															\$8,016,307.50	\$11,426,305.00
2000-AX	4/1/44	5.000%	\$8,484,000.00	Assured															\$8,402,307.50	\$11,744,305.00
2000-AX	4/1/45	5.000%	\$8,762,000.00	Assured															\$8,788,307.50	\$12,062,305.00
2000-AX	4/1/46	5.000%	\$9,044,000.00	Assured															\$9,174,307.50	\$12,380,305.00
2000-AX	4/1/47	5.000%	\$9,330,000.00	Assured															\$9,560,307.50	\$12,698,305.00
2000-AX	4/1/48	5.000%	\$9,620,000.00	Assured															\$9,946,307.50	\$13,016,305.00
2000-AX	4/1/49	5.000%	\$9,914,000.00	Assured															\$10,332,307.50	\$13,334,305.00
2000-AX	4/1/50	5.000%	\$10,212,000.00	Assured															\$10,718,307.50	\$13,652,305.00
2000-AX	4/1/51	5.000%	\$10,500,000.00	Assured															\$11,104,307.50	\$13,970,305.00
2000-AX	4/1/52	5.000%	\$10,792,000.00	Assured															\$11,490,307.50	\$14,288,305.00
2000-AX	4/1/53	5.000%	\$11,088,000.00	Assured															\$11,876,307.50	\$14,606,305.00
2000-AX	4/1/54	5.000%	\$11,388,000.00	Assured															\$12,262,307.50	\$14,924,305.00
2000-AX	4/1/55	5.000%	\$11,692,000.00	Assured															\$12,648,307.50	\$15,242,305.00
2000-AX	4/1/56	5.000%	\$12,000,000.00	Assured															\$13,034,307.50	\$15,560,305.00
2000-AX	4/1/57	5.000%	\$12,312,000.00	Assured															\$13,420,307.50	\$15,878,305.00
2000-AX	4/1/58	5.000%	\$12,628,000.00	Assured															\$13,806,307.50	\$16,196,305.00
2000-AX	4/1/59	5.000%	\$12,948,000.00	Assured															\$14,192,307.50	\$16,514,305.00
2000-AX	4/1/60	5.000%	\$13,272,000.00	Assured															\$14,578,307.50	\$16,832,305.00
2000-AX	4/1/61	5.000%	\$13,600,000.00	Assured															\$14,964,307.50	\$17,150,305.00
2000-AX	4/1/62	5.000%	\$13,932,000.00	Assured															\$15,350,307.50	\$17,468,305.00
2000-AX	4/1/63	5.000%	\$14,268,000.00	Assured															\$15,736,307.50	\$17,786,305.00
2000-AX	4/1/64	5.000%	\$14,608,000.00	Assured															\$16,122,307.50	\$18,104,305.00
2000-AX	4/1/65	5.000%	\$14,952,000.00	Assured															\$16,508,307.50	\$18,422,305.00
2000-AX	4/1/66	5.000%	\$15,300,000.00	Assured															\$16,894,307.50	\$18,740,305.00
2000-AX	4/1/67	5.000%	\$15,652,000.00	Assured															\$17,280,307.50	\$19,058,305.00
2000-AX	4/1/68	5.000%	\$16,008,000.00	Assured															\$17,666,307.50	\$19,376,305.00
2000-AX	4/1/69	5.000%	\$16,368,000.00	Assured															\$18,052,307.50	\$19,694,305.00
2000-AX	4/1/70	5.000%	\$16,732,000.00	Assured															\$18,438,307.50	\$20,012,305.00
2000-AX	4/1/71	5.000%	\$17,100,000.00	Assured															\$18,824,307.50	\$20,330,305.00
2000-AX	4/1/72	5.000%	\$17,472,000.00	Assured															\$19,210,307.50	\$20,648,305.00
2000-AX	4/1/73	5.000%	\$17,848,000.00	Assured															\$19,596,307.50	\$20,966,305.00
2000-AX	4/1/74	5.000%	\$18,228,000.00	Assured															\$19,982,307.50	\$21,284,305.00
2000-AX	4/1/75	5.000%	\$18,612,000.00	Assured															\$20,368,307.50	\$21,602,305.00
2000-AX	4/1/76	5.000%	\$19,000,000.00	Assured															\$20,754,307.50	\$21,920,305.00
2000-AX	4/1/77	5.000%	\$19,392,000.00	Assured															\$21,140,307.50	\$22,238,305.00
2000-AX	4/1/78	5.000%	\$19,788,000.00	Assured															\$21,526,307.50	\$22,556,305.00
2000-AX	4/1/79	5.000%	\$20,188,000.00	Assured															\$21,912,307.50	\$22,874,305.00
2000-AX	4/1/80	5.000%	\$20,592,000.00	Assured															\$22,298,307.50	\$23,192,305.00
2000-AX	4/1/81	5.000%	\$21,000,000.00	Assured															\$22,684,307.50	\$23,510,305.00
2000-AX	4/1/82	5.000%	\$21,412,000.00	Assured															\$23,070,307.50	\$23,828,305.00
2000-AX	4/1/83	5.000%	\$21,828,000.00	Assured															\$23,456,307.50	\$24,146,305.00
2000-AX	4/1/84	5.000%	\$22,248,000.00	Assured															\$23,842,307.50	\$24,464,305.00
2000-AX	4/1/85	5.000%	\$22,672,000.00	Assured															\$24,228,307.50	\$24,782,305.00
2000-AX	4/1/86	5.000%	\$23,100,000.00	Assured															\$24,614,307.50	\$25,100,305.00
2000-AX	4/1/87	5.000%	\$23,532,000.00	Assured															\$25,000,307.50	\$25,418,305.00
2000-AX	4/1/88	5.000%	\$23,968,000.00	Assured															\$25,386,307.50	\$25,736,305.00
2000-AX	4/1/89	5.000%	\$24,408,000.00	Assured															\$25,772,307.50	\$26,054,305.00
2000-AX	4/1/90	5.000%	\$24,852,000.00	Assured															\$26,158,307.50	\$26,372,305.00
2000-AX	4/1/91	5.000%	\$25,300,000.00	Assured															\$26,544,307.50	\$26,690,305.00
2000-AX	4/1/92	5.000%	\$25,752,000.00	Assured															\$26,930,307.50	\$27,008,305.00
2000-AX	4/1/93	5.000%	\$26,208,000.00	Assured															\$27,316,307.50	\$27,326,305.00
2000-AX	4/1/94																			

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

STP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
2004-B(1)																				
2004B101	4/1/15	5.000%	\$7,538,575.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$376,928.75	\$7,915,503.75
2004B102	4/1/16	5.250%	\$7,912,245.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$830,785.75	\$8,743,030.75
2004B103	4/1/17	4.000%	\$265,045.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,805.40	\$296,850.40
2004B104	4/1/17	5.250%	\$8,064,320.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,270,130.40	\$9,334,450.40
2004B105	4/1/18	5.250%	\$1,728,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$364,980.00	\$2,102,980.00
			\$25,518,185.00																\$2,874,630.28	\$28,392,815.28
2004-B(2)																				
2004B201	4/1/19	5.240%	\$499,675.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$60,790.03	\$560,465.03
2005-B																				
2005B01	4/1/15	5.000%	\$1,990,010.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$99,500.50	\$2,089,510.50
2005B02	4/1/16	5.000%	\$2,089,945.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$208,994.50	\$2,298,939.50
2005B03	4/1/17	4.300%	\$2,189,800.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$282,494.52	\$2,472,294.52
2005B04	4/1/18	5.000%	\$2,289,815.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,963.00	\$2,747,778.00
2005B05	4/1/19	5.000%	\$2,402,785.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$600,696.25	\$3,003,481.25
2005B06	4/1/20	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B07	4/1/21	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B08	4/1/22	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B09	4/1/23	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B10	4/1/24	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B11	4/1/25	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B12	4/1/26	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B13	4/1/27	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
2005B14	4/1/28	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
			\$37,032,435.00																\$12,729,398.77	\$49,761,833.77
2005-C																				
2005C01	4/1/15	5.000%	\$2,003,045.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$100,152.25	\$2,103,197.25
2005C02	4/1/16	5.000%	\$2,107,325.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$210,732.50	\$2,318,057.50
2005C03	4/1/17	4.300%	\$2,211,605.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$285,297.05	\$2,496,902.05
2005C04	4/1/18	5.000%	\$2,285,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,094.00	\$2,742,564.00
2005C05	4/1/19	5.250%	\$2,376,715.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$623,887.69	\$3,000,602.69
2005C06	4/1/20	5.250%	\$2,507,065.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$789,725.48	\$3,296,790.48
			\$13,491,225.00																\$2,466,888.96	\$15,958,113.96
2008-A																				
2008A01	4/1/15	5.000%	\$2,498,375.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$124,918.75	\$2,623,293.75
2008A02	4/1/16	5.000%	\$2,620,055.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$262,003.50	\$2,882,058.50
2008A03	4/1/17	5.000%	\$2,754,730.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$413,209.50	\$3,167,939.50
2008A04	4/1/18	4.000%	\$2,889,425.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$462,308.00	\$3,351,733.00
2008A05	4/1/19	5.000%	\$3,006,740.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$751,685.00	\$3,758,425.00
2008A06	4/1/20	5.000%	\$3,134,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$946,341.00	\$4,100,811.00
2008A07	4/1/21	5.000%	\$3,215,235.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,160,332.25	\$4,475,567.25
2008A08	4/1/22	5.000%	\$3,480,345.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,392,138.00	\$4,872,483.00
2008A09	4/1/23	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
2008A10	4/1/24	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
2008A11	4/1/25	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
2008A12	4/1/26	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
2008A13	4/1/27	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
2008A14	4/1/28	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75	\$11,053,462.75
			\$48,372,755.00																\$19,980,048.00	\$68,352,803.00
2008-B(1)																				
2008B101	4/1/15	5.000%	\$6,925,930.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$346,296.50	\$7,272,226.50
2008B102	4/1/16	5.000%	\$2,989,360.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,936.00	\$3,288,296.00
2008B103	4/1/17	5.000%	\$3,111,020.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$466,653.00	\$3,577,673.00
2008B104	4/1/18	5.000%	\$3,293,510.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$658,702.00	\$3,952,212.00
			\$16,319,820.00																\$1,770,587.50	\$18,090,407.50
2008-B(2)																				
2008B201	4/1/19	5.240%	\$499,675.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$60,790.03	\$560,465.03
			\$287,560,790.00																\$80,881,991.64	\$368,442,781.64



# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)							Issuance: 2008-A												
CUSIP			Mandatory Redemption				CUSIP			Mandatory Redemption									
251093ZK1			Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	251093N63			Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest
			10/1/14	Ambac	6/30/15	-	\$499,675.00	5.240%	\$13,091.49				10/1/14	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/15	Ambac	6/30/15	\$134,095.00	\$364,980.00	5.240%	\$13,091.49				4/1/15	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/15	Ambac	6/30/16	-	\$364,980.00	5.240%	\$9,562.48				10/1/15	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/16	Ambac	6/30/16	\$143,385.00	\$221,595.00	5.240%	\$9,562.48				4/1/16	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/16	Ambac	6/30/17	-	\$221,595.00	5.240%	\$5,805.79				10/1/16	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/17	Ambac	6/30/17	\$147,730.00	\$73,865.00	5.240%	\$5,805.79				4/1/17	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/17	Ambac	6/30/18	-	\$73,865.00	5.240%	\$1,935.26				10/1/17	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/18	Ambac	6/30/18	\$73,865.00	-	5.240%	\$1,935.26				4/1/18	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50
			Total			\$499,675.00			\$60,790.03				Total				\$17,362,620.00		\$434,065.50
Issuance: 2008-A																			
CUSIP			Mandatory Redemption				CUSIP			Mandatory Redemption									
251093N55			Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	251093N55			Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest
			10/1/14	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50				10/1/14	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/15	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50				4/1/15	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/15	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50				10/1/15	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/16	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50				4/1/16	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/16	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50				10/1/16	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/17	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50				4/1/17	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/17	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50				10/1/17	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/18	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50				4/1/18	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/18	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50				10/1/18	Assured	6/30/19	-	\$17,362,620.00	5.000%	\$434,065.50
			4/1/19	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50				4/1/19	Assured	6/30/19	-	\$17,362,620.00	5.000%	\$434,065.50
			10/1/19	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50				10/1/19	Assured	6/30/20	-	\$17,362,620.00	5.000%	\$434,065.50
			Total						\$3,562,682.75				Total				\$17,402,620.00		\$10,904,429.25



**EXHIBIT B**  
**FEE SCHEDULE**

B-1



U.S. Bank Customer Confidential

**Schedule of Fees for Services as  
ESCROW AGENT  
For  
Settlement Escrow Agreement**

CTS01010A	<b>Acceptance Fee</b> The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$1,000.00
CTS04460	<b>Escrow Agent</b> Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	\$5,000.00
	<b>Direct Out of Pocket Expenses</b> Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	<b>Extraordinary Services</b> Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Dated: July 21, 2014

Exhibit E

CONFIRMATION ORDER INSERT

D-1

## **UTGO Settlement Agreement – Insert for Confirmation Order**

### **Findings of Fact and Conclusions of Law**

A. After sufficient notice and opportunity for all parties to be heard, and after due deliberation, based on the Court's thorough review and full consideration of the UTGO Settlement Agreement and good and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law. Any finding of fact constitutes a finding of fact even if it is stated as a conclusion of law, and any conclusion of law constitutes a conclusion of law even if it is stated as a finding of fact. All findings of fact and conclusions of law announced by the Court on the record in connection with confirmation of the Plan or otherwise at the Confirmation Hearing are incorporated herein by reference.<sup>1</sup> The findings and conclusions set forth herein and in the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014.

B. The UTGO Settlement described in the Plan and the UTGO Settlement Agreement are fair, equitable, reasonable, and in the best interests of the City and its creditors and residents.<sup>2</sup> The UTGO Settlement Agreement is the result of extensive arms' length negotiations among the City and the UTGO Bond Insurers – all of whom were represented by

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<sup>1</sup> The findings of fact and conclusions of law set forth herein and announced on the record during the Confirmation Hearing shall be construed in a manner consistent with each other so as to effect the purpose of each; provided, however, that if there is any direct conflict that cannot be reconciled, then, solely to the extent of such conflict, the provisions of this Confirmation Order shall govern and shall control and take precedence over any findings of fact or conclusions of law announced on the record at the Confirmation Hearing.

<sup>2</sup> Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Plan or the UTGO Settlement Agreement, a copy of which is attached to the Plan as Exhibit



sophisticated counsel. The compromises and settlements embodied in the UTGO Settlement (a) resolve all disputes with respect to claims classified in Class 8 under the Plan and the issues raised by the UTGO Bond Insurers in the UTGO Litigation and (b) are, collectively, a key compromise upon which several provisions of the Plan rest. In the absence of such compromises and settlements, the City's emergence from chapter 9 would likely have been delayed by litigation and burdened with additional expenses. The UTGO Settlement and the UTGO Settlement Agreement: (a) were negotiated and entered into in good faith, (b) comport with policies and purposes of chapter 9, (c) are fair, equitable and reasonable; (d) are in the best interests of the City and its creditors and residents as they not only fully resolve the UTGO Litigation but also permit the City's assignees to receive value from the Assigned UTGO Bond Tax Proceeds as set forth in the Plan; (e) are within the range of reasonable results if the disputes resolved by the UTGO Settlement, including the Assured/NPFG Action and the Ambac Action as they relate to the UTGO Bonds, were instead litigated to a conclusion; (f) fall above the lowest point in the range of reasonableness; and (g) meet the standards for approval under sections 105(a) and 1123(b) of the Bankruptcy Code, Bankruptcy Rule 9019(a) and other applicable law.

C. Without limiting any of the foregoing, the Court hereby finds that:

- a. The Plan incorporates the UTGO Settlement Agreement, and the effectiveness of the Plan is expressly conditioned upon: (a) the Michigan Finance Authority board having approved the issuance of the MFA Bonds and such bonds having been issued; and (b) the City having obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of the UTGO Settlement Agreement.

- b. As of the Effective Date, the Plan represents a full, final and complete compromise, settlement, release and resolution of, among other matters, all disputes and pending or potential litigation (including any appeals), including, without limitation, the UTGO Litigation, regarding the allowability, amount, priority and treatment of the Unlimited Tax General Obligation Bond Claims. The treatment of Class 8 UTGO Claims under the Plan is a component of a settlement and compromise of the UTGO Litigation.
- c. Good and valuable consideration has been provided for all releases and exculpations granted pursuant to the UTGO Settlement Agreement, including, without limitation, the releases and exculpations granted pursuant to sections 6.1 and 6.2 of the UTGO Settlement Agreement. Such provisions are fair, equitable, reasonable and integral elements of the UTGO Settlement Agreement.
- d. The Court confirms that as of the Effective Date and pursuant to Emergency Manager Order No. \_\_, the Municipal Obligation shall be secured, to the extent permitted by law, including without limitation section 12(1)(x) of Act 436, by a lien granted by the City on the UTGO Bond Tax Levy for so long as either the Municipal Obligation or the Stub UTGO Bonds are outstanding.
- e. As of the Effective Date, the UTGO Bond Tax Levy shall constitute “special revenues,” as defined in section 902 of the Bankruptcy Code, and



"pledged special revenues," as that term is used in section 922(d) of the Bankruptcy Code.

- f. As of the Effective Date, the MFA shall possess a valid and enforceable statutory fourth lien and trust on Distributable State Aid, as provided in section 15(2) of the Shared Credit Rating Act or as otherwise provided under applicable law.
- g. As of the Effective Date, Holders of the MFA Bonds shall possess all of the MFA's rights and interest in the Municipal Obligation including all the rights and interest provided herein and under the UTGO Settlement Agreement, subject to the reservation by the MFA of rights to indemnification and to make all determinations and approvals and receive all notices accorded to it under the Municipal Obligation and related documents. Accordingly, the MFA Bonds will be payable from and secured by (i) payments made by the City on the Municipal Obligation and to the extent permitted by law, including without limitation section 12(1)(x) of Act 436, a lien on the portion of the UTGO Bond Tax Levy allocable to the Municipal Obligation, pledged by the City to secure the Municipal Obligation and (ii) a lien, made a statutory lien as provided by the Shared Credit Rating Act, on moneys in the funds and accounts established for the MFA Bonds under the authorizing resolution for such bonds, including payments pledged by the City and received and held by the MFA or its trustee for the MFA Bonds, which include, without

limitation, all payments of (x) the proceeds of the UTGO Bond Tax Levy and (y) Distributable State Aid.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The UTGO Settlement. Consistent with the findings herein, the UTGO Settlement and the UTGO Settlement Agreement, including without limitation all of the transactions contemplated, the liens granted, and the protections created therein, are APPROVED in their entirety as a good faith, fair, reasonable, and equitable compromise and settlement of all disputes with respect to claims classified in Class 8 under the Plan that is in the best interests of the City and its creditors and residents. The entry of this Confirmation Order constitutes approval of the UTGO Settlement Agreement pursuant to the Bankruptcy Rules, including Bankruptcy Rule 9019, the Bankruptcy Code, including section 1123, and Act 279, Public Acts of Michigan, 1909, as amended; Act 436, Public Acts of Michigan, 2012; Act 34, Public Acts of Michigan, 2001, as amended; and Act 80, Public Acts of Michigan, 1981, as amended. As provided in the Plan, on the Effective Date, the UTGO Settlement Agreement shall be binding on the City, Ambac, Assured and NPF.

2. Approval of Exculpations and Releases. All exculpations and releases granted pursuant to the UTGO Settlement, including, without limitation, the releases and exculpations granted pursuant to sections 6.1 and 6.2 of the UTGO Settlement Agreement, are hereby approved in their entirety. The Court approves such settlements and releases on the grounds that good and valuable consideration has been provided therefor, and that such provisions are fair, equitable, reasonable, and integral elements of the UTGO Settlement Agreement.



3. Segregation of UTGO Bond Tax Levy. The proceeds of the UTGO Bond Tax Levy collected by the City shall be segregated and transmitted to the Debt Millage Escrow Trustee under the Debt Millage Deposit Escrow Agreement, and the Debt Millage Escrow Trustee shall segregate and transmit the proceeds allocable to the Municipal Obligation to the Master Trustee in accordance with section 2.4(a) of the UTGO Settlement Agreement.

4. Annual Certification of Debt Millage Levy. Pursuant to the Section 2.7(b) of the UTGO Settlement Agreement, the City shall certify annually, not later than June 30 of each year, that it has imposed the debt millage levy as required by and in accordance with the terms of the UTGO Settlement Agreement.

5. Retention of Jurisdiction. Pursuant to section 945(a) of the Bankruptcy Code, the Court shall retain jurisdiction over the UTGO Settlement and the UTGO Settlement Agreement and any dispute arising from or related to the UTGO Settlement Agreement. For the avoidance of doubt and as the City has consented, the Court shall retain exclusive post-confirmation authority and power, to implement, interpret and enforce the UTGO Settlement Agreement and all Settlement-Related Documents, including, without limitation, all exhibits to the UTGO Settlement Agreement, the Restructured UTGO Bonds, the Municipal Obligation and the MFA Bonds. As the City has consented, the Court reserves all powers as are necessary or appropriate to enforce or to give effect to the Court's retained jurisdiction under the Plan and this Confirmation Order, including by way of injunction, as long as any of the Municipal Obligation, Stub UTGO Bonds or MFA Bonds are outstanding.

**EXHIBIT II.B.3.g.ii.A**

**SCHEDULE OF PAYMENTS AND SOURCES OF  
PAYMENTS FOR MODIFIED PFRS PENSION BENEFITS**

City of Detroit

PFRS Pension contributions (FY14 - FY23)

\$ in millions

PFRS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-Year
Source:											
State	\$ -	\$ 96.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96.0
Foundations	-	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	164.7
Total	-	114.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	260.7

EXHIBIT II.B.3.g.ii.C

TERMS OF PFRS PENSION RESTORATION



## **TERMS OF PFRS PENSION RESTORATION**

### **Pension Restoration Process**

The following rules shall govern how accrued pensions, including COLA benefits, that are reduced as part of the Plan of Adjustment, shall be restored during the thirty year period following the Confirmation Order. The pension restoration process shall be supervised, and restoration decisions undertaken by the Investment Committee of PFRS and in accordance with the pension governance provisions set forth in the State Contribution Agreement and exhibits thereto. This pension restoration program shall be deemed a part of Component II of the Combined Plan for the Police and Fire Retirement System, but in the event of any conflict between the language set forth herein and the Combined Plan the terms of this Pension Restoration Agreement will govern.

### **GENERAL RESTORATION RULES**

#### **I. PFRS RESTORATION**

##### **1. Waterfall Categories**

There will be three Waterfall Classes:

- a. PFRS Waterfall Class 1 – Retirees in retirement benefit pay status as of June 30, 2014, and their surviving spouses and beneficiaries
- b. PFRS Waterfall Class 2 – Retirees, who entered into retirement benefit pay status after June 30, 2014, and their surviving spouses and beneficiaries, and who are in pay status as of the end of the PFRS Fiscal Year prior to the year in which the restoration decision is made
- c. PFRS Waterfall Class 3 – All retirees, surviving spouses, and beneficiaries in pay status and all other PFRS participants who as of June 30, 2014 are not in retirement benefit pay status

##### **2. General PFRS Pension Restoration Through June 30, 2023**

Each year in conjunction with the annual actuarial valuation report, the PFRS actuary will project the PFRS funded ratio as of 2023 based upon the market value of plan assets relative to the actuarial accrued liabilities (the “Funded Level”). This projection will be further based upon a 6.75% assumed rate of investment return which is net of expenses (administrative and investment), future employer contributions as set forth in the Plan of Adjustment (subject to conditions in the Plan of Adjustment), and such other actuarial assumptions as utilized by the PFRS actuary. For purposes of PFRS Restoration through June 30, 2023, the Funding Target will be a 75% funded ratio, and the Restoration

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Target will be a 78% funded ratio, both projected to June 30, 2023. For purposes of calculating the funded ratio, the assets in the Restoration Reserve Account will be excluded. Each year, if the actuary projects that the Funded Level as of 2023 (excluding Restoration Account assets to avoid double counting) exceeds the Restoration Target (i.e., exceeds 78%), a credit of assets for bookkeeping purposes will be made into a new notional Restoration Reserve Account. The notional credit will be an amount equal to the excess of assets above the amount projected to be needed to satisfy the Restoration Target. Once the Restoration Reserve Account is established, each year thereafter, Restoration Account assets will be credited with interest in an amount equal to the net return on plan investments but capped at the actuarially assumed rate of investment return (i.e., 6.75% for the period through June 30, 2023). In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses and any required transfer to the PFRS Pension Reserve Account as provided herein.

Actual restoration payments and restoration credits will work as follows: each year, in conjunction with the preparation of the annual actuarial valuation report and following establishment of the Restoration Reserve Account, the PFRS actuary will determine whether there are sufficient funds in such account to restore COLA benefits in a minimum incremental amount of 10% or more. For example: If a retiree's then current COLA benefit is a 1.0% annual compounded COLA, the minimum incremental restoration would increase the COLA benefit to 1.225%. COLA restoration only will occur if the funding level in the Restoration Reserve Account can fund 100% of the COLA increase over the actuarially-projected lives of the eligible recipient PFRS Waterfall Class. If the actuary certifies that the Restoration Reserve Account as of the end of the prior PFRS fiscal year satisfies the required funding level for one or more increments of restoration, then in the next immediate PFRS fiscal year actual COLA restoration payments will be made to PFRS Waterfall Class 1 members in such increments until an amount sufficient to fund 66% of the value of their future COLA payments (e.g., a 1.5% compound COLA, or as otherwise applicable) has been funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account would fully fund COLA restoration in at least one minimum 10% increment (i.e., amounts equal to 10% of the value of future COLA payments), PFRS Waterfall Class 2 members will receive COLA restoration, until an amount sufficient to fund 66% of the value of their future COLA payments has been funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account would fully fund COLA restoration in at least one minimum 10% increment (i.e., amounts equal to 10% of the value of future COLA payments), PFRS Waterfall Class 3 members will receive COLA restoration on a pro-rata basis. For PFRS Waterfall Class 3 members who are in pay status at that time of restoration, they will receive COLA payments; for active employees at the time of restoration, they will receive credits granting them a right upon retirement to

receive COLA restoration equal to the 10% increments that are fully funded to PFRS Waterfall Class 3 members. For Example: Assume there are sufficient assets credited to the Restoration Reserve Account as of the end of a fiscal year to fully fund 66% of the value of the COLA for all PFRS Waterfall Class 1 and Class 2 members for their actuarially projected lives. To the extent additional assets remain in the Restoration Reserve Account to fully fund at least a 10% COLA increment for PFRS Waterfall Class 3 members for their actuarially projected lives, then (i) all retirees would receive a restoration payment of 76% of the value of their COLAs (their having already received by virtue of their membership in PFRS Waterfall Classes 1 and 2 an increase to 66% of the value of their COLAs) and also a 10% COLA increment would be credited to eligible active employees which would be included in their benefit payments upon retirement (thus causing their COLAs to increase in value from 45% to 55% ). Restoration amounts actually paid from the Restoration Reserve Account will be debited from such account. Restoration payments will be calculated and paid on a prospective basis only.

Once restoration payments and credits begin, as long as the Restoration Reserve Account continues to have assets to fund 100% of an incremental COLA restoration amount for such Waterfall Class for their actuarially projected lives, the restoration payments and credits will continue; provided, however, that in the event the Restoration Reserve Account, after having sufficient assets to fund 100% of two or more increments, falls below 100% for the second or greater increment, the annual amounts to pay such second or greater increment can continue until the Restoration Reserve Account lacks any assets to fund such additional increment. For Example, assume a 10% increment in PFRS Waterfall Class 1 requires \$10 million in assets to be fully funded for the PFRS Waterfall Class' actuarially projected lives, and that based on FY 2018 results the Restoration Reserve Account has assets of \$22 million so as to fund two increments of restoration in FY 2019. Assume further that in the following year the Restoration Reserve Account drops in value to \$17 million; in such event two increments could still be paid, and the second increment would cease being paid only if the value of assets in the Restoration Reserve Account dropped to or below \$10 million (in the event they dropped below \$10 million, the first increment also would cease being paid). For purposes of restoration reduction, restoration increments will be taken away in reverse order in which they were granted (i.e. last in, first out).

If the PFRS Funded Level (excluding Restoration Reserve Assets) projected to 2023 falls below 76% (hereinafter, "Restoration Reserve Suspension Trigger"), then, until such time as the projected PFRS Funded Level in 2023 is 76% or above, further interest credits to the notional Restoration Reserve Account will cease notwithstanding the actual net PFRS investment returns for the fiscal year in question. Furthermore, if the PFRS Funded Level projected to 2023 falls below the Funding Target (i.e., 75%) then restoration payments to

retirees and credits to active employees in the following year will be modified in the following manner: (1) funds previously credited to the Restoration Reserve Account will be notionally transferred and credited to the PFRS Pension Reserve Account in sufficient amounts to restore the projected PFRS Funded Level in 2023 to 75%; (2) following such transfer, the remaining assets in the Restoration Reserve Account shall be applied to make restoration payments in accordance with and pursuant to the same mechanism described in the previous paragraph.

In connection with preparation of the actuarial report for FY 2023, the PFRS actuary will determine whether PFRS has satisfied the Permanent Restoration Target, which shall be 78%. Transfers from the Restoration Reserve Account for credit to the PFRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers, the PFRS Funded Level as of June 30, 2023 has satisfied the Permanent Restoration Target (*i.e.*, 78%), then the residual amounts, if any, in the Restoration Reserve Account (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of COLA restoration payments for one or more PFRS Waterfall Classes for their actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the PFRS Pension Reserve Account and the applicable incremental COLA payments shall be permanently restored for the applicable PFRS Waterfall Class and shall no longer be variable from year to year.

Following receipt of the actuarial reports for 2019, and in the event that the projected Funded Level of PFRS as of 2023 is less than 76%, the PFRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2023, or (ii) an amount of annual administrative expenses until 2023 equal to the average annual administrative expenses in the prior 4 years, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the PFRS Restoration Reserve Account than actually were transferred during such look back period, then the PFRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2023 PFRS Funded Level to 76%.

### 3. General PFRS Pension Restoration from July 1, 2023 to June 30, 2033.

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If and to the extent that all COLA payments have not been restored pursuant to the permanent restoration feature as of June 30, 2023 described in the immediately preceding paragraph, then during this period and for purposes of variable restoration, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto, all projected as of June 30, 2033. The same rules for restoration payments that applied during the period ending June 30, 2023 shall apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2033 PFRS Funded Level falls below the 2033 Funding Target), except as follows. For purposes of determining whether the 2033 Restoration Target has been satisfied, the Plan actuary shall project investment returns through June 30, 2033 at the then current investment return assumption, and the then applicable actuarial assumptions as utilized in the annual actuarial valuation. Further, the Plan actuary shall assume, merely for purposes of determining whether the Restoration Target is satisfied, that the annual City contribution amount shall be the annual amount necessary to fund the PFRS based upon an amortization of the actual 2023 UAAL (using the market value of assets) over 30 years (hereinafter, the "2023 UAAL Amortization") and in such manner that the resulting annual contribution stream would achieve the applicable PFRS' Funding Target (on Exhibit A) as of 2033. (Such projected, hypothetical contributions shall be for purposes only of making restoration determinations, and shall not necessarily be the actual contributions made or required to be made by the City or recommended during such period; all of which shall be determined independent of the restoration calculation process). For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded

To the extent that the City's actual contributions to the PFRS in any of the FYs 2024 (i.e., the year ending June 30, 2024) through 2033 are greater than the projected annual contribution under the 2023 UAAL Amortization, such amounts, and any investment earnings thereon, shall be notionally credited to a new bookkeeping account in PFRS called the Extra Contribution Account. In determining pension restoration during the period from FY 2024 through 2033, none of the amounts in the Extra Contribution Account shall be considered for purposes of determining the projected funded level for the Restoration Target or Permanent Restoration Target. To the extent that the City's actual contributions to the PFRS in any of the FYs 2024 through 2033 are less than the projected annual contribution under the 2023 UAAL Amortization, such difference and any investment earnings thereon shall be notionally allocated to the Restoration Reserve Account.



Each year, in addition to the crediting of assets that exceed the amount necessary to satisfy the Restoration Target, existing Restoration Account assets will be credited with interest equal to the net return on plan investments, but capped at the then actuarial investment return assumption. In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses.

In connection with preparation of the annual actuarial valuation report for FY 2033, the PFRS actuary will determine whether PFRS has satisfied the applicable Permanent Restoration Target, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the PFRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the funding level as of June 30, 2033 has satisfied the applicable Permanent Restoration Target, then the residual amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of COLA restoration payments for one or more PFRS Waterfall Classes, shall be transferred from the Restoration Reserve Account and credited to the PFRS Pension Reserve Account and the applicable incremental COLA payments shall be permanently restored for the applicable PFRS Waterfall Class and shall no longer be variable from year to year.

Following receipt of the actuarial reports for 2028, and in the event that the projected Funded Level of PFRS as of 2033 is less than 79%, the PFRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2033, or (ii) an amount of annual administrative expenses until 2033 equal to the average annual administrative expenses in the prior 4 years, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the PFRS Restoration Reserve Account than actually were transferred during such look back period, then the PFRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the applicable look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the applicable look-back period); or (iii) the amount required to increase the projected 2033 PFRS Funded Level to 79%.

4. General PFRS Pension Restoration from July 1, 2033 to June 30, 2043.

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If and to the extent that all COLA payments have not been restored pursuant to the permanent restoration feature as of June 30, 2033 described in the immediately preceding paragraph, then during the period ending June 30, 2044 and for purposes of variable restoration, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto. The same rules for restoration that applied during the period ending June 30, 2033 shall otherwise apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2043 PFRS Funded Level falls below the 2043 Funding Target), and shall be rolled forward. For example, for purposes of determining whether the 2043 Restoration Target has been satisfied, the Plan actuary shall project annual contributions using the same 2023 UAAL Amortization. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded, and no Extra Contribution Account assets shall be included for purposes of determining whether the Funded Level meets the Restoration Target or Permanent Restoration Target, including any additions to such account after 2033.

In connection with preparation of the annual actuarial valuation report for FY 2043, the PFRS actuary will determine whether PFRS has satisfied the applicable Permanent Restoration Target, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the PFRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the PFRS Funded Level as of June 30, 2043 is equal to or greater than the applicable Permanent Restoration Target, then the residual amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of COLA restoration payments for one or more PFRS Waterfall Classes, shall be transferred from the Restoration Reserve Account and credited to the PFRS Pension Reserve Account and the applicable incremental COLA payments shall be permanently restored for the applicable PFRS Waterfall Class and shall no longer be variable from year to year.

##### 5. Modification of the Pension Restoration Program

If any time after July 1, 2026, the PFRS Investment Committee (by vote of 5 of its 7 members), or the PFRS Board of Trustees (by a greater than 66% vote) determines that a change in relevant circumstances has occurred, or there was a mutual mistake of fact in developing this Pension Restoration Agreement, such that the continued operation of this Agreement without amendment will: (a) materially harm the long-term economic interests of the City or Retirement System; or (b) materially impair the City's ability to fully fund over a reasonable period the then existing frozen benefit liabilities, the Investment Committee or the Board, as the case may be, shall provide written notice to the other entity of such a determination and of the need to

amend this Restoration Agreement (it being understood that the post-Chapter 9, 40-year amortization period (to 2053) to full fund PFRS frozen liabilities is presumptively reasonable, but not irrebutably so). The Investment Committee and the Board shall then meet to negotiate amendments to this Agreement that address the identified risk of harm or impairment, but which also considers this Agreement's objective of providing pension restoration. Such negotiations shall take into account reasonable actions the City has pursued or could pursue to mitigate such harm or impairment. Any such amendments shall require the approval of a majority vote of the combined members of the Committee and Board (persons who sit on both the Board and Committee shall have one vote). Such parties shall consult with the Mayor, City Council and the Governor in connection with such negotiation. If the Board, acting through a majority, and the Investment Committee, acting through a majority, cannot agree to such amendments with the 90-day period following the provision of such notice by the determining party, then the Board and Investment Committee shall proceed to mediation. In this regard, within 30-days following expiration of the 90-day period the Board and the Investment Committee shall each select a mediator from the list of approved mediators for the United States District Court for the Eastern District of Michigan. The two selected mediators shall appoint a third neutral mediator from the approved list. Each party shall furnish a written statement to the mediators within 30 days of selection of the neutral mediator. Representatives of the Mayor and the Governor shall participate in such mediations. If following a 90-day mediation period following submission of the written statements the matter is not settled, then either the Investment Committee or the Board can file an action in the United States District Court for the Eastern District of Michigan asking it to declare, inter alia, whether or in what manner to amend this Agreement.

## **EXHIBIT A**

**PFRS** - The 2033 and 2043 Funding Targets shall be 3.0% and 6% higher than the actual 2023 Funded Level rounded to the nearest 10<sup>th</sup> decimal. The Restoration Target shall be 3.0% higher than the Funding Target but not less than 81% and 84% in 2033 and 2043, respectively. The Permanent Restoration Targets shall be equal to the Restoration Targets for all time periods. The Restoration Reserve Suspension Trigger will be set 1% higher than the projected Funding Target for all time periods.

<u>2023 Funded Level</u>	<u>2033 Projected Funding Target /Restoration Target</u>	<u>2043 Projected Funding Target /Restoration Target</u>
78%	81%/84%	84%/87%
77%	80%/83%	83%/86%
76%	79%/82%	82%/85%
75%	78%/81%	81%/84%
74% or lower	3% > than 2023 Funded Level %/81%	3% > than 2023 Funded Level %/84%
	<u>2033 Permanent Restoration Target</u>	<u>2043 Permanent Restoration Target</u>
	Same as 2033 Restoration Target	Same as 2043 Restoration Target

**EXHIBIT II.B.3.r.ii.A**

**SCHEDULE OF PAYMENTS AND SOURCES OF  
PAYMENTS FOR MODIFIED GRS PENSION BENEFITS**

City of Detroit

GRS Pension contributions (FY14 - FY23)

\$ in millions

GRS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-Year
Source:											
DWSD	\$ -	\$ 65.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 428.5
UTGO	-	4.4	4.0	4.0	3.9	3.7	3.7	3.6	2.3	2.0	31.7
State	-	98.8	-	-	-	-	-	-	-	-	98.8
DIA	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	45.0
Other	-	14.6	22.5	22.5	22.5	22.5	2.5	2.5	2.5	2.5	114.6
Total	-	188.2	76.9	76.9	76.8	76.6	56.5	56.5	55.2	54.9	718.6

**EXHIBIT II.B.3.r.ii.C**

**TERMS OF GRS PENSION RESTORATION**



## **TERMS OF GRS PENSION RESTORATION**

### **Pension Restoration Process**

The following rules shall govern how accrued pensions, including COLA benefits, that are reduced as part of the Plan of Adjustment, shall be restored during the thirty year period following the Confirmation Order. The pension restoration process shall be supervised, and restoration decisions undertaken by the Investment Committee of GRS and in accordance with the pension governance provisions set forth in the State Contribution Agreement and exhibits thereto. This pension restoration program shall be deemed a part of Component II of the Combined Plan for the General Retirement System of the City of Detroit, but in the event of any conflict between the language set forth herein and the Combined Plan the terms of this Pension Restoration Agreement will govern.

### **GENERAL RESTORATION RULES**

#### **I. GRS RESTORATION**

##### **1. Waterfall Categories**

There will be three Waterfall Classes:

- a. GRS Waterfall Class 1 – Retirees, in retirement benefit pay status as of June 30, 2014, and their surviving spouses and beneficiaries
- b. GRS Waterfall Class 2 – Retirees, who entered into retirement benefit pay status after June 30, 2014, and their surviving spouses and beneficiaries, and who are in pay status as of the end of the GRS Fiscal Year prior to the year in which the restoration decision is made
- c. GRS Waterfall Class 3 – All other GRS participants who as of June 30, 2014 are not in retirement benefit pay status

##### **2. General GRS Pension Restoration Through June 30, 2023**

Each year in conjunction with the annual actuarial valuation report, the GRS actuary will project the GRS funded ratio as of 2023 based upon the market value of plan assets relative to the actuarial accrued liabilities (the “Funded Level”). This projection will be further based upon a 6.75% assumed rate of investment return which is net of expenses (investment and administrative), future employer contributions as set forth in the Plan of Adjustment (subject to the conditions in the Plan of Adjustment) and such other actuarial assumptions as utilized by the GRS actuary. For purposes of GRS Restoration through June 30, 2023, the Funding Target will be a 70% funded ratio, the Restoration Target will be a 75% funded ratio, and the Restoration Reserve Suspension Trigger will be a

71% funded ratio, all projected to June 30, 2023. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded. Each year, if the actuary projects that the projected Funded Level as of June 30, 2023 (excluding Restoration Account assets to avoid double counting) exceeds the Restoration Target (i.e., exceeds 75%), a credit of assets for bookkeeping purposes will be made into a new notional Restoration Reserve Account. The notional credit will be in an amount equal to the excess of assets above the amount projected to be needed to satisfy the Restoration Target. Once the Restoration Reserve Account is established, each year thereafter, Restoration Account assets will be credited with interest in an amount equal to the net return on plan investments, but capped at the actuarially assumed rate of investment return (i.e., 6.75% for the period through June 30, 2023). In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses and any required transfer to the GRS Pension Reserve Account.

Actual restoration payments and credits will work as follows: Each year in conjunction with preparation of the annual actuarial valuation report and following establishment of the Restoration Reserve Account, the GRS actuary will determine whether there are sufficient funds in such account to restore a portion of the 4.5% across the board pension cuts in one or more minimum incremental amounts equal to  $\frac{1}{2}\%$  of the monthly benefit for each member of GRS Waterfall Class 1 (i.e. reducing the initial across the board cut to 4.0%). This restoration only occurs if the funding level in the Restoration Reserve Account can fund 100% of each incremental increase over the remaining actuarially projected lives of the eligible recipients in GRS Waterfall Class 1. If the Restoration Reserve Account satisfies the required funding level, then in the next GRS fiscal year, actual restoration payments will be made to GRS Waterfall Class 1 members in amounts equal to the benefit associated with each increment that have been fully funded in the Restoration Reserve Account. Once Waterfall Class 1 has sufficient assets in the GRS Restoration Reserve Account to fully fund and restore the 4.5% cut in their monthly benefits, and to the extent that additional assets in the Restoration Reserve Account remain and will fully fund at least  $\frac{1}{2}\%$  of the monthly benefit for each member of GRS Waterfall Class 2 over their remaining actuarially projected lives, then GRS Waterfall Class 2 members will receive pension restoration in minimum  $\frac{1}{2}\%$  benefit increments until an amount equal to the 4.5% cuts in their monthly benefits has been fully funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account remain and will fund at least a minimum  $\frac{1}{2}\%$  of the monthly benefit of each member in GRS Waterfall Class 3 over their remaining actuarially projected lives, then each such member of the class shall receive a credit granting them a right upon retirement to receive pension restoration equal to the benefit increments that are fully funded. Restoration payments will be calculated and paid on a prospective basis only.

After the full 4.5% across the board pension cuts are restored for all three GRS Waterfall Classes, and to the extent there are additional assets in the Restoration Reserve Account to fully fund COLA benefits over the actuarially-projected lives of the eligible recipient GRS Waterfall Class, such assets will be used to fully fund and restore a portion of the COLA values that were eliminated as part of the Plan of Adjustment. COLA will be restored in minimum 10% COLA value increments up to 50% of the future COLA values for each member of GRS Waterfall Class 1 (i.e., a 50% future COLA value will constitute a 1.125% simple COLA), then up to 50% of the future COLA values for each member of Waterfall Class 2, and then up to 50% of the future COLA values for each member of Waterfall Class 3 until all members of the three GRS Waterfall Classes have had 50% of the value of their COLAs fully funded and restored. After 50% of the future values of COLA have been fully funded and restored, and to the extent there are additional assets in the Restoration Reserve Account for each of the three GRS Waterfall Classes, then a second 50% COLA restoration will be made, first to members of GRS Waterfall Class 1, then Waterfall Class 2, and then Waterfall Class 3. Classes will be restored in minimum 10% COLA value increments. Restoration payments will be calculated and paid on a prospective basis only.

If the amounts in the Restoration Reserve Account are sufficient to fully-fund the 4.5% across the board pension cuts for all three GRS Waterfall Classes and 100% COLA restoration for all three GRS Waterfall Classes, then any additional assets in the Restoration Reserve Account shall be used to increase the frozen accrued benefits of active and other GRS participants whose ASF accounts were diminished as part of the ASF Recoupment, such that they receive treatment equal to the 20%/20% ceiling applied to retirees in pay status under the Plan of Adjustment. If after such pension restoration there are additional assets in the Restoration Reserve Account to fully fund benefit increments over their remaining actuarially projected lives, GRS Waterfall Class 1 members will receive pension restoration in  $\frac{1}{2}\%$  benefit increments of the reductions to their monthly pension due to ASF Recoupment, and once such pension benefits are restored, Waterfall Class 2 members will receive pension restoration in  $\frac{1}{2}\%$  benefit increments in connection with the reductions to their monthly pensions due to ASF Recoupment. Restoration payments will be calculated and paid on a prospective basis only.

Once restoration payments to applicable retirees and restoration credits to active employees begin, as long as the Restoration Reserve Account continues to have assets sufficient to fund 100% of an incremental pension restoration amount for such GRS Waterfall Class members for their actuarially projected lives, such restoration payments and credits will continue; provided, however, that in the event the Restoration Reserve Account, after having sufficient assets to fund 100% of two or more increments (over their actuarially projected lives), falls below 100% for the second or greater increment, the annual amounts to pay such second or other additional increment can continue until the Restoration Reserve Account lacks any assets to fund it. For example, assume a

½% increment in GRS Waterfall Class 1 requires \$10 million in assets to be fully funded for the GRS Waterfall Class' actuarially projected lives, and that based on FY 2018 results the Restoration Reserve Account has assets of \$22 million so as to fund two increments of restoration in FY 2019, *i.e.*, a 1% pension increase. Assume further that in the following year the Restoration Reserve Account drops in value to \$17 million; in such event two increments could still be paid, and the second increment of ½% would cease being paid only if the value of assets in the Restoration Reserve Account dropped to or below \$10 million (in the event they dropped below \$10 million, the first increment also would cease being paid). For purposes of restoration reduction, restoration increments will be taken away in reverse order in which they were granted (*i.e.* last in, first out).

In the event the GRS Funded Level (not including Restoration Reserve Assets) falls below 71% (hereinafter, "Restoration Reserve Suspension Trigger"), then, until such time as the projected GRS Funded Level in 2023 is 71% or above, further interest credits to the notional Restoration Reserve Account will cease notwithstanding the actual net GRS investment returns for the fiscal year in question. Furthermore, if the GRS Funded Level projected to 2023 falls below the Funding Target (*i.e.*, 70%) then restoration payments and credits in the following year will be modified in the following manner: (1) funds previously credited to the Restoration Reserve Account will be notionally transferred and credited to the GRS Pension Reserve Account in sufficient amounts to restore the projected GRS Funded Level in 2023 to 70%; (2) following such transfer, the remaining assets in the Restoration Reserve Account shall be applied to make restoration payments in accordance with and pursuant to the same mechanism described in the previous paragraph.

Following receipt of the actuarial reports for 2019, and in the event that the projected Funded Level of GRS as of 2023 is less than 71%, the GRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2023, or (ii) an amount of annual administrative expenses until 2023 equal to the average annual administrative expenses in the prior 4 years, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the GRS Restoration Reserve Account than actually were transferred during such look back period, then the GRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2023 GRS Funded Level to 71%.

3. General GRS Pension Restoration from July 1, 2023 to June 30, 2033.

During this period, the Funding Target, the Restoration Target, the Permanent Restoration Targets and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto. The same rules for variable restoration payments and credits that applied during the period ending June 30, 2023 shall apply during the period ending June 30, 2033 (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2033 GRS Funded Level falls below the 2033 Funding Target), except as follows. For purposes of determining whether the 2033 Restoration Target has been satisfied, the Plan actuary shall project investment returns through June 30, 2033 at the then current investment return assumption and the applicable actuarial assumptions as utilized in the annual actuarial valuation. Further, the GRS Plan actuary shall assume, merely for purposes of determining whether the Restoration Target is satisfied, that the annual City contribution amount shall be the annual amount necessary to fund the GRS based upon an amortization of the actual 2023 UAAL at market value over 30 years (hereinafter, the "2023 UAAL Amortization") and in such manner that the resulting annual contribution stream would achieve the GRS Funding Target (on Exhibit A) as of 2033. (Such projected, hypothetical contributions shall be for purposes only of making restoration determinations, and shall not necessarily be the actual contributions made or required to be made by the City or recommended during such period; all of which shall be determined independent of the restoration calculation process.). For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded.

To the extent that the City's actual contributions to the GRS in any of the FYs 2024 (the year ending June 30, 2024) through 2033 are greater than the projected annual contribution under the 2023 UAAL Amortization, such amounts, and any investment earnings thereon, shall be notionally credited to a new bookkeeping account in GRS called the Extra Contribution Account. In determining pension restoration during the period from FY 2024 through 2033, none of the amounts in the Extra Contribution Account shall be considered for purposes of determining the projected funded level for the Restoration Target or Permanent Restoration Targets. To the extent that the City's actual contributions in any of the FYs 2024 through 2033 are less than the projected annual contribution under the 2023 UAAL Amortization, such difference and any investment earnings thereon shall be notionally allocated to the Pension Fund Reserve Account.

Each year, in addition to the credit of assets that exceed the amount necessary to satisfy the Restoration Target, existing Restoration Account assets will be credited with interest equal to the net return on plan investments, but capped at the then investment return assumption. In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses.



In connection with preparation of the actuarial report for FY 2028, the GRS actuary will determine whether GRS has satisfied the applicable Permanent Restoration Target, which shall be 75%. Transfers from the Restoration Reserve Account for credit to the GRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the GRS Funded Level as of June 30, 2028 has satisfied the Permanent Restoration Target(75%), then the amounts in the Restoration Reserve Account , if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of restoration payments for one or more GRS Waterfall Classes over such GRS Waterfall Class members' actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the GRS Pension Reserve Account and the applicable incremental payments shall be permanently restored for the applicable GRS Waterfall Class and shall no longer be variable from year to year. Variable restoration payments will continue to be paid or credited during the period from July 1, 2028 through June 30, 2033 based on the applicable Restoration Target set forth in Exhibit A and otherwise in accordance with this restoration memorandum, notwithstanding whether the Restoration Target during this period is less than the Permanent Restoration Target as of June 30, 2028 of 75%.

In connection with preparation of the annual actuarial valuation report for FY 2033, the GRS actuary will determine whether GRS has satisfied the Permanent Restoration Target for 2033, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the GRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target . If following such transfers the GRS Funded Level as of June 30, 2033 has satisfied the applicable Permanent Restoration Target, then the amounts in the Restoration Reserve Account if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of restoration payments for one or more GRS Waterfall Classes over such GRS Waterfall Class members' actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the GRS Pension Reserve Account and the applicable incremental payments shall be permanently restored for the applicable GRS Waterfall Class and shall no longer be variable from year to year.

Following receipt of the actuarial reports for 2028, and in the event that the projected Funded Level of GRS as of 2033 is less than 71%, the GRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2033, or (ii) an amount of annual administrative expenses until 2033 equal to the average annual administrative expenses in the prior 4 years, in addition to a net 6.75% annual investment return. If such retrospective recalculation



indicates that fewer amounts would have transferred to the GRS Restoration Reserve Account than actually were transferred during such look back period, then the GRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2033 GRS Funded Level to 71%.

#### 4. General GRS Pension Restoration from July 1, 2033 to June 30, 2043.

During this period, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto. The same rules for restoration that applied during the period ending June 30, 2033 shall otherwise apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2043 GRS Funded Level falls below the 2043 Funding Target). For example, for purposes of determining whether the 2043 Restoration Target has been satisfied, the Plan actuary shall project annual contributions using the same 2023 UAAL Amortization. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded, and no Extra Contribution Account assets shall be included for purposes of determining whether the Funded Level meets the Restoration Target or Permanent Restoration Target, including any additions to such account after 2033.

In connection with preparation of the annual actuarial valuation report for FY 2043, the GRS actuary will determine whether GRS has satisfied the applicable Permanent Restoration Target, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the GRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the GRS Funded Level as of June 30, 2043 is equal to or greater than the applicable Permanent Restoration Target, then the amounts in the Restoration Reserve Account if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund over their actuarially projected lives one or more increments of restoration payments for one or more GRS Waterfall Classes, shall be transferred from the Restoration Reserve Account and credited to the GRS Pension Reserve Account and the applicable payments for the applicable GRS Waterfall Class shall be permanently restored and shall no longer be variable.

#### 5. Modification of the Pension Restoration Program

If any time after July 1, 2026, the GRS Investment Committee (by vote of 5 of its 7 members), or the GRS Board of Trustees (by a greater than 66% vote) determines that a change in relevant circumstances has occurred, or there was a mutual mistake of fact in developing this Pension Restoration Agreement, such that the continued operation of this Agreement without amendment will: (a) materially harm the long-term economic interests of the City or Retirement System; or (b) materially impair the City's ability to fully fund over a reasonable period the then existing frozen benefit liabilities, the Investment Committee or the Board, as the case may be, shall provide written notice to the other entity of such a determination and of the need to amend this Restoration Agreement (it being understood that the post-Chapter 9, 40-year amortization period (to 2053) to full fund GRS frozen liabilities is presumptively reasonable, but not irrebutably so). The Investment Committee and the Board shall then meet to negotiate amendments to this Agreement that address the identified risk of harm or impairment, but which also considers this Agreement's objective of providing pension restoration. Such negotiations shall take into account reasonable actions the City has pursued or could pursue to mitigate such harm or impairment. Any such amendments shall require the approval of a majority vote of the combined members of the Committee and Board (persons who sit on both the Board and Committee shall have one vote). Such parties shall consult with the Mayor, City Council and the Governor in connection with such negotiation. If the Board, acting through a majority, and the Investment Committee, acting through a majority, cannot agree to such amendments with the 90-day period following the provision of such notice by the determining party, then the Board and Investment Committee shall proceed to mediation. In this regard, within 30-days following expiration of the 90-day period the Board and the Investment Committee shall each select a mediator from the list of approved mediators for the United States District Court for the Eastern District of Michigan. The two selected mediators shall appoint a third neutral mediator from the approved list. Each party shall furnish a written statement to the mediators within 30 days of selection of the neutral mediator. Representatives of the Mayor and the Governor shall participate in such mediations. If following a 90-day mediation period following submission of the written statements the matter is not settled, then either the Investment Committee or the Board can file an action in the United States District Court for the Eastern District of Michigan asking it to declare, *inter alia*, whether or in what manner to amend this Agreement.

## **EXHIBIT A**

**GRS** - The 2033 and 2043 Funding Targets shall be equal to the actual 2023 Funded Level rounded to the nearest 10<sup>th</sup> decimal. The Restoration Target shall be 3.0%

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higher than the Funding Target but not less than 73%. The Permanent Restoration Targets shall be 75% in 2028, and 1% higher than the Restoration Targets in 2033 and 2024, but not less than 75%. The Restoration Reserve Suspension Trigger will be set 1% higher than the projected Funding Target for all time periods.

<u>2023 Funded Level</u>	<u>2033 Funding Target/Restoration Target</u>	<u>2043 Funding Target/Restoration Target</u>
75%	75%/78%	75%/78%
74%	74%/77%	74%/77%
73%	73%/76%	73%/76%
72%	72%/75%	72%/75%
71%	71%/74%	71%/74%
70%	70%/73%	70%/73%
69% or lower	the % = to 2023 Funded Level %/73%	the % = to 2023 Funded Level %/73%
<u>2033 Permanent Restoration Target</u>		<u>2043 Permanent Restoration Target</u>
75% ,or if greater, 1% more than 2033 Restoration Target		75%, or if greater, 1% more than 2043 Restoration Target

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**EXHIBIT II.D.5**

SCHEDULE OF POSTPETITION COLLECTIVE BARGAINING AGREEMENTS

**EXHIBIT II.D.5**

**SCHEDULE OF POSTPETITION COLLECTIVE BARGAINING AGREEMENTS**

**I. FULLY APPROVED AGREEMENTS<sup>1</sup>**

**A. City of Detroit Collective Bargaining Agreements**

- 1) Master Agreement Between the City of Detroit and the Police Officers Association of Michigan POAM, 2013-2018, dated November 12, 2013.
- 2) Master Agreement Between the City of Detroit and the International Brotherhood of Teamsters Local 214 2013-2018, dated December 18, 2013.
  - a. Supplemental Agreement Between the City of Detroit Police Department and Teamsters State, County and Municipal Workers, Local 214 2013-2018, dated December 18, 2013.
  - b. Supplemental Agreement Between the Department of Public Works and Teamsters Local 214 2013-2018, dated December 18, 2013.
  - c. Supplemental Agreement Between the General Services Department and Teamsters Local 214 2013-2018, dated December 18, 2013.
  - d. Supplemental Agreement between the City of Detroit Municipal Parking Department and Local #214 Teamsters State, County and Municipal Workers, 2013-2018, dated December 18 2013.
- 3) Master Agreement Between the City of Detroit and the International Union of Operating Engineers IUOE Local 324 2013-2018, dated December 18, 2013.
- 4) Master Agreement Between the City of Detroit and the International Union of Operating Engineers IUOE Local 324 (Park Management) 2013-2018, dated December 18, 2013.
- 5) Master Agreement Between the City of Detroit and the International Union of Operating Engineers IUOE Local 324 (Principal Clerks) 2013-2018, dated December 18, 2013.
- 6) Master Agreement Between the Assistant Supervisors of Street Maintenance and Construction and the City of Detroit 2014-2018.
- 7) Master Agreement Between the City of Detroit and the Michigan Building and Construction Trades Council 2014-2018, dated May 1, 2014.
- 8) Master Agreement Between the City of Detroit and the Emergency Medical Service Officers Association 2014-2019, dated June 11, 2014.

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<sup>1</sup> "Fully Approved Agreements" means those collective bargaining agreements that have been (i) ratified by the applicable bargaining unit or units, as necessary (ii) approved by the applicable City or DWSD bargaining representatives, (iii) approved by the Emergency Manager and (iv) approved by the Office of the Treasurer of the State of Michigan.

- 9) Master Agreement Between the City of Detroit and Local 1863 of the American Federation of State County and Municipal Employees, AFL-CIO (Detroit Civilian Crossing Guards) 2014-2018, dated June 27, 2014.
- 10) Master Agreement Between the City of Detroit and Local 542 of the American Federation of State County and Municipal Employees, AFL-CIO (Motor City Seasonals) 2014-2018, dated June 27, 2014.
- 11) Master Agreement Between the City of Detroit and Local 1206 of the American Federation of State County and Municipal Employees, AFL-CIO (Detroit Forestry and Landscape Foreman's Union) 2014-2018, dated June 27, 2014.
- 12) Master Agreement Between the City of Detroit and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
- 13) Master Agreement Between the City of Detroit and Local 6087 of the American Federation of State County and Municipal Employees, AFL-CIO (Paving Forepersons) 2014-2018, dated June 27, 2014.
- 14) Master Agreement Between the City of Detroit and the Detroit Police Command Officers Association 2014-2019, dated June 18, 2014.
- 15) Master Agreement Between the City of Detroit and the Detroit Income Tax Investigators Association 2014-2018.
- 16) Master Agreement Between the City of Detroit and the Association of Municipal Inspectors 2014-2018, dated June 27, 2014.
- 17) Master Agreement Between the City of Detroit and the Service Employees International Union Local 517-M (Supervisory Unit) 2014-2018, dated June 25, 2014.
- 18) Master Agreement Between the City of Detroit and the Service Employees International Union Local 517-M (Non-Supervisory Unit) 2014-2018, dated June 25, 2014.
- 19) Master Agreement Between the City of Detroit and the Service Employees International Union Local 517-M (Professional and Technical Unit) 2014-2018, dated June 25, 2014.
- 20) Master Agreement Between the City of Detroit and the Association of City of Detroit Supervisors 2014-2018, dated June 27, 2014.
- 21) Master Agreement Between the City of Detroit and the Association of Professional and Technical Employees 2014-2018, dated July 22, 2014.
- 22) Master Agreement Between the City of Detroit and the Senior Accountants, Analysts and Appraisers Association 2014-2018, dated May 27, 2014.
- 23) Master Agreement Between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees, AFL-CIO (Non-Supervisory Bargaining Unit) 2014-2018.

#### **B. Detroit Water and Sewerage Department Collective Bargaining Agreements**

- 1) 2012-2018 Master Agreement Between the Detroit Water & Sewerage Department and AFSCME, Michigan Council 25 Local 2920.



## **II. RATIFIED AGREEMENTS PENDING FINAL APPROVALS<sup>2</sup>**

### **A. Ratified City of Detroit Collective Bargaining Agreements Pending Final Approvals**

- 1) Master Agreement Between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association 2014-2019.
  - a. Tentative Agreement Between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association, dated June 19, 2014.

### **B. Ratified Detroit Water and Sewerage Department Collective Bargaining Agreements Pending Approvals**

- 1) Master Agreement Between the City of Detroit and the Michigan Building and Construction Trades Council 2013-2016, dated June 26, 2013.
  - a. Memorandum of Agreement between the Detroit Water and Sewerage Department and the Michigan Building & Construction Trades Council to amend their June 26, 2013 - June 30, 2016 collective bargaining agreement.
- 2) 2013-2016 Master Agreement Between the Detroit Water & Sewerage Department and the Building Trades Foremen, dated June 26, 2013.
- 3) 2014-2016 Master Agreement Between the Detroit Water & Sewerage Department and the Detroit Senior Water Systems Chemists Association.
- 4) 2014-2019 Master Agreement Between the DWSD and Teamsters State, County and Municipal Workers, Local 214.
- 5) Memorandum of Agreement between the Detroit Water and Sewerage Department and the International Union of Operating Engineers, Local 324 to amend their March 25, 2013 - June 30, 2022 collective bargaining agreement.

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<sup>2</sup> "Ratified Agreements Pending Final Approvals" means those collective bargaining agreements approved by the City bargaining representatives, and ratified by the applicable bargaining unit or units, as necessary, that remain subject to approval by either, or both, the Emergency Manager and the Office of the Treasurer of the State of Michigan. The inclusion of such collective bargaining agreements in this Exhibit does not, and shall not be deemed to, modify or waive the requirement for such approvals in any way.

**EXHIBIT II.D.6**

EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE REJECTED

## Exhibit II.D.6

Executory Contracts and Unexpired Leases to be Rejected  
In re City of Detroit, Michigan, Case No. 13-53846 (Bankr. E.D. Mich)

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
151 W FORT ST ASSOCIATES LLC	1075036	2635434		INFORMATION TECHNOLOGY SERVICES
1600 ASSOCIATES LLC	20396	2501191		MUNICIPAL PARKING DEPARTMENT
3M CONTRACTING INC	1107578	2809948		HUMAN SERVICES DEPARTMENT
455 ASSOCIATES LLC	19602	2600416		WORKFORCE DEVELOPMENT DEPARTMENT
455 ASSOCIATES LLC	19602	2722656		WORKFORCE DEVELOPMENT DEPARTMENT
660 WOODWARD ASSOCIATES LLC	1117401	2604895		INFORMATION TECHNOLOGY SERVICES
660 WOODWARD ASSOCIATES LLC	1117401	2809305		LAW DEPARTMENT
660 WOODWARD ASSOCIATES LLC	1117401	2866561		LAW DEPARTMENT
A & H CONTRACTORS	1090249	2797590	ICE RINK IMPROVEMENTS	RECREATION DEPARTMENT
A NEW BEGINNING II INC	1010270	2626822		EMPLOYMENT AND TRAINING DEPARTMENT
AARON L FORD	1101801	2759870		HEALTH DEPARTMENT
ABAYOMI CDC	1055088	2597193		FINANCE DEPARTMENT
ABBOT NICHOLSON	1064317	2605132	LEGAL SERVICES	LAW DEPARTMENT
ACCENTURE LLP	19843	2582670		HUMAN SERVICES DEPARTMENT
ACHIEVEMENT RESOURCES LLC	1075198	2640120		DEPARTMENT OF PUBLIC WORKS
ADAMS HOME REPAIR SERVICE INC	1031652	2532093	HOME REPAIR FOR LOW INCOME CITIZENS.	HUMAN SERVICES DEPARTMENT
ADULT WELL BEING SERVICES	17259	2507595	ADULT WELL BEING SERVICES	HEALTH DEPARTMENT
ADULT WELL BEING SERVICES	17259	2501821	EZ-PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
ADVANCED ENGINEERING SOLUTION INC	1043861	2613331		ENVIRONMENTAL AFFAIRS DEPARTMENT
AFFILIATED INTERNISTS CORPORATION	1007088	2541129	PROVIDE MEDICAL STAFF	HEALTH DEPARTMENT
AFL CIO COUNCIL	9713	2505335		FINANCE DEPARTMENT
AFL CIO COUNCIL	9713	2504234	AFL/CIO COUNCIL-METRO COUNCIL	FINANCE DEPARTMENT
AGAR LAWN SPRINKLER SYSTEMS INC	1019225	2871984	FURNISH UNDERGROUND SPRINKLER MAINT.	GENERAL SERVICES DEPARTMENT
AIRGAS GREAT LAKES	-	2754331	PURCHASE ORDER FOR COMMERCIAL GASES	GENERAL SERVICES DEPARTMENT
AKT PEERLESS ENVIRONMENTAL SERVICES LLC	1025663	2845810	DEMOLITION OF PROPERTIES	BUILDINGS AND SAFETY DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2554416	CONTRACTUAL RESOURCES	INFORMATION TECHNOLOGY SERVICES
ALAN C YOUNG ASSOCIATES PC	20513	2572989		HEALTH DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2511247	AUDITING SERVICES FY 98/99 FICS 78653	HUMAN SERVICES DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2501399	PROFESSIONAL SERVICES	FINANCE DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2507833	AUDITING - ALAN C YOUNG	HEALTH DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2515896	AUDIT DRUG TREATMENT/AIDS PROGRAMS	HUMAN SERVICES DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2780084		HEALTH DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
ALKEBU LAN VILLAGE	1043877	2588741		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2533139	YOUTH PROGRAM	HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2619692		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2804801		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2775178		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2772580	PROFESSIONAL SERVICES CONTRACT	RECREATION DEPARTMENT
ALLEN & ASSOCIATES APPRAISAL GROUP INC	20517	2502141	PROFESSIONAL SERVICES: CASINO APPRAISAL	LAW DEPARTMENT
ALLIANCE FOR A SAFER GREATER DETROIT	1102712	2767089		POLICE DEPARTMENT
ALPHA ELECTRIC INC	1026028	2625782		PUBLIC LIGHTING DEPARTMENT
ALPHA ELECTRIC INC	1026028	2625784		PUBLIC LIGHTING DEPARTMENT
ALPHA ELECTRIC INC	1026028	2625780		PUBLIC LIGHTING DEPARTMENT
ALPHA KAPPA ALPHA FOUNDATION OF DETROIT	19649	2592410		FINANCE DEPARTMENT
ALTERNATIVE FOR GIRLS	16279	2503526	TRANSITIONAL HOUSING	FINANCE DEPARTMENT
AMERICAN INDIAN HEALTH & FAMILY	18997	2500866	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
AMERITECH	20497	2506112		PUBLIC LIGHTING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501028	PARKING SERVICES	MUNICIPAL PARKING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501362	KENNEDY SQUARE PARKING SERVICES	MUNICIPAL PARKING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501356	PARKING SERVICE FOR KENNEDY SQUARE	MUNICIPAL PARKING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501789	PARKING LOT MANAGEMENT	FINANCE DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2524825	WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2525177	LIHEAP	HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2544432	HOME WEATHERIZATION	HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2607320		HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2789077		HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2761179		HUMAN SERVICES DEPARTMENT
ANACAPA SCIENCE INC	1012433	2507585		POLICE DEPARTMENT
ANDREW J BEAN	1003634	2530372	LEGAL SERVICES: DAVIS/WILLIAMS V CITY	FINANCE DEPARTMENT
ANDREW J BEAN	1003634	2634325		LAW DEPARTMENT
ANDREW J BEAN	1003634	2538079	LEGAL SERVICES: TOMMIE THOMAS V CITY	LAW DEPARTMENT
ANDREW J BEAN	1003634	2561944	LEGAL SERVICES: MICHELLE HARPER, ET AL	LAW DEPARTMENT
ANDREW J BEAN	1003634	2561936	LEGAL SERVICES	LAW DEPARTMENT
ANDREW J BEAN	1003634	2501547	LEGAL SERVICES: RYAN MULLINS V CITY	LAW DEPARTMENT
ANDREW J BEAN	1003634	2545467	LEGAL SERVICES: BOSWELL V JORDAN/CITY	LAW DEPARTMENT
ANDREW J BEAN	1003634	2505202	LEGAL SERVICES	LAW DEPARTMENT
ANDREW J BEAN	1003634	2512646	LEGAL SERVICES	FINANCE DEPARTMENT
ANDREW J BEAN	1003634	2505710	LEGAL SERVICES: KEITH THORNTON V CITY	LAW DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
ANDREW J BEAN	1003634	2576673		LAW DEPARTMENT
ANDREW J BEAN	1003634	2505715	LEGAL SERVICES	FINANCE DEPARTMENT
ANDREW J BEAN	1003634	2574494		LAW DEPARTMENT
AON RISK SERVICES INC OF MICHIGAN	17959	2506866	AUDIT	AUDITOR GENERAL
APCOA INC	18982	2504151	COBO COMPLEX PARKINGMANAGEMENT SERVICES	MUNICIPAL PARKING DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2546963	PARTNERSHIP FOR ADULT LEARNING	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2563067	WORK FIRST & WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2778448		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2797753		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2806229		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2775339		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2714444		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2717186		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER	20424	2549478	ENGLISH AS A SECOND LANGUAGE	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB COMMUNITY CENTER	20424	2519169	JOB SEARCH AND TRAINING (WORK FIRST)	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB COMMUNITY CENTER	20424	2740257		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2778446		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2797751		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2800934		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2778768		WORKFORCE DEVELOPMENT DEPARTMENT
ARTHUR F SMITH ARCHITECTS	19092	2500783	CAMP MASTERPLAN	NO DEPARTMENT INDICATED
ASHPAUGH & SCULCO CPA PLC	1026075	2506711	RATE CONSULTANT	NON-DEPARTMENTAL
AVANCE COMMUNICATIONS INC	1017277	2589125		DEPARTMENT OF TRANSPORTATION
AVANCE COMMUNICATIONS INC	1017277	2544753	COMMUNICATIONS	HUMAN SERVICES DEPARTMENT
B & B POOLS AND SPAS	8897	2680662		RECREATION DEPARTMENT
B E I ASSOCIATES INC	1002153	2500794	PROFESSIONAL ENGINEERING SERVICES	DEPARTMENT OF PUBLIC WORKS
BABBIE DEVELOPERS	1100891	2753822	ROOF REPLACEMENT FORT WAYNE-QUARTERMASTER WAREHOUSE	RECREATION DEPARTMENT
BAPCO-SUBSTANCE ABUSE	15997	2501510	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
BARNEY MCCOSKY BASEBALL LEAGUE	17329	2540757	36-NTV-NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
BARTECH GROUP	19194	2578539		FINANCE DEPARTMENT
BARTHEL CONTRACTING	6174	2506716	PAVEMENT RESURFACING, GROUP 95-3	DEPARTMENT OF PUBLIC WORKS
BARTHEL CONTRACTING	6174	2508554	WIDENING & RESURFACING	DEPARTMENT OF PUBLIC WORKS

Name of Counterparty	Vendor #	Contract #	Description	City Department
BARTHEL CONTRACTING	6174	2508474	PAVEMENT RESURFACING, GROUP 96-5	DEPARTMENT OF PUBLIC WORKS
BARTHEL CONTRACTING	6174	2630995		DEPARTMENT OF PUBLIC WORKS
BARTHEL CONTRACTING	6174	2658806		DEPARTMENT OF PUBLIC WORKS
BDN INDUSTRIAL HYGIENE CONSULTANT	19807	2502471	ABATEMENT OF ASBESTOS	DEPARTMENT OF PUBLIC WORKS
BDO SEIDMAN LLP	1073285	2659484		LAW DEPARTMENT
BEACON ENERGY LLC	1088904	2699766		SEWERAGE DEPARTMENT
BEACON ENERGY LLC	1088904	2763942	PROVIDE CONSULTING SERVICES	PUBLIC LIGHTING DEPARTMENT
BEAL INC	1104822	2786319		RECREATION DEPARTMENT
BEI ASSOCIATES INC	19420	2586915		DEPARTMENT OF PUBLIC WORKS
BEI ASSOCIATES INC	19420	2576869		PUBLIC LIGHTING DEPARTMENT
BELLANCA BEATTIE & DELISLE PC	1002283	2515001	LEGAL SERVICES	FINANCE DEPARTMENT
BELLANCA BEATTIE & DELISLE PC	1002283	2502106	LEGAL SERVICES	NO DEPARTMENT INDICATED
BELLANCA BEATTIE & DELISLE PC	1002283	2618387	LEGAL SERVICES	LAW DEPARTMENT
BELMARC INC	1012648	2505560	PROFESSIONAL SERVICES	LAW DEPARTMENT
BERG MUIRHEAD AND ASSOCIATES	1051572	2758875		MAYOR'S OFFICE
BEST AMERICAN INDUSTRIAL	17038	2501442	SKILLED TRADES	NO DEPARTMENT INDICATED
BETTS MEDICAL GROUP LLC	1030943	2531569	PHYSICIAN SERVICES	HEALTH DEPARTMENT
BLACK & VEATCH	20115	2501009	PROFESSIONAL SERVICES	NO DEPARTMENT INDICATED
BLACK CAUCUS FOUNDATION OF MICHIGAN	18481	2501792		HEALTH DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2508726	PROGRAM COORDINATION OF COOPER	FINANCE DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2506003	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2784374		HUMAN SERVICES DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2761029		HUMAN SERVICES DEPARTMENT
BLOUNT ENGINEERS INC.	13566	2500972	PROFESSIONAL SERVICES	PUBLIC LIGHTING DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2507188	LEGAL SERVICES	LAW DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2501800	LEGAL SERVICES	PUBLIC LIGHTING DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2505006	LEGAL SERVICES	LAW DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2501852	LEGAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
BONIFACE HUMAN SRVS	19449	2501513	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
BOOKER T WASHINGTON	17389	2517857	PUBLIC FACILITY REHABILITATION	FINANCE DEPARTMENT
BOOMER CO	19949	2784930	CITY OF DETROIT CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
BOOTH RESEARCH GROUP INC	1058277	2585080		POLICE DEPARTMENT
BOOTH RESEARCH GROUP INC	1058277	2759498	DPD PROMOTIONAL EXAMINATION	POLICE DEPARTMENT
BRACEFUL & ASSOCIATES PC	1002357	2508823	LEGAL SERVICES	FINANCE DEPARTMENT
BRACEFUL & ASSOCIATES PC	1002357	2507332	LEGAL SERVICES: TROMEUR V CITY	LAW DEPARTMENT
BRADY HATHAWAY PC	20356	2505092	LEGAL SERVICES: VINES/CHILDS V CITY	LAW DEPARTMENT
BRIGHTMOOR COMMUNITY CENTER	18407	2501479	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
C & H BUILDERS	1025257	2544437	HOME WEATHERIZATION	FINANCE DEPARTMENT
C & H BUILDERS	1025257	2524574	WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
C & H BUILDERS	1025257	2543531	LIHEAP-HOME WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
C & H BUILDERS	1025257	2793400		HUMAN SERVICES DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2799257	CPATTON PARK IMPROVEMENT	RECREATION DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2799260	BELLE ISLE - TENNIS COURT RENOVATIONS	RECREATION DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2789963	LITTLEFIELD PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2798602	WINGLE PLAYLOT IMPROVEMENTS	RECREATION DEPARTMENT
CADILLAC TOWER MI LLC	1117104	2810553		BUDGET DEPARTMENT
CAPITAL ACCESS INC	1033428	2536054	CONSULTING AGREEMENT	PLANNING AND DEVELOPMENT DEPARTMENT
CAPITAL COMPUTER SOLUTIONS	16316	2507466	IMAGING SYSTEM (FICS #76497)	HEALTH DEPARTMENT
CAPITAL COMPUTER SOLUTIONS	16316	2760099		HEALTH DEPARTMENT
CARE GIVERS	19339	2510116	HOMELESSNESS PREVENTION	FINANCE DEPARTMENT
CAREERWORKS INC	10310	2501469	SUMMER PROGRAM	NO DEPARTMENT INDICATED
CAREERWORKS INC	10310	2518192	WORK FIRST JOB PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2526127	YOUTH SERVICES PROGRAM PY2000	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2539830	FOOD STAMP - 10/01/00 - 9/30/01	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2560643	FOOD STAMP 2001-2002	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2553148	WIA SUMMER COORDINATION	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2530117	WIA SUMMER - MICROSOFT PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2536669	WIA-ELECTRONICS & TELECOMMUNICATIONS	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2740262		WORKFORCE DEVELOPMENT DEPARTMENT
CARNEGIE MORGAN PARTNERS	18655	2600434		FINANCE DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2539246	PUBLIC SERVICE FOR THE HOMELESS	HUMAN SERVICES DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2521565	FOOD PROGRAM, EASTSIDE AND WESTSIDE	HUMAN SERVICES DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2570923		HUMAN SERVICES DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2775168		HUMAN SERVICES DEPARTMENT
CASS COMMUNITY UNITED	18514	2559508	CASE MANAGEMENT AND COUNSELING	DEPARTMENT OF PUBLIC WORKS
CASS COMMUNITY UNITED	18514	2515503	WARMING CENTER FOR HOMELESS	HUMAN SERVICES DEPARTMENT
CASS COMMUNITY UNITED METHODIST	7182	2588909		HUMAN SERVICES DEPARTMENT
CASS CORRIDOR NEIGHBORHOOD DEVELOPMENT CORP	20452	2506844	PRE-DEVELOPMENT ACTIVITIES	FINANCE DEPARTMENT
CATHOLIC SOCIAL SERVICES	3536	2501515	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
CATHOLIC YOUTH ORGANIZATION	1961	2501808	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
CDL TRAINING SCHOOL LLC	1064701	2804809		HUMAN SERVICES DEPARTMENT
CDL TRAINING SCHOOL LLC	1064701	2775174		HUMAN SERVICES DEPARTMENT
CEI MICHIGAN LLC	1104760	2785400	EASTERN MARKET SHED NO. 3 RENOVATIONS	RECREATION DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
CEI MICHIGAN LLC	1104760	2785393	CONSTRUCTION CONTRACT FOR EASTERN MARKET SHED NO. 3	RECREATION DEPARTMENT
CENTRAL MAINTENANCE SERVICE	9209	2501782	36/LS - MANAGEMENT SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
CENTRAL UNITY METHODIST CHURCH	5570	2503083	PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
CENTURY CEMENT CO INC	1393	2520066	REPAIR OF DAMAGED SIDEWALKS	DEPARTMENT OF PUBLIC WORKS
CENTURY CEMENT CO INC	1393	2541213	REPAIR OF DAMAGED SIDEWALKS	DEPARTMENT OF PUBLIC WORKS
CHARFOOS & CHRISTENSEN	19681	2599095	LEGAL SERVICES	LAW DEPARTMENT
CHARLES MERZ	19485	2501931	BELLE ISLE PICNIC SHELTER	NO DEPARTMENT INDICATED
CHECKER CAB	1002656	2533466		HUMAN SERVICES DEPARTMENT
CHECKER CAB	1002656	2620877		HUMAN SERVICES DEPARTMENT
CHECKER CAB	1002656	2775459		HUMAN SERVICES DEPARTMENT
CHECKER CAB	1002656	2803649		HUMAN SERVICES DEPARTMENT
CHECKER CAB	6574	2743785		HUMAN SERVICES DEPARTMENT
CHILD CARE COORDINATING COUNCIL OF DETROIT	18279	2751505		HUMAN SERVICES DEPARTMENT
CHILD CARE COORDINATING COUNCIL OF DETROIT	18279	2774001		HUMAN SERVICES DEPARTMENT
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2516007	EMPOWERMENT ZONE- PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2500872		NO DEPARTMENT INDICATED
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2554216	EMPOWERMENT ZONE- PUBLIC SERVICES	FINANCE DEPARTMENT
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2532118	EMPOWERMENT ZONE - PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2618760		POLICE DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2620357		HUMAN SERVICES DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2563913		FINANCE DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2740222		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2775157		HUMAN SERVICES DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2614565		HUMAN SERVICES DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2778775		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2778778		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2800817		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS CENTER OF WAYNE COUNTY	12390	2501646	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
CHILDRENS CENTER OF WAYNE COUNTY	12390	2535133	HEAD START MENTAL CONSULTANT SERVICES	HUMAN SERVICES DEPARTMENT
CHILDRENS CENTER OF WAYNE COUNTY	12390	2516136	MENTAL HEALTH CONSULTANT SERVICES	HUMAN SERVICES DEPARTMENT
CHILDRENS CENTER OF WAYNE COUNTY	12390	2569653		HUMAN SERVICES DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
CHILDRENS CENTER OF WAYNE COUNTY	12390	2501812	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
CHRISTIAN GUIDANCE CENTER	18739	2501814	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
CITY CONNECT DETROIT	1082718	2796700		WORKFORCE DEVELOPMENT DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2543328	ADDICTION TREATMENT	HEALTH DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2539765	TRAINING WORK FIRST PROGRAM	HEALTH DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2539650	YOUTH DEPARTMENT SAFETY PROGRAM	HEALTH DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2675311		HUMAN SERVICES DEPARTMENT
CLARK ASSOCIATES INC	15176	2625022		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2504251	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2518285	CLARK MASTER - SUBSTANCE ABUSE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2588764		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2536507	CLARK - MEDICAID	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2670290		HUMAN SERVICES DEPARTMENT
CLARK ASSOCIATES INC	15176	2689636		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2534097	SUBSTANCE ABUSE MASTER AGREEMENT	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2559955	CLARK- MEDICAID	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2518292	CLARK MEDICAID-MASTER	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2518483	CLARK - DRUG EDUCATION	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2506642	EDUCATE FYE 6/30/99 CLARK/POLICE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2501252		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2557597	CLARK MASTER - SUBSTANCE ABUSE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2625016		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2527241	YOUTH DEPT. SAFETY ASSESSMENT PROG.	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2618554		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2502443		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2618552		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2700218		RECREATION DEPARTMENT
CLARK ASSOCIATES INC	15176	2515854	CLARK - CCA- FYE 6/30/00 SPO2515857	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2779347		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2797389		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2750134		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2747666		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2779369		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2756507		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2805210		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2875766	S.A.F.E.T.Y. PROGRAM	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2776664		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2779355		HEALTH DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
CLARK ASSOCIATES INC	15176	2755767		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2801963		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2803778		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2786574		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2759243		HEALTH DEPARTMENT
CLARK HILL	7778	2501937	LEGAL SERVICES	LAW DEPARTMENT
CLARK HILL	7778	2543385	LEGAL SERVICES	LAW DEPARTMENT
CLARKS CONSTRUCTION	1016952	2679759		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2636522		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2713626		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2714063		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2715398		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2731184	PARK & PLAYGROUND IMPROVEMENTS	RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2709777		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2756725	PARK & PLAYGROUND IMPROVEMENTS	RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2789767	LAKER PLAYGROUND IMPROVEMENTS	RECREATION DEPARTMENT
CLAYTON ENVIRONMENTAL	1002564	2519814	EPA PERMITS & DEREGULATIONS	PUBLIC LIGHTING DEPARTMENT
CMTS INC	18181	2501924	FICS 074776 INSPECTION SERVICES	DEPARTMENT OF PUBLIC WORKS
COHL STOKER TOSKEY & MCCLINCHEY PC	1081162	2661933		CITY COUNCIL
COMMUNITY & EDUCATIONAL SERVICES INC	1059876	2777992	EMERGENCY SHELTER SERVICES	HUMAN SERVICES DEPARTMENT
COMMUNITY DEVELOPMENT SOLUTIONS LLC	1057282	2695015		RECREATION DEPARTMENT
COMMUNITY DEVELOPMENT SOLUTIONS LLC	1057282	2675021		RECREATION DEPARTMENT
COMMUNITY HEALTH AWARENESS GROUP INC	1051231	2571474		HEALTH DEPARTMENT
COMMUTER TRANSPORTATION	15328	2510505	SHUTTLE SERVICE	CIVIC CENTER DEPARTMENT
COMPREHENSIVE DATA PROCESSING	11248	2502241	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
COMPUTECH CORPORATION	1054040	2574424		NON-DEPARTMENTAL
COMPUTECH CORPORATION	1054040	2620775		NON-DEPARTMENTAL
COMPUWARE CORPORATION	1003122	2595111		NON-DEPARTMENTAL
CONNOLLY RODGERS & SCHARMAN PLLC	1089154	2703083		LAW DEPARTMENT
CONSULTING ENGINEERING ASSOCIATES INC	1806	2514647	ELECTRICAL DESIGN-HIGHWAYS PROJECTS	DEPARTMENT OF PUBLIC WORKS
CONSULTING ENGINEERING ASSOCIATES INC	1806	2508478	ENGINEERING	WATER DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
CONSULTING ENGINEERING ASSOCIATES INC	1806	2544911	FICS CONTRACT # 064150, ELECTRICAL DESIGN	DEPARTMENT OF PUBLIC WORKS
CONSULTING ENGINEERING ASSOCIATES INC	1806	2544914	FICS CONTRACT 065783, ELECTRICAL DESIGN	DEPARTMENT OF PUBLIC WORKS
CORPORATE ASSET MANAGEMENT INC	1022860	2607935		DEPARTMENT OF TRANSPORTATION
COUNCIL OF ACTION UNITED FOR SERVICE EFFORTS	14189	2608202		FINANCE DEPARTMENT
COUNCIL OF ISLAMIC ORGANIZATIONS	20305	2501825	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
COURRIER & I	-	2506952		LAW DEPARTMENT
COUZENS LANSKY FEALK ELLIS ROEDER & LAZAR	19705	2534094	LEGAL SERVICES	LAW DEPARTMENT
COVENANT HOUSE OF MICHIGAN	1049191	2614501		EMPLOYMENT AND TRAINING DEPARTMENT
COVENANT HOUSE OF MICHIGAN	1049191	2622827		EMPLOYMENT AND TRAINING DEPARTMENT
COVENANT HOUSE OF MICHIGAN	1049191	2563788	SUPPORTIVE HOUSING	HUMAN SERVICES DEPARTMENT
CREEKSIDE COMMUNITY DEVELOPMENT CORPORATION	1024525	2752940		PLANNING AND DEVELOPMENT DEPARTMENT
CSFB 1998 P1 WOODWARD OFFICE LLC	1074168	2652205		FINANCE DEPARTMENT
CUMMINGS MCCLOREY DAVIS	19999	2502111	LEGAL SERVICES: JANE DOE V P.O. JOURNEY	LAW DEPARTMENT
CUMMINGS MCCLOREY DAVIS	19999	2502154	LEGAL SERVICES	NO DEPARTMENT INDICATED
CURTIS & ASSOCIATES	18886	2563163	JOB SEARCH WORK FIRST/WTW 2001	EMPLOYMENT AND TRAINING DEPARTMENT
CVS	1026222	2782910		WORKFORCE DEVELOPMENT DEPARTMENT
D A CENTRAL INC	1020403	2860051	SECURITY SURVEILLANCE SYSTEM	NO DEPARTMENT INDICATED
D C BYERS COMPANY DETROIT	15847	2502244	FORD RD RESERVOIR REHAB	WATER DEPARTMENT
D P VANBLARICOM INC	1011787	2517238	ESTATE OF LARRY BELL V CITY	LAW DEPARTMENT
DATA COMPRESSION TECHNOLOGY INC.	1057080	2584759		FINANCE DEPARTMENT
DATA CONSULTING GROUP INC	18268	2507857	PARKING TICKETS	MUNICIPAL PARKING DEPARTMENT
DAVID ANDERSON & CATHY STULL	16925	2500749		LAW DEPARTMENT
DBAKER SOLUTIONS	1027729	2526961	CONCESSIONS CONTRACT CONSULTANT	ZOO
DECISION CONSULTANTS INC	14788	2502051	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
DELOITTE & TOUCHE LLP	17837	2592267		CITY COUNCIL
DEMARIA BUILDING COMPANY	19428	2819183	SKILLED TRADES REPAIR AND MAINTENANCE	GENERAL SERVICES DEPARTMENT
DEMARIA BUILDING COMPANY	19428	2706154	BELLE ISLE CONSERVATORY RENOVATIONS	RECREATION DEPARTMENT
DEMARIA BUILDING COMPANY	19428	2832912	EQUIPMENT PURCHASE AND INSTALLATION	WATER DEPARTMENT
DETROIT AREA AGENCY ON AGING	10643	2803629		HUMAN SERVICES DEPARTMENT
DETROIT AREA AGENCY ON AGING	10643	2743788		HUMAN SERVICES DEPARTMENT
DETROIT AREA AGENCY ON AGING	10643	2775457		HUMAN SERVICES DEPARTMENT
DETROIT AREA HEALTH COUNCIL INC	1069815	2619988		RECREATION DEPARTMENT
DETROIT ASSOC OF WOMENS CLUBS	14566	2514218	PUBLIC FACILITY REHAB-FICS #74834	FINANCE DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2501915	PUBLIC SERVICE	NO DEPARTMENT INDICATED
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2502124		NO DEPARTMENT INDICATED
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2807055		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2761547		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2740241		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2503530	JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2508003	EZ-PUBLIC SERVICE	FINANCE DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2516130	DISABILITY SUPPORT TEAM	HUMAN SERVICES DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2501369	CAREER PREP PLANNING	EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500796	WINTER HOLDING & LIGHTING	ZOO
DETROIT BUILDING AUTHORITY	9266	2510115	DPD SECURITY SYSTEM UPGRADE	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500859	HUBER BUILDING RESTORE	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2513351		INFORMATION TECHNOLOGY SERVICES
DETROIT BUILDING AUTHORITY	9266	2593193		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2530203	CENTER & SITE IMPROVE	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2526905	FIRE DETECTION, ALARM & SUPPRESSION	ZOO
DETROIT BUILDING AUTHORITY	9266	2501859	EASTERN MARKET RENOVATIONS	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2545275	SECURITY SYSTEM UPGRADE	POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2503827	CUSTOMER SERVICE CENTER	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501051	FIRESTATION RENOVATION PROGRAM	FIRE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2636298		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2508408	BUILDING RENOVATIONS	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500748	PARKING IMPROVEMENTS	ZOO
DETROIT BUILDING AUTHORITY	9266	2540535		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2502360		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630384		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2514346	INFRASTRUCTURE IMPROVEMENTS	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2516282	FIRE SUPPRESSION AND DETECTION SYSTEM	CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501977	ADAMS BUTZEL CENTER	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2506561	COLEMAN A. YOUNG & ROBERTO CLEMENTE CENTERS IMPROVEMENTS	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2560470	2001-02 CAPITAL IMPROVEMENT PROGRAM	CIVIC CENTER DEPARTMENT



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT BUILDING AUTHORITY	9266	2500743	BIRD & TIGER RENOVATION	ZOO
DETROIT BUILDING AUTHORITY	9266	2691117		FIRE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2506912		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501579	MCCABE FIELD HOUSE SITE IMPROVEMENTS	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501961	MADISON CTR IMPROVEMENTS	NO DEPARTMENT INDICATED
DETROIT BUILDING AUTHORITY	9266	2653472		ZOO
DETROIT BUILDING AUTHORITY	9266	2505570	B.I. CANAL FICS CONTRACT# 073005	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2594879		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2517916		HUMAN SERVICES DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2600472		FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2544837	PUBLIC IMPROVEMENTS AT WOODWARD	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2654364		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2532375		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2505579		FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2536241	COBO CENTERS CAPITAL PROGRAM	CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2619410		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2688656		FIRE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2505726	MINATURE RAILROAD RENOVATION	ZOO
DETROIT BUILDING AUTHORITY	9266	2531292	ARCHITECTURAL PROGRAMMING	POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2561933	CAPITAL IMPROVEMENTS	CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2517985		HISTORICAL
DETROIT BUILDING AUTHORITY	9266	2638245		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500762		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2545352		FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2706199		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2767791		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630436		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2739330		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2726923		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2719133		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630388		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501957	CAPITAL PROJECTS	HEALTH DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2697790		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630408		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2626704		HISTORICAL
DETROIT BUILDING AUTHORITY	9266	2675809		ZOO
DETROIT BUILDING AUTHORITY	9266	2550346	GROUND CARE PROJECT	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2675818		ZOO

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT BUILDING AUTHORITY	9266	2583964		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2627766		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2653471		ZOO
DETROIT BUILDING AUTHORITY	9266	2710513		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2651003		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2697809		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2560660	DETENTION CENTERS/POLICE HEADQUARTERS	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2796726		AIRPORT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2865303		DETROIT OFFICE OF HOMELAND SECURITY
DETROIT BUILDING AUTHORITY	9266	2749361		PUBLIC LIGHTING DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2568320		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2510335	RENOVATION AT PRECINCTS 2, 5, 7, & 11	POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2510162		POLICE DEPARTMENT
DETROIT CATHOLIC PASTORAL	18185	2855625		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT CATHOLIC PASTORAL	18185	2778107		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT CATHOLIC PASTORAL	18185	2554997	NEW CONTRACT SET-UP	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT CENTRAL CITY COMMUNITY	17253	2501790	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
DETROIT DISCOUNT DISTRIBUTORS INC	1027457	2526361	EMERGENCY FOOD	HUMAN SERVICES DEPARTMENT
DETROIT EAST COMMUNITY MENTAL	1005394	2663209		DEPARTMENT OF TRANSPORTATION
DETROIT EAST COMMUNITY MENTAL	1005394	2719895		DEPARTMENT OF TRANSPORTATION
DETROIT EAST INC	13771	2520517	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2515604	PROFESSIONAL ECONOMIC DEVELOPMENT	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2784670	ECONOMIC DEVELOPMENT SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2753574		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2809284		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2725283		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT EDISON COMPANY	5636	2501179		NO DEPARTMENT INDICATED
DETROIT ELECTRICAL SERVICES LLC	1059639	2676228		WATER DEPARTMENT
DETROIT ENTREPRENEURSHIP INST	1036516	2562737	SELF EMPLOYMENT INITIATIVE	WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT ENTREPRENEURSHIP INST	1036516	2507446	P&DD/PS FICS CONTRACT #75285	FINANCE DEPARTMENT

Name of Counterparty	Vendor #	Contract #	Description	City Department
DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION	-	-	GRS SERVICE CONTRACT 2005, DATED MAY 25, 2005, BY AND BETWEEN THE CITY AND THE DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION	NO DEPARTMENT INDICATED
DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION	-	-	GRS SERVICE CONTRACT 2006, DATED JUNE 7, 2006, BY AND BETWEEN THE CITY AND THE DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION, AS THEREAFTER AMENDED	NO DEPARTMENT INDICATED
DETROIT HISPANIC	20401	2564466	JOB SEARCH AND PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT HOUSING COMMISSION	1033965	2801908	FUNDING AGREEMENT	DEPARTMENT OF PUBLIC WORKS
DETROIT HOUSING COMMISSION	1033965	2833063	FUNDING AGREEMENT	DEPARTMENT OF PUBLIC WORKS
DETROIT HOUSING COMMISSION	1033965	2669571		HOUSING DEPARTMENT
DETROIT LIGHT HOUSE PROGRAM	1001492	2501736	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
DETROIT LIGHT HOUSE PROGRAM	1001492	2515558	SUBSTANCE ABUSE FYE 9/99	HEALTH DEPARTMENT
DETROIT MEDICAL CENTER	20097	2501916	MEDICAL SERVICES	NO DEPARTMENT INDICATED
DETROIT METRO CONVENTION	1027508	2615728		CIVIC CENTER DEPARTMENT
DETROIT NEIGHBORHOOD & FAMILY INITIATIVE	1018914	2520602	EMPOWERMENT ZONE - PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT NEIGHBORHOOD DEVELOPMENT CORP	1035571	2539512	NEIGHBORHOOD REVITALIZATION	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT NONPROFIT HOUSING CORPORATION	10641	2514457	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION	-	-	PFERS SERVICE CONTRACT 2005, DATED MAY 25, 2005, BY AND BETWEEN THE CITY AND THE DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION	NO DEPARTMENT INDICATED
DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION	-	-	PFERS SERVICE CONTRACT 2006, DATED JUNE 7, 2006, BY AND BETWEEN THE CITY AND THE DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION, AS THEREAFTER AMENDED	NO DEPARTMENT INDICATED
DETROIT PUBLIC SCHOOLS	1835	2587295		HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2557062	2001-2002 HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2532505	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2617076		EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2657665		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2663934		WORKFORCE DEVELOPMENT DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT PUBLIC SCHOOLS	1835	2571396		EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2512549	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2771471		HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2767770		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2502297	PERMANENT SHELTER & SUPPORT	HEALTH DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2560689	SUPPORTIVE SERVICES	HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2619840		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2548291	TRANSITIONAL HOUSING (FICS #076950)	FINANCE DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2501406	SHELTER FOR THE HOMELESS (FICS #079045)	HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2559511	CASE MANAGEMENT AND COUNSELING	HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2588816		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2751508		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2774007		HUMAN SERVICES DEPARTMENT
DETROIT SNAP INC	19532	2501606	PUBLIC SERVICE	NO DEPARTMENT INDICATED
DETROIT SPECTRUM PAINTERS INC	11290	2785384	EASTERN MARKET RENOVATIONS	RECREATION DEPARTMENT
DETROIT TIGERS BASEBALL CLUB	1036628	2575026		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT TRANSPORTATION CORP DN2	14896	2624573		DEPARTMENT OF TRANSPORTATION
DETROIT URBAN LEAGUE	1587	2518492	DHS EMERGENCY NEED SERVICES PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2504264	CAREER DEVELOPMENT TRAINING	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2620591		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2575580		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2563476	WAGES AND MILEAGE WEATHERIZATION WORKERS	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2515009	WEATHERIZATION SPECIALIST	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2512778	WEATHERIZATION INSPECTORS	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2672024		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2608694		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2557533	JOB READINESS TRAINING	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2557619	EMERGENCY NEEDS PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2533037	CAREER DEVELOPMENT PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2620874		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2535487	EMERGENCY NEEDS PROGRAM.	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2518497	PROVIDE COMPUTER SKILLS TRAINING	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2588385		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2804820		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2775162		HUMAN SERVICES DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2693328		BUDGET DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2825805		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2738647		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2770051		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2714701		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2800319		BUDGET DEPARTMENT
DETROIT WAYNE PORT AUTHORITY	10780	2501783		NON-DEPARTMENTAL
DETROIT WORKFORCE NETWORK INC	1071709	2623415		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2563727	JOB SEARCH AND PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
DEVELOPMENT CENTER INC	16686	2597991		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2627616		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2658738		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2778452		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2725743		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2806231		WORKFORCE DEVELOPMENT DEPARTMENT
DFT SECURITY TEAM JV	1081574	2658119		WATER DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2504635	NEAL/WHITFIELD V ARCHER/JAMES	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2501914	LEGAL SERVICES	NO DEPARTMENT INDICATED
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502116	LEGAL SERVICES: JOAN GHOGIAN V CITY	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2500792	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2501982	LEGAL SERVICES	NO DEPARTMENT INDICATED
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502108	NORDE JAMES V CHIEF ISIAH MCKINNON	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2504874	LEGAL SERVICES: CHILDS V CITY	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502115	LEGAL SERVICES: TAMARA HARMON V CITY	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502105	NAOMI CONAWAY V CITY OF DETROIT	LAW DEPARTMENT

Name of Counterparty	Vendor #	Contract #	Description	City Department
DICKINSON WRIGHT PLLC	1023465	2522227	ANALYSIS OF PA 374; ARCHER V STATE	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2553236	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2534973	TIGER STADIUM MGMT AGREEMENT	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2546606	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2543718	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2803153	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2765485	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2781254	LEGAL SERVICES	LAW DEPARTMENT
DIVERSIFIED EDUCATIONAL SERVICE INC	18910	2561519	WORK FIRST/WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
DIVERSIFIED EDUCATIONAL SERVICE INC	18910	2734876		WORKFORCE DEVELOPMENT DEPARTMENT
DOGWOOD BROOKSIDE NEIGHBORHOODS	1103646	2781555	SIDEWALKS, CURBS, AND APPROACHES	PLANNING AND DEVELOPMENT DEPARTMENT
DOMBROWSKI, ROBERT	20565	2501542	UNIFORM RELOCATION ASSISTANCE	LAW DEPARTMENT
DON BOSCO HALL	20026	2501185		NO DEPARTMENT INDICATED
DON BOSCO HALL	20026	2595057		RECREATION DEPARTMENT
DON BOSCO HALL	20026	2622063		RECREATION DEPARTMENT
DON BOSCO HALL	20026	2778547		WORKFORCE DEVELOPMENT DEPARTMENT
DON BOSCO HALL	20026	2801085		WORKFORCE DEVELOPMENT DEPARTMENT
DOPAR SUPPORT SYSTEMS INC	21284	2713282		INFORMATION TECHNOLOGY SERVICES
DOWNTOWN DEVELOPMENT AUTHORITY	17716	2770230	LOWER WOODWARD IMPROVEMENT	DEPARTMENT OF PUBLIC WORKS
DOWNTOWN DEVELOPMENT AUTHORITY	17716	2563708	EQUIPMENT INSTALLATION	PUBLIC LIGHTING DEPARTMENT
DTWR LLC C/O FARBMAN GROUP	1066425	2604131		FINANCE DEPARTMENT
DTWR LLC C/O FARBMAN GROUP	1066425	2770218		BUDGET DEPARTMENT
DTWR LLC C/O FARBMAN GROUP	1066425	2738724		BUDGET DEPARTMENT
DUREN & ASSOCIATES	20479	2658590		WORKFORCE DEVELOPMENT DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2517349	WASHINGTON, D.C. LEGISLATIVE SERVICES	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2518125	U.S. DEPT OF JUSTICE DOT INVESTIGATION	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2537039	ANDRE YOUNG A/K/A DR. DRE V CITY	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2537005	WASHINGTON D.C. LIAISON	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2501222		PLANNING AND DEVELOPMENT DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2561984	LEGAL SERVICES	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2501872	LEGAL SERVICES	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2550459	EUGENE BROWN V CITY	LAW DEPARTMENT
DYNALECTRIC	1103998	2765307	CLOSED CIRCUIT TELEVISION FOR DOT	DEPARTMENT OF TRANSPORTATION
E L S CONSTRUCTION	1098327	2785558	EASTERN MARKET SHED NO. 3 RENOVATIONS	RECREATION DEPARTMENT
EARTH TECH INC	20544	2500983	BELT FILTER PRESSES	SEWERAGE DEPARTMENT
EARTH TECH INC	20544	2502192	CASINO SITE APPRAISALS	LAW DEPARTMENT
EARTH TECH INC	20544	2510034	ENVIRONMENTAL REAL ESTATE-FICS #71021	FINANCE DEPARTMENT
EASTERN OIL CO.	-	2809177	LUBRICANT OIL	GENERAL SERVICES DEPARTMENT



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
EASTSIDE COMMUNITY RESOURCE	1018050	2538974	JOB ACCESS REVERSE COMMUTE	EMPLOYMENT AND TRAINING DEPARTMENT
EASTSIDE EMERGENCY CTR	16519	2502205	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
EASTSIDE EMERGENCY CTR	16519	2532107	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
EASTSIDE EMERGENCY CTR	16519	2543569	EMERGENCY SHELTER	HUMAN SERVICES DEPARTMENT
EASTWOOD CLINICS CORP OFFICE	1000451	2501528	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
EASTWOOD CLINICS CORP OFFICE	1000451	2501826	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
EBI DETROIT	1000452	2517413	WW-529 SCREEN HOUSE REHABILITATION	WATER DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2515748	PROFESSIONAL ECONOMIC DEVELOPMENT	PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2764614	FOX CREEK INFRASTRUCTURE PROJECT	DEPARTMENT OF PUBLIC WORKS
ECONOMIC DEVELOPMENT CORPORATION	1000454	2818723	EAST RIVERFRONT IMPROVEMENT PROJECT	DEPARTMENT OF PUBLIC WORKS
ECONOMIC DEVELOPMENT CORPORATION	1000454	2641018		PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2784665		PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2753580		PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2809038	ECONOMIC DEVELOPMENT SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
EDUCATIONAL DATA SYSTEMS INC	20423	2724428		WORKFORCE DEVELOPMENT DEPARTMENT
EDUCATIONAL DATA SYSTEMS INC	1055746	2806233		WORKFORCE DEVELOPMENT DEPARTMENT
EDUCATIONAL DATA SYSTEMS INC	1055746	2778455		WORKFORCE DEVELOPMENT DEPARTMENT
EDWARD C GEORGE	9826	2502379		HUMAN SERVICES DEPARTMENT
EDWARD C LEVY CO DBA PLANT MAINTENANCE	1020737	2502151	BITUMINOUS SURFACE REMOVAL	DEPARTMENT OF PUBLIC WORKS
EJH CONSTRUCTION	1020562	2808924		HUMAN SERVICES DEPARTMENT
ELEVATOR TECHNOLOGY	1000471	2500082	ELEVATOR MAINTENANCE SERVICE	GENERAL SERVICES DEPARTMENT
ELMHURST HOME INC	10998	2501829	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
ELMHURST HOME INC	10998	2501729	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
EMERSON PROCESS MANAGEMENT POWER	1016248	2847526	GAS TURBINE UPGRADE AND REPAIR	PUBLIC LIGHTING DEPARTMENT
EMPCO INC	1118906	2878252		MAYOR'S OFFICE
EMPOWERMENT ZONE DEVELOPMENT CORP	19637	2513278	ADMINISTRATIVE ACTIVITY	PLANNING AND DEVELOPMENT DEPARTMENT
EMPOWERMENT ZONE DEVELOPMENT CORP	19637	2529275	EMPOWERMENT ZONE - PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
EMPRESA	1099489	2776404		WORKFORCE DEVELOPMENT DEPARTMENT
ENERGY GROUP INC	1017472	2509158	FICS CONTRACT 076115 - TREE TRIMMING	PUBLIC LIGHTING DEPARTMENT
ENGINE SUPPLY OF NOVI	1994	2505264	PARTS COMPLETE ENGINES (M80372)	FINANCE DEPARTMENT
ENOTA INC	1092130	2717072		POLICE DEPARTMENT
ENTECH PERSONNEL SERVICES INC	1000768	2544596	CLERICAL ASSISTANCE	CITY CLERK
ENVIRONMENTAL CONSULTING & TECHNOLOGY	1106148	2551431	ENVIRONMENTAL SVCS/GREATER RIVERFRONT	PLANNING AND DEVELOPMENT DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
ENVIRONMENTAL TESTING & CONSULTING INC	1003675	2502196	ABATEMENT OF ASBESTOS	DEPARTMENT OF PUBLIC WORKS
EPITEC GROUP INC	1045979	2556386	PROFESSIONAL SERVICES CONTRACT	INFORMATION TECHNOLOGY SERVICES
EPITEC GROUP INC	1045979	2573836		NON-DEPARTMENTAL
EPITEC GROUP INC	1045979	2620773		NON-DEPARTMENTAL
ESTHER LYNISE BRYANT	1019604	2508103	IUOE/GIBSON V CITY	LAW DEPARTMENT
EVANS GROUP	1019232	2515534	JOSEPHINE MILLS V CITY	LAW DEPARTMENT
EVEREST SOLUTIONS LLC	1000830	2503912	CONVERSION OF YEAR 2000	FINANCE DEPARTMENT
EVO ACCOUNTING & FINANCIAL SERVICES	1070752	2761823		FINANCE DEPARTMENT
FAMILY SERVICE INC	4010	2541124	CASE MANAGEMENT/COUNSELING SERVICES	HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2508864	P&DD PUBLIC SERVICE	FINANCE DEPARTMENT
FAMILY SERVICE INC	4010	2559513	ASE MANAGEMENT AND COUNSELING	HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2597464		FINANCE DEPARTMENT
FAMILY SERVICE INC	4010	2620491		HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2588790		HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2773997		HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2751502		HUMAN SERVICES DEPARTMENT
FARBMAN DEVELOPMENT GROUP INC	1052543	2574590		PLANNING AND DEVELOPMENT DEPARTMENT
FELIX J LIDDELL MD	9742	2619048		HUMAN SERVICES DEPARTMENT
FELIX J LIDDELL MD	9742	2771950		HUMAN SERVICES DEPARTMENT
FEMI TALABI & ASSOCIATES IINC	1025786	2693989		PLANNING AND DEVELOPMENT DEPARTMENT
FERGUSON ENTERPRISES INC	1002829	2762820	WATER SYSTEM IMPROVEMENTS	WATER DEPARTMENT
FERGUSON ENTERPRISES INC	1002829	2708886		RECREATION DEPARTMENT
FIRST AMERICAN EQUITY LOAN SERVICES INC	1053418	2572513		LAW DEPARTMENT
FIRST TEE OF DETROIT	1106838	2509532	JUNIOR GOLF PROGRAM	RECREATION DEPARTMENT
FLORISE E NEVILLE EWELL	18953	2511634	LAW DEPARTMENT CONTRACTS SECTION	FINANCE DEPARTMENT
FOCUS HOPE	20156	2595470		EMPLOYMENT AND TRAINING DEPARTMENT
FOCUS HOPE	20156	2517834	MACHINIST TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
FOCUS HOPE	20156	2782889		WORKFORCE DEVELOPMENT DEPARTMENT
FOLIA INDUSTRIES INC	1078969	2647895		RECREATION DEPARTMENT
FORBES MANAGEMENT INC	13713	2500738	8TH FL 2111 WOODWARD	NO DEPARTMENT INDICATED
FORBES MANAGEMENT INC	13713	2500736		NO DEPARTMENT INDICATED
FORENSIC EXAMINATION SERVICE	19765	2511601	ESTATE OF CARA BELL JONES	LAW DEPARTMENT
FORT WAYNE CONSTRUCTION INC	1002341	2508445	EMER. REPAIR OF STORM DAMAGED SIDEWALKS	DEPARTMENT OF PUBLIC WORKS
FOUNDATION FOR BEHAVIORAL RESOURCES	1001251	2562165	WORK FIRST & WTW	EMPLOYMENT AND TRAINING DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
FOUNDATION FOR BEHAVIORAL RESOURCES	1001251	2629097		EMPLOYMENT AND TRAINING DEPARTMENT
FOUNDATION FOR BEHAVIORAL RESOURCES	1001251	2778457		WORKFORCE DEVELOPMENT DEPARTMENT
FRANCES GREENEBAUM	15339	2500958		HUMAN SERVICES DEPARTMENT
FRANCES GREENEBAUM	15339	2500968		HUMAN SERVICES DEPARTMENT
FRANCES S GREENEBAUM	1001353	2663660		HUMAN SERVICES DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2557088	2001-2002 EARLY HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2532391	EARLY HEAD START 2000-2001	FINANCE DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2512564	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2501500	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
FREEDOM HOUSE	19860	2551708	EMERGENCY SHELTER	HUMAN SERVICES DEPARTMENT
G4S SECURE SOLUTIONS USA, INC.	1116038	2741015	SECURITY SERVICES	GENERAL SERVICES DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2525486	ELIZABETH HURD, ET AL V CITY OF DETROIT	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2540460	LEGAL SERVICES	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2505197	JOHNSON V JECZEN, ET AL	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2502158	LEGAL SERVICES: TROMEUR V ADKINS	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2505077	LEGAL SERVICES	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2574321		LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2505187	LEGAL SERVICES: BERNICE MARTIN V CITY	FINANCE DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2623273		PUBLIC LIGHTING DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2630629		PUBLIC LIGHTING DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2623274		PUBLIC LIGHTING DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2625340		PUBLIC LIGHTING DEPARTMENT
GEORGE E SANSOUY P E LLC	1034071	2537262	PROFESSIONAL SERVICES: APPRAISALS	LAW DEPARTMENT
GEORGE JOHNSON & COMPANY	1826	2754359		HUMAN SERVICES DEPARTMENT
GERALD K EVELYN	1102554	2765473	LEGAL SERVICES	LAW DEPARTMENT
GERALD K EVELYN	1102554	2765475	LEGAL SERVICES	LAW DEPARTMENT
GHAFARI ASSOCIATES LLC	16840	2500978	ADAMS ROAD IMPROVEMENTS	NO DEPARTMENT INDICATED
GHAFARI ASSOCIATES LLC	16840	2520892	ELECTRICAL SERVICES AT 2633 MICHIGAN AVE.	DEPARTMENT OF PUBLIC WORKS
GIORGI CONCRETE LLC	1010405	2764704	REPAIR OF WATER SYSTEM	WATER DEPARTMENT
GIRL SCOUTS OF METRO DETROIT	7539	2588820		HUMAN SERVICES DEPARTMENT
GIRL SCOUTS OF METRO DETROIT	7539	2775160		HUMAN SERVICES DEPARTMENT
GIS DATA RESOURCES INC	1087473	2696020		POLICE DEPARTMENT
GLEANERS COMMUNITY FOOD BANK 1	16611	2775453		HUMAN SERVICES DEPARTMENT
GLEANERS COMMUNITY FOOD BANK 1	16611	2803612		HUMAN SERVICES DEPARTMENT
GLEANERS COMMUNITY FOOD BANK 1	16611	2778130		HUMAN SERVICES DEPARTMENT

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GLEANERS COMMUNITY FOOD BANK 1	16611	2746566		HUMAN SERVICES DEPARTMENT
GLEN OLIVACHE CPA PC	1001562	2507371		FINANCE DEPARTMENT
GLOBEWIDE FAVOR CONSTRUCTION CO LLC	1085092	2808926		HUMAN SERVICES DEPARTMENT
GLOBEWIDE FAVOR CONSTRUCTION CO LLC	1085092	2793406		HUMAN SERVICES DEPARTMENT
GODFREY J DILLARD ESQ	1103303	2779417		LAW DEPARTMENT
GOODMAN & HURWITZ PC	1101745	2760433	SPECIAL COUNSEL	CITY COUNCIL
GOODMAN MUSCAT INC	1015305	2509737	ORGANIZATIONAL ASSESSMENT	ENVIRONMENTAL AFFAIRS DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2563438	WORKFIRST/WTW JS/JR	EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2559919	FOOD STAMPS	EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2539285	WORKFIRST JS/JP 10/01/00-9/30/01	EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2628317		EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2797757		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2736042		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2782892		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2761556		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2740308		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2770617		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2770613		WORKFORCE DEVELOPMENT DEPARTMENT
GRAY & GRAY PRODUCTIONS	18090	2594537		RECREATION DEPARTMENT
GREAT LAKES CENTER FOR INDEPENDENT LIVING	19673	2501926	PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
GREATER DETROIT COMMUNITY OUTREACH CENTER INC	19466	2501509	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
GREEN GREEN ADAMS PALMER & CRAIG PC	1014038	2508762	LEGAL SERVICES	CITY COUNCIL

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GREGORY TERRELL & COMPANY	14501	2506562	AUDIT	HUMAN SERVICES DEPARTMENT
GRIER & COPELAND PC	11779	2527604	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2546243	SANDRA MILLER V EUGENE BROWN, ET AL	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2502429	CHISHOLM, ET AL V CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2550395	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2548219	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2632136		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2545753	BRANDON BRYANT V EUGENE BROWN/CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2502093	LEGAL SERVICES	NO DEPARTMENT INDICATED
GRIER & COPELAND PC	11779	2502430	LEGAL SERVICES: MCHUGH, ET AL V CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2505089	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2597158		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2576025		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2708898		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2634211		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2649862	CONTRACT FOR LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2688106	DAREL DEON CHANCELLOR V CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2551543	WILLIE BRYANT V EUGENE BROWN	LAW DEPARTMENT
GS EQUITIES LLC	1088912	2700328		LAW DEPARTMENT
HALCROW INC	1102933	2769474		MAYOR'S OFFICE
HALE CONTRACTING INC	1025577	2757453	VENTILATION SYSTEM	RECREATION DEPARTMENT
HALEY & ALDRICH INC	1098676	2740779		WATER DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2507157	BELLE ISLE MASTER PLAN	RECREATION DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2530873	FARWELL FIELD ARCHITECTURAL SERVICES	RECREATION DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2508644	BELLE ISLE'S LOITER WAY REFECTORY	RECREATION DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2563405	BELLE ISLE'S MASTER PLAN	RECREATION DEPARTMENT
HAMPTON RIDGE PROPERTIES LLC	1019230	2515341		WORKFORCE DEVELOPMENT DEPARTMENT
HARBIN GROUP INC	16607	2507665	CASINO SITE APPRAISAL	FINANCE DEPARTMENT
HARPER HOUSE	1003691	2501737		HEALTH DEPARTMENT
HARTFORD MEMORIAL BAPTIST CHURCH	14442	2502480	SENIOR CITIZENS MEALS	HEALTH DEPARTMENT
HAYES LAND DEVELOPMENT CORPORATION	1106003	2613519		WATER DEPARTMENT
HEALTH MANAGEMENT SYSTEMS	5654	2542966	EMPLOYEE ASSISTANCE PROGRAM	HUMAN RESOURCES DEPARTMENT
HEALTH MANAGEMENT SYSTEMS	1043088	2613135		HUMAN RESOURCES DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2504678	TARGET CITIES FYE 9/30/99	FINANCE DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2501833	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2568871		HEALTH DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2570277		HEALTH DEPARTMENT

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HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2504742	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2512068	SUBSTANCE ABUSE ASSESSMENT	HEALTH DEPARTMENT
HEAT & WARMTH FUND	18570	2717114		WATER DEPARTMENT
HEIGHTS HEATING & COOLING INC	1032472	2741890	AIR CONDITIONING INSTALLATION	RECREATION DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2505277	MEDICAL SERVICES	HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2605168		HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2574218		HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2621296		HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2752105		HEALTH DEPARTMENT
HERBERT REALTY & MANAGEMENT	1018769	2559115		FINANCE DEPARTMENT
HERITAGE OPTICAL CENTER INC	16451	2515148	OPTOMETRIC SERVICES	HEALTH DEPARTMENT
HERITAGE OPTICAL CENTER INC	16451	2530208		HEALTH DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2604598		FINANCE DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2761160		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2775593		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2757513		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2783105		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2761157		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2706006		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2804847		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2744129		HUMAN SERVICES DEPARTMENT
HNTB MICHIGAN INC	1025696	2589459		DEPARTMENT OF PUBLIC WORKS
HNTB MICHIGAN INC	1025696	2800235	PROFESSIONAL SERVICES	AIRPORT DEPARTMENT
HOUSING & COMMUNITY DEVELOPMENT CORP OF WAYNE COUNTY	1021017	2518243	HOUSING REHABILITATION SERVICES	FINANCE DEPARTMENT
HOWARD & HOWARD ATTORNEYS PC	1013410	2773508	LEGAL SERVICES	LAW DEPARTMENT
HTC GLOBAL SERVICES INC	1003630	2501175		INFORMATION TECHNOLOGY SERVICES
HUBBARD RICHARD COMMON COUNCIL	9225	2501533		NO DEPARTMENT INDICATED
HUFFMASTER ASSOCIATES LLC	1010540	2506275	INVESTIGATIVE SERVICES	FINANCE DEPARTMENT
HUNGER ACTION COALITION OF MICHIGAN	16897	2510332	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
HUNT ASSOCIATES 1 INC	19746	2537045	WIA OUT OF SCHOOL YOUTH	EMPLOYMENT AND TRAINING DEPARTMENT
HUNT ASSOCIATES 1 INC	19746	2628062		WORKFORCE DEVELOPMENT DEPARTMENT
HUTZEL HOSPITAL	15175	2501837	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
HUTZEL HOSPITAL	15175	2508866		HEALTH DEPARTMENT
IBM CORPORATION	2865	2505095		INFORMATION TECHNOLOGY SERVICES
ICDS	1003163	2501182		PUBLIC LIGHTING DEPARTMENT
IMAGE SCAN INC	18157	2512900	DATA ENTRY SOFTWARE	INFORMATION TECHNOLOGY SERVICES



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
IMPERIAL CONSTRUCTION CO	12464	2746886		WATER DEPARTMENT
IMPERIAL CONSTRUCTION CO	12464	2685161		WATER DEPARTMENT
IMPERIAL CONSTRUCTION CO	12464	2679721		WATER DEPARTMENT
IN LAND WATERS POLLUTION	14434	2502291	REMOVAL OF STORAGE TANKS	DEPARTMENT OF PUBLIC WORKS
IN LAND WATERS POLLUTION	14434	2502290	UST UPGRADES	DEPARTMENT OF PUBLIC WORKS
INDUSTRIAL RELATIONS INC	1027976	2527324	PERFORMANCE MANAGEMENT SYSTEM	FINANCE DEPARTMENT
INDUSTRIAL RELATIONS INC	1027976	2513432	EMPLOYEE DEVELOPMENT PROGRAM	HUMAN RESOURCES DEPARTMENT
INFRASTRUCTURE MANAGEMENT GROUP INC	1061121	2634315		PUBLIC LIGHTING DEPARTMENT
INLAND WATERS POLLUTION CONTROL INC	1055642	2556880	UNDERGROUND STORAGE TANKS	DEPARTMENT OF PUBLIC WORKS
INTERCLEAN EQUIPMENT INC	1011180	2504773	INSTALLATION OF TRUCK WASH SYSTEMS	DEPARTMENT OF PUBLIC WORKS
INTERGRAPH CORPORATION	6153	2516412	953625- COMPUTER RELATED PRODUCTS	INFORMATION TECHNOLOGY SERVICES
INTERNATIONAL INSTITUTE OF METROPOLITAN DETROIT INC	9144	2521334		FINANCE DEPARTMENT
ISLANDVIEW VILLAGE DEVELOPMENT CORP	20425	2509212	SITE PREP/STREET IMPROVEMENT	FINANCE DEPARTMENT
ITW MORTGAGE INVESTMENTS III INC	1561	2501775		FINANCE DEPARTMENT
J & J YOUTH SERVICES	1012849	2506553	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
J J ASSOCIATES	17711	2589033		INFORMATION TECHNOLOGY SERVICES
J J ASSOCIATES	17711	2502052	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
J J ASSOCIATES	17711	2560948	2002 PROFESSIONAL SERVICES CONTRACT	INFORMATION TECHNOLOGY SERVICES
J O A CONSTRUCTION CO INC	1001666	2642903		RECREATION DEPARTMENT
JACKETS FOR JOBS INC	1064297	2778459		WORKFORCE DEVELOPMENT DEPARTMENT
JACKETS FOR JOBS INC	1064297	2754535		WORKFORCE DEVELOPMENT DEPARTMENT
JACKSON & KELLY PLLC	1016929	2511861	LEGAL SERVICES	LAW DEPARTMENT
JAMES C COBB JR PC	10571	2504319	LEGAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
JAMES C COBB JR PC	10571	2501780	LEGAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
JAMES HANEY MD	1012073	2544158	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2513136	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2559396	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2508122	DRUG TREATMENT PROGRAM PHYSICIAN	FINANCE DEPARTMENT
JAMES HANEY MD	1012073	2591486		HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2746434		HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2771944		HUMAN SERVICES DEPARTMENT
JAMES W BURDICK PC	1101618	2760028		LAW DEPARTMENT
JEFFERSON WELLS INTERNATIONAL INC	1032623	2546414	PROFESSIONAL SERVICES	AUDITOR GENERAL
JEFFERSON WELLS INTERNATIONAL INC	1032623	2534548	INTERNAL AUDIT PARTNER	AUDITOR GENERAL

Name of Counterparty	Vendor #	Contract #	Description	City Department
JENKINS CONSTRUCTION INC	17037	2541121	WS-621 WATER MAIN REPAIRS	WATER DEPARTMENT
JENKINS CONSTRUCTION INC	17037	2501854	CONSTRUCTION	DEPARTMENT OF PUBLIC WORKS
JENKINS CONSTRUCTION INC	17037	2691365		WATER DEPARTMENT
JESSE TOLBERT MD	1012082	2559428	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JESSE TOLBERT MD	1012082	2544148	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JESSE TOLBERT MD	1012082	2508116	DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
JESSE TOLBERT MD	1012082	2513142	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JESSE TOLBERT MD	1012082	2591460		HUMAN SERVICES DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2797759		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2726449		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2777965		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2778659		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2552853	CASE MANAGEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2513901	NO WRONG DOOR	EMPLOYMENT AND TRAINING DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2550062	PAL BASIC LITERACY	EMPLOYMENT AND TRAINING DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2538061	WORK FIRST JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
JOHN KING	1070289	2799418		WORKFORCE DEVELOPMENT DEPARTMENT
JOHN KING	1070289	2781812		
JOHN PETER QUINN	1088277	2751148		LAW DEPARTMENT
JOHN W HEAD JR DR	1016367	2544130	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JOHN W HEAD JR DR	1016367	2559403	MEDICAL DIRECTOR	HUMAN SERVICES DEPARTMENT
JOHN W HEAD JR DR	1016367	2771947		HUMAN SERVICES DEPARTMENT
JOHNSON ROSATI LABARGE	1012630	2577160		LAW DEPARTMENT
JOHNSON ROSATI LABARGE	1012630	2600509		LAW DEPARTMENT
JOHNSON ROSATI LABARGE	1012630	2508107	LEGAL SERVICES	FINANCE DEPARTMENT
JORDAN CLINCS LIMITED PARTNERSHIP	1098511	2770685		HEALTH DEPARTMENT
JOWA ASSOCIATES	7422	2501000	UNIFORMED GUARD SERVICE	AIRPORT DEPARTMENT
JOWA ASSOCIATES	7422	2513434	GUARD SERVICE FOR DEPARTMENT CLINICS	HUMAN SERVICES DEPARTMENT
JOYFIELD CAREGIVERS	1048950	2597503		FINANCE DEPARTMENT
JOYFIELD CAREGIVERS	1048950	2563712	36-NTV-NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
JVS DETROITS WORKPLACE	1034682	2575844		EMPLOYMENT AND TRAINING DEPARTMENT
JVS DETROITS WORKPLACE	1034682	2592232		WORKFORCE DEVELOPMENT DEPARTMENT
JVS DETROITS WORKPLACE	1034682	2597745		EMPLOYMENT AND TRAINING DEPARTMENT
JVS DETROITS WORKPLACE	1034682	2566265	WORK FIRST JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
KASIBORSKI RONANYRI FLASKA PC	19685	2503637	LEGAL SERVICES	FINANCE DEPARTMENT
KASIBORSKI RONANYRI FLASKA PC	19685	2531995	WAYNE COUNTY V CITY OF DETROIT	LAW DEPARTMENT
KASIBORSKI RONANYRI FLASKA PC	19685	2502453	LEGAL SERVICES	FINANCE DEPARTMENT
KELLER THOMA SCHWARTZ	1020326	2517263	EMPLOYMENT-RELATED INVESTIGATIONS	LAW DEPARTMENT

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KELLY SERVICES INC	1000576	2583741		FINANCE DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2760784		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2664187		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2706955		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2755384	ROOF PLACEMENT	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2798610		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2733881	BUTZEL PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2734358	ACTIVITIES CENTER RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2760999	WISH-EGAN PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2761019	MILAN PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2761662	KRAINZ PARK RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2789769		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2734388	DRAINAGE/SEWER	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2731179		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2712232		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2760990	OPTOMIST-STOUT RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2762087	2008 PARK IMPROVEMENTS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2711290		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2712252		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2714050		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2807770	REPAIRS AT HENDERSON MARINA	RECREATION DEPARTMENT
KIDSMART SOFTWARE COMPANY	1072607	2781805		WORKFORCE DEVELOPMENT DEPARTMENT
KIMLEY-HORN OF MICHIGAN INC	1003415	2502474	CASINO SITE APPRAISER	LAW DEPARTMENT
KOHN FINANCIAL CONSULTING	1014434	2511508	PASSALAQUA CHOP HOUSE V DETROIT	FINANCE DEPARTMENT
KOHN FINANCIAL CONSULTING	1014434	2537217	PROFESSIONAL SERVICES: STILLMON V CITY	LAW DEPARTMENT
KOHN FINANCIAL CONSULTING	1014434	2794993	PROVIDE ADVICE ON SOLID WASTE FUND	BUDGET DEPARTMENT
KPMG CONSULTING, INC	1028311	2529517	AUDITING SERVICES	AUDITOR GENERAL
KPMG CONSULTING, INC	1028311	2552186	AUDITING SERVICES	AUDITOR GENERAL
KPMG LLP	1440	2510105	IMPLEMENT TIDEMARK COMPUTER SYSTEM	BUILDINGS AND SAFETY DEPARTMENT
KPMG LLP	1440	2513477	AUDITING SERVICES	AUDITOR GENERAL
KPMG LLP	1440	2504566	CONSULTING SERVICES	BUDGET DEPARTMENT
KVM DOOR SYSTEMS INC	1099793	2785386	EASTERN MARKET SHED NO. 3 RESERVATIONS	RECREATION DEPARTMENT
L D' AGOSTINI & SONS INC	1000677	2500927	LATERAL SEWER REPLACEMENT	NO DEPARTMENT INDICATED
LACEY & ASSOCIATES	1010869	2590826		FINANCE DEPARTMENT
LACEY & JONES LLP	1013697	2562865	DPOA ACT 312 2001-2004 PROCEEDINGS	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2502300	BLUE CROSS/BLUE SHIELD RESERVE FUND	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518960	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2534969	KELLY FOREMAN V CITY	LAW DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
LACEY & JONES LLP	1013697	2518952	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518964	EDWARD LEWIS V P.O. STEVEN PEIL/CITY	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2539980	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2520968	LEGAL SERVICES: KEMP V NOETZEL & KEMP	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2539975	LEGAL SERVICES: MAURICE BROWN V CITY	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518969	MICHAEL MCHUGH V CITY OF DETROIT	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518967	JESSE WILLIAMS V CITY OF DETROIT	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2501959	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518973	BEAUCHAMP V OWENS/CITY	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2562836	MAXIMILIAN ENGRAM, ET AL V CITY	LAW DEPARTMENT
LAKESHORE ENGINEERING SERVICE INC	19808	2502201	ABATEMENT ASBESTOS	DEPARTMENT OF PUBLIC WORKS
LAMONT TITLE CORPORATION	1070200	2501595	36/LS - TITLE COMMITMENTS	PLANNING AND DEVELOPMENT DEPARTMENT
LAMONT TITLE CORPORATION	1070200	2603572	EMERGENCY USE FOR POLICE PAYROLL	PLANNING AND DEVELOPMENT DEPARTMENT
LANIER	1012355	2533656	EMERGENCY USE FOR POLICE PAYROLL	FINANCE DEPARTMENT
LANZO CONSTRUCTION CO	13425	2613521	ELEVATOR LOAD & NO-LOAD TEST	WATER DEPARTMENT
LARDNER ELEVATOR COMPANY	24166	2507678	WIA IN SCHOOL YOUTH PROGRAM	WATER DEPARTMENT
LASED	11513	2560786	PUBLIC FACILITY REHAB	EMPLOYMENT AND TRAINING DEPARTMENT
LASED	11513	2501749		NO DEPARTMENT INDICATED
LASED	11513	2740243		WORKFORCE DEVELOPMENT DEPARTMENT
LASED	11513	2719927		DEPARTMENT OF TRANSPORTATION
LASED	11513	2801087		WORKFORCE DEVELOPMENT DEPARTMENT
LASED	11513	2778540		WORKFORCE DEVELOPMENT DEPARTMENT
LATINO FAMILY SERVICES INC	16339	2504667	MEDICAID FYE 9/30/99	HEALTH DEPARTMENT
LATINO FAMILY SERVICES INC	16339	2501843	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
LAW OFFICES COLLINS EINHORN	1049868	2765611		LAW DEPARTMENT
LAWTON SCHOOL	1100766	2806424		HUMAN SERVICES DEPARTMENT
LEWIS & MUNDAY PC	12439	2502307	LEGAL SERVICES: CRUMBIE V GUYTON, ET AL	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2502427	GAINES/HARRIS/HINES/HUGHES V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2539985	SANDRA/DARREN MILLER V EUGENE BROWN	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2539983	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2536840	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2553151	BERRY/CHENAULT/CROCKETT ET AL V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2553122	KUE/WALKER/SMITH/WIGGINS V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2634333		LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2655854		LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2529631	BRAZIL/PENA V CITY/HOOD	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2561951	ALLEN/BATTLE/COOPER/GRIFFIN V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2600494		LAW DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
LEWIS & MUNDAY PC	12439	2774620	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2502303	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2641462		LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2649874		LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2500765	LEGAL SERVICES: VELA V PRICE/CITY	LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2539960	LEGAL SERVICES	LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2517379	LEGAL SERVICES	LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2548909	LEGAL SERVICES	LAW DEPARTMENT
LIFE FITNESS INC	1085199	2704235		RECREATION DEPARTMENT
LIONEL SAWYER COLLINS	19940	2502230	PROFESSIONAL SERVICES	CITY COUNCIL
LOCAL INITIATIVES SUPPORT CORPORATION	1014122	2562574	PROFESSIONAL SERVICES	CITY COUNCIL
LOCAL INITIATIVES SUPPORT CORPORATION	18595	2502034	EMPOWERED ZONE	NO DEPARTMENT INDICATED
LOCAL INITIATIVES SUPPORT CORPORATION	1014122	2592262		FINANCE DEPARTMENT
LOCAL INITIATIVES SUPPORT CORPORATION	1014122	2567588		FINANCE DEPARTMENT
LOOKING FOR MY SISTER	1104410	2784890	BLOCK GRANT PROGRAM	POLICE DEPARTMENT
LOUIS G REDSTONE ASSCS INC	16448	2502006	DESIGN FOR ROGELL GLF CRS	NO DEPARTMENT INDICATED
LUXURY SEDAN VAN SERVICE	1015148	2570671		MUNICIPAL PARKING DEPARTMENT
MACDERMOTT ROOFING & SHEET METAL	16537	2732369	BELLE ISLE GARAGE - ROOF REPLACEMENT	RECREATION DEPARTMENT
MACDERMOTT ROOFING & SHEET METAL	16537	2796454	ROOF REPAIRS	RECREATION DEPARTMENT
MACK ALIVE INC	19676	2801089		WORKFORCE DEVELOPMENT DEPARTMENT
MACK ALIVE INC	19676	2778765		WORKFORCE DEVELOPMENT DEPARTMENT
MAJOR CEMENT CO	22141	2502189	PW 7561 REPAIR DAMAGED	NO DEPARTMENT INDICATED
MAJOR CEMENT CO	22141	2634038		DEPARTMENT OF PUBLIC WORKS
MARINERS INN	5159	2509995	WTW SUBSTANCE ABUSE COUNSELING	EMPLOYMENT AND TRAINING DEPARTMENT
MARINERS INN	5159	2549595	CAREER INITIATIVES CENTER PROJECT	HUMAN SERVICES DEPARTMENT
MARJORIE R MALARNEY & ASSOCIATES	12830	2500751	LANSING LOBBYIST	LAW DEPARTMENT
MARYGROVE COLLEGE	6279	2589338		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE COLLEGE	6279	2629691		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE COLLEGE	6279	2595777		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE COLLEGE	6279	2627961		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2507022	FIC #76292 WORK FIRST	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2512792	ASSESSMENT CTR TITLES IIA/IIC & III	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2555328	WIA ADULT & OUT-OF-SCHOOL YOUTH	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2529603	ASSESS CTR MOD#1	FINANCE DEPARTMENT

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MARYGROVE NONPROFIT CORPORATION	1014543	2563669	LEARNING RESOURCE CTR WORK FIRST	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2571652		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2777810		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2771650		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2740292		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2725976		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2740278		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2754537		WORKFORCE DEVELOPMENT DEPARTMENT
MATRIX HUMAN SERVICES	1584	2512563	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2528270	EMPOWERMENT ZONE- PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
MATRIX HUMAN SERVICES	1584	2541817	PAROLEE EMPLOYMENT TRAINING PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
MATRIX HUMAN SERVICES	1584	2557083	2001-2002 HEAD START CONTRACT	HEALTH DEPARTMENT
MATRIX HUMAN SERVICES	1584	2502075	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2532520	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2501666	JOB SEARCH AND PLACEMENT	NO DEPARTMENT INDICATED
MATRIX HUMAN SERVICES	1584	2512181	SHELTER FOR HOMELESS YOUTH	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2561392	WORK FIRST & WTW. 2001-2002	EMPLOYMENT AND TRAINING DEPARTMENT
MATRIX HUMAN SERVICES	1584	2606499		EMPLOYMENT AND TRAINING DEPARTMENT
MATRIX HUMAN SERVICES	1584	2847169		HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2767093		HUMAN SERVICES DEPARTMENT
MAYOR'S TIME	1070618	2780286		WORKFORCE DEVELOPMENT DEPARTMENT
METCO SERVICES INC	13250	2502148		DEPARTMENT OF PUBLIC WORKS
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2557075	2001-2002 HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2532514	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2505351		HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2512558	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2768826		HUMAN SERVICES DEPARTMENT
METRO EAST DRUG TREATMENT	10996	2501534	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
METRO EMPLOYMENT SOLUTIONS	1007722	2564007	WORK FIRST & WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
METRO EMPLOYMENT SOLUTIONS	1007722	2626981		WORKFORCE DEVELOPMENT DEPARTMENT
METROPOLITAN ARTS COMPLEX INC	1001141	2501630	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
METROPOLITAN ARTS COMPLEX INC	1001141	2501857	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
METROPOLITAN CHILDREN & YOUTH INC	1082096	2847163		HUMAN SERVICES DEPARTMENT



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
METROPOLITAN DETROIT AFL-CIO	1001142	2502169	JOB SEARCH	NO DEPARTMENT INDICATED
METROPOLITAN DETROIT AFL-CIO	1001142	2603384		EMPLOYMENT AND TRAINING DEPARTMENT
METROPOLITAN DETROIT VISITORS	21182	2530321	ADVERTISING AND PROMOTIONAL EXPERTISE	CIVIC CENTER DEPARTMENT
METROPOLITAN DETROIT VISITORS	21182	2550871	PROMOTION FOR COBO CENTER	CIVIC CENTER DEPARTMENT
METROPOLITAN DETROIT VISITORS	21182	2767846	PROFESSIONAL SERVICES CONTRACT	CIVIC CENTER DEPARTMENT
MGM LEGAL MGMT SOLUTIONS	20133	2502235		NO DEPARTMENT INDICATED
MICHIGAN CONFERENCE SDA DETROIT/METRO	1012847	2506682	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
MICHIGAN DEPARTMENT OF CAREER	1016600	2511440	EMPLOYMENT SERVICES	EMPLOYMENT AND TRAINING DEPARTMENT
MICHIGAN DEPARTMENT OF CAREER	1016600	2620233		EMPLOYMENT AND TRAINING DEPARTMENT
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2510495	ADVANCE-TRAFFIC SIGNAL MODERNIZATION	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2517085	BITUMINIOUS COLDMILLING WORK ALONG HWY M102 FROM HWY M53TO KELLY ROAD	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500761	DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2518505	COLDMILLING ALONG HWY. US-24 FROM HWY. M-5(GRAND RIVER) TO M-102	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501400	RESURFACING	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501407	RECONSTRUCTION OF DECK	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2511603	TRAFFIC SIGNALS AND PAVEMENT MARKINGS	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501807	DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500758	SCREENING	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2518522	DECK REPLACEMENT	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500787	REPLACE BRIDGES	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2512565	CONCRETE OVERLAY FOR STRUCTURE WHICH CARRIES PORTER ST. OVER I-75	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501877	BRIDGE	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2521604	DECK REPLACEMENT	DEPARTMENT OF PUBLIC WORKS

Name of Counterparty	Vendor #	Contract #	Description	City Department
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2524693	PEDESTRAIN SCREENING FOR VARIOUS STRUCTURES	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2502178	RECONSTRUCT HWY - I 75 SPRINGWELL	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501411	BRIDGE AND DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2567088		DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2502469	RESURFACE DECK	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2538766	TRAFFIC SIGNALWORK AT DICKERSON ROAD	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2520074	RECONSTRUCTION OF STRUCTURE WHICH CARRIES GREENFIELD ROAD OVER HWY. M-10	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500781	DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500779	RESURFACING	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2622755		DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2740688		DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2517764	DECK REPLACEMENT WORK ON BRIDGE	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2511049	BITUMINOUS RESURFACING AND CURB WORK ALONG LIVERNOIS	DEPARTMENT OF PUBLIC WORKS
MICHIGAN FOOD AND BEVERAGE ASSOCIATION	1101727	2759218	PERIOD SERVICES FOR METRO YOUTH DAY	RECREATION DEPARTMENT
MICHIGAN FOOD AND BEVERAGE ASSOCIATION	1101727	2786573	METRO YOUTH DAY	RECREATION DEPARTMENT
MICHIGAN HVAC VOCATIONAL	17478	2512764	RETRAINING SERVICES	EMPLOYMENT AND TRAINING DEPARTMENT
MICHIGAN STATE AFL-CIO HRDI	1027005	2769866		WORKFORCE DEVELOPMENT DEPARTMENT
MICHIGAN STATE UNIVERSITY	8167	2795800	ACCIDENT INVESTIGATION COURSES	POLICE DEPARTMENT
MIDNIGHT GOLF PROGRAM	1055952	2778544		WORKFORCE DEVELOPMENT DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2540054	JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2562793	WORK FIRST PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2778461		WORKFORCE DEVELOPMENT DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2806239		WORKFORCE DEVELOPMENT DEPARTMENT

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MILWAUKEE INVESTMENT CO	17041	2501818		EMPLOYMENT AND TRAINING DEPARTMENT
MILWAUKEE INVESTMENT CO	17041	2524249		WORKFORCE DEVELOPMENT DEPARTMENT
MIRO WEINER & KRAMER PC	1039572	2665562		LAW DEPARTMENT
MISDEMEANOR DEFENDERS LAW CLINIC PC	1009823	2534641	LEGAL SERVICES	NO DEPARTMENT INDICATED
MITCHCO	1022053	2553859	GAS, COMPRESSED NATURAL	DEPARTMENT OF TRANSPORTATION
MOLLY LEVITT	1951	2500956		HUMAN SERVICES DEPARTMENT
MOLLY LEVITT	1951	2500955		HUMAN SERVICES DEPARTMENT
MOMS & BABES TOO MISP/ISSP INC	1013849	2508892	25-WIC 9/99 CERTIFICATION	HEALTH DEPARTMENT
MONTEZ GROUP	1100889	2769654		MAYOR'S OFFICE
MOORE & ASSOCIATES INC	1001299	2501402	EMPOWERMENT ZONE PROJECT	RECREATION DEPARTMENT
MOORISH SCIENCE TEMPLE OF AMERICA	1003703	2506282	NOF PUBLIC SERVICE	FINANCE DEPARTMENT
MORGAN FRAZIER SPECIALIZED SERVICES	1001308	2502273	CONSULTANT NUISANCE ABATEMENT	BUILDINGS AND SAFETY DEPARTMENT
MOSAIC YOUTH THEATRE OF DETROIT	1001332	2543835	THEATRICAL TRAINING	RECREATION DEPARTMENT
MOTOR CITY ELECTRIC CO	13102	2581185		PUBLIC LIGHTING DEPARTMENT
MOTOR CITY ELECTRIC CO	13102	2501432	ELECTRICAL CONSTRUCTION PL 130	NO DEPARTMENT INDICATED
MOTOR CITY ELECTRIC CO	13102	2611714		PUBLIC LIGHTING DEPARTMENT
MOTOR CITY ELECTRIC CO	13102	2611719		PUBLIC LIGHTING DEPARTMENT
MOTOR CITY ELECTRIC/METCO SERVICES A JV	1033698	2537241	FREQUENCY DRIVES AT WWTP'S INTERMEDIATE LIFT PUMP STATION #2	SEWERAGE DEPARTMENT
MOTOR CITY PIPE	1001344	2753399	WING SEALS STAINLESS STEEL STRAPPING	GENERAL SERVICES DEPARTMENT
MOTOR CITY PIPE	1001344	2763247	PLUMBING & STEAM FITTING SUPPLIES	GENERAL SERVICES DEPARTMENT
NARDIN PARK DRUG ABUSE CENTER	1706	2501540	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NARDIN PARK DRUG ABUSE CENTER	1706	2506559	SUBSTANCE ABUSE FYE9/98 NARDIN PARK	HEALTH DEPARTMENT
NATIONAL COUNCIL ON ALCOHOLISM	16455	2501541	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NEIGHBORHOOD DEVELOPMENT CORPORATION	20509	2501589	LAND ACQUISITION SITE PREPARATION	PLANNING AND DEVELOPMENT DEPARTMENT
NEIGHBORHOOD RECONCILIATION CENTER INC	1000268	2533307		HUMAN RIGHTS DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2547780	WALK IN CENTER FOR THE HOMELESS	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2532814	24 HOUR WALK IN CENTER	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2527949	963-STAY (HOMELESS HOTLINE)	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2501594	SERVICES FOR THE HOMELESS	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2557085	2001-2002 HEAD START (HIPPIY) CONTRACT	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2849011		HEALTH DEPARTMENT
NESS BORIS CORPORATION	1087558	2693925		PLANNING AND DEVELOPMENT DEPARTMENT
NETCOL ASSOCIATES INC	1101173	2782059		HEALTH DEPARTMENT
NETCOL ASSOCIATES INC	1101173	2756230		HEALTH DEPARTMENT

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NETIMATION INC	20384	2502117	PROFESSIONAL SERVICES	NO DEPARTMENT INDICATED
NEW CENTER COMMUNITY	19199	2502090		NO DEPARTMENT INDICATED
NEW DAY MULTI-PURPOSE COMMUNITY	14872	2510758	NUTRITIONAL MEALS, TRANSPORTATION	HUMAN SERVICES DEPARTMENT
NEW DAY MULTI-PURPOSE COMMUNITY	14872	2533571	SHELTER AND SUPPORTIVE SERVICES	HUMAN SERVICES DEPARTMENT
NEW DETROIT INC	10869	2529859	WIA CLASSROOM INSTRUCTION	EMPLOYMENT AND TRAINING DEPARTMENT
NEW DETROIT INC	10869	2502172	EZ-PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
NEW LIFE HOME FOR RECOVERING	18726	2501457	SUBSTANCE ABUSE COOR AGENCY 9-99	HEALTH DEPARTMENT
NEW LIFE HOME FOR RECOVERING	18726	2501621	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NEW LIGHT RECOVERY CENTER INC	1003695	2501638	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NEW ST PAUL HEAD START AGENCY	1048766	2620502		HUMAN SERVICES DEPARTMENT
NEW ST PAUL HEAD START AGENCY	1048766	2587304		HUMAN SERVICES DEPARTMENT
NEW TECHNOLOGY LTD	16280	2500969		SEWERAGE DEPARTMENT
NITRO TELECOM COMMUNICATIONS SPECIALIST	1012632	2582916		FINANCE DEPARTMENT
NOETIX CORPORATION	1067921	2649928		NON-DEPARTMENTAL
NORTH CENTRAL COMMUNITY MENTAL HEALTH	1003696	2501657		NO DEPARTMENT INDICATED
NORTHEAST HEALTH SERVICES INC	1003700	2507303	MEDICAID SERVICES	HEALTH DEPARTMENT
NORTHERN AREA ASSOCIATION	19677	2509233	HOME REPAIR TECHNICAL ASSISTANCE	FINANCE DEPARTMENT
NORTHSTAR COMMUNITY DEVELOPMENT CORP	1018049	2565847	PREDEVELOPMENT ACTIVITIES	FINANCE DEPARTMENT
NORTHSTAR COMMUNITY DEVELOPMENT CORP	1018049	2536554	36/LS-CHDO OPERATING SUPPORT	FINANCE DEPARTMENT
NORTHSTAR COMMUNITY DEVELOPMENT CORP	1018049	2517450	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
NORTHWEST COMMUNITY PROGRAMS INC	1062722	2676860		HUMAN SERVICES DEPARTMENT
NORTHWEST COMMUNITY PROGRAMS INC	1062722	2765500	PROFESSIONAL SERVICES CONTRACT	RECREATION DEPARTMENT
NORTHWEST DETROIT NON-PROFIT	12557	2510026	PUBLIC FACILITY REHAB.-FICS #74895	FINANCE DEPARTMENT
NOVA CONTRACTING CORPORATION	14983	2504312	ENLOADER / W OPERATOR (M-80754)	SEWERAGE DEPARTMENT
NOVA DEVELOPMENT GROUP DETROIT LLC	1107544	2809435		HUMAN SERVICES DEPARTMENT
NTH CONSULTANTS LTD	16602	2504056	CONSULTING UGS TANKS	DEPARTMENT OF PUBLIC WORKS
NTH CONSULTANTS LTD	16602	2501727	ENVIRONMENTAL SERVICES-FICS #73837	PLANNING AND DEVELOPMENT DEPARTMENT
NTH CONSULTANTS LTD	16602	2627188		RECREATION DEPARTMENT
OFFICE EXPRESS	1105974	2731413		MAYOR'S OFFICE
O'LAUGHLIN CONSTRUCTION	12053	2507308	RENOVATION OF HYDRAULIC STRUCTURES	WATER DEPARTMENT
O'LAUGHLIN CONSTRUCTION	12053	2574640	PC-695 IN SYSTEM STORAGE	SEWERAGE DEPARTMENT

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OLYMPIA ENTERTAINMENT	1007150	2507725	PARKING FACILITY MANAGEMENT SERVICES	MUNICIPAL PARKING DEPARTMENT
OMNICARE HEALTH PLAN	1005707	2546137	WIC CERTIFICATION	HEALTH DEPARTMENT
OMNICARE HEALTH PLAN	1005707	2507763	25 WIC 1999 CERTIFICATION	HEALTH DEPARTMENT
OMNILEARN LLC	1066579	2633220		NON-DEPARTMENTAL
OPERATION ABLE OF MICHIGAN	17427	2519090	BASIC SKILLS AND OCCUPATIONAL SKILLS	EMPLOYMENT AND TRAINING DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2519079	BASIC SKILLS AND OCCUPATIONAL SKILLS.	EMPLOYMENT AND TRAINING DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2501939	PUBLIC SERVICE EZ	NO DEPARTMENT INDICATED
OPERATION ABLE OF MICHIGAN	17427	2797761		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2771757		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2740218		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION GET DOWN	3347	2550216	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2533044	EMERGENCY NEED RESOURCES	HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2518996	EMERGENCY NEED RESOURCES	HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2588310		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2557544	FAMILY AND COMMODITY SERVICES	FINANCE DEPARTMENT
OPERATION GET DOWN	3347	2776867		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2746767		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2810794		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2775349		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2803609		HUMAN SERVICES DEPARTMENT
OPERATION HELP INC	1442	2501652	WF EMP SKILLS & JOB PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
OPERATION HELP INC	1442	2721152		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION HELPING HAND INC	19338	2511433	EMERGENCY SHELTER	FINANCE DEPARTMENT
ORCHARDS CHILDRENS SERVICE	1015406	2778756		WORKFORCE DEVELOPMENT DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2557060	2001-2002 HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2532503	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2512545	HEAD START SERVICES	RECREATION DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2620494		HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2502084		HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2797263		HUMAN SERVICES DEPARTMENT
ORGANIZATION & SYSTEMS CHANGE CONSULTANTS	1101841	2779409		WORKFORCE DEVELOPMENT DEPARTMENT
PARK RITE	18490	2504157	PROFESSIONAL PARKING MANAGEMENT	MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2570673		MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2504154	PROFESSIONAL PARKING MANAGEMENT	MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2504153	PROFESSIONAL PARKING MANAGEMENT	MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2501379	EASTERN MARKET GARAGE	MUNICIPAL PARKING DEPARTMENT
PARKVIEW COUNSELING CENTER	1003697	2501728	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT

Name of Counterparty	Vendor #	Contract #	Description	City Department
PARSONS BRINCKEROFF MICHIGAN INC	1025586	2531875	DEVELOP TRAFFIC MASTER PLAN	DEPARTMENT OF PUBLIC WORKS
PARSONS BRINCKEROFF MICHIGAN INC	1025586	2666820		RECREATION DEPARTMENT
PARTRIDGE ENTERPRISES INC	19090	2515024	REMOVAL OF DEAD ANIMALS	HEALTH DEPARTMENT
PARTRIDGE ENTERPRISES INC	19090	2773727		HEALTH DEPARTMENT
PATTERSON PHIFER	1007814	2508834	KUE/SWANGER/ WALKER/BOONE V CITY	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2509732	LEGAL SERVICES	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2521163	LEGAL SERVICES	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2521178	LEGAL SERVICES	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2513517	MAURICE BROWN V CITY OF DETROIT, ET AL	LAW DEPARTMENT
PATTERSON PHIFER & PHILLIPS	17376	2505725	LEGAL SERVICES	FINANCE DEPARTMENT
PATTERSON PHIFER & PHILLIPS	17376	2505728	LEGAL SERVICES	LAW DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE	7737	2564267	WORKFIRST/WTW, 10/1/01 - 9/30/02, JS/JR	EMPLOYMENT AND TRAINING DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE	7737	2528278	WIA BASIC EDUCATION AGES 14-18	EMPLOYMENT AND TRAINING DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE	7737	2740260		WORKFORCE DEVELOPMENT DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE AND COMMERCE	1030662	2778463		WORKFORCE DEVELOPMENT DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE AND COMMERCE	1030662	2801097		WORKFORCE DEVELOPMENT DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE AND COMMERCE	1030662	2778760		WORKFORCE DEVELOPMENT DEPARTMENT
PCT SECURITY LLC	1107205	2812357	SURVEILLANCE EQUIPMENT INSTALLATION	WORKFORCE DEVELOPMENT DEPARTMENT
PEGGY YOUNG & ASSOCIATES INC	7333	2502363	APPRAISAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
PEGGY YOUNG & ASSOCIATES INC	7333	2763958		PLANNING AND DEVELOPMENT DEPARTMENT
PEOPLE'S COMMUNITY SERVICES OF METROPOLITAN DETROIT	10686	2501460	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
PEOPLE'S CREATIVE ENSEMBLE	14786	2501435	PUBLIC SERVICE	NO DEPARTMENT INDICATED
PEPPER HAMILTON LLP	1009412	2635807		LAW DEPARTMENT
PEPPER HAMILTON LLP	1009412	2719996		LAW DEPARTMENT
PERRY MATHIS MD	1012076	2559401	DRUG TREATMENT PROGRAM PHYSICIAN	FINANCE DEPARTMENT
PERRY MATHIS MD	1012076	2544150	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
PERRY MATHIS MD	1012076	2508114	DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
PERRY MATHIS MD	1012076	2513140	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
PHARMACY EMPLOYMENT SERVICE	1053611	2572655		HEALTH DEPARTMENT
PHIFER & WHITE PC	1027627	2537538	LEGAL SERVICES: SMITH/WIGGINS V CITY	LAW DEPARTMENT
PHIFER & WHITE PC	1027627	2537563	LEGAL SERVICES: WOODWARD/JEAN V CITY	LAW DEPARTMENT
PHIFER & WHITE PC	1027627	2623900		LAW DEPARTMENT
PHILLIP G CRAMER MD	1019205	2527982	TB MEDICAL SERVICES	HEALTH DEPARTMENT
PHILLIP G CRAMER MD	1019205	2579701		HEALTH DEPARTMENT



Name of Counterparty	Vendor #	Contract #	Description	City Department
PHOENIX SERVICES UNLIMITED INC	19496	2501351	BATTERER'S SCHOOL	NO DEPARTMENT INDICATED
PHOENIX SERVICES UNLIMITED INC	19496	2548814	DOMESTIC VIOLENCE COUNSELING	POLICE DEPARTMENT
PIERCE MONROE & ASSOCIATES INC	18223	2501044		FINANCE DEPARTMENT
PIERCE MONROE & ASSOCIATES INC	18223	2502104		FINANCE DEPARTMENT
PIQUETTE MARKET INC	1072282	2803604		HUMAN SERVICES DEPARTMENT
PIQUETTE MARKET INC	1072282	2775345		HUMAN SERVICES DEPARTMENT
PIQUETTE MARKET INC	1072282	2743795		HUMAN SERVICES DEPARTMENT
PLANNED PARENTHOOD	1012848	2603682		FINANCE DEPARTMENT
PLUNKETT & COONEY PC	10371	2527611	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2536997	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2590835		LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2540467	LEGAL SERVICES: ADAMS, ET AL V CITY, ET AL	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2508813	IRA LEE TODD V CITY OF DETROIT, ET AL	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2508816	GRAZES/IVERZAI/SMITH, ET AL V CITY	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2527406	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2538058	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2501702	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2538244	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2652076	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2502112	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2537223	LORETTA BOOTH V CITY OF DETROIT	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2569755		LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2570503		LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2774678		LAW DEPARTMENT
POLICE ATHLETIC LEAGUE INC	3703	2535838	TENNIS PROGRAM	RECREATION DEPARTMENT
POPKIN SOFTWARE SYSTEMS	20304	2518460	SYSTEMS ARCHITECT AND OPTIONS	INFORMATION TECHNOLOGY SERVICES
POSEN CONSTRUCTION CO	20208	2748229	BELLE ISLE SCOTT FOUNTAIN LAGOON PIPELINE SYSTEM CLEAN-OUT	RECREATION DEPARTMENT
POSEN CONSTRUCTION CO	20208	2584529		WATER DEPARTMENT
POSITIVE IMAGES	19950	2501495		HEALTH DEPARTMENT
POSITIVE IMAGES	19950	2501653	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
PREMIER STAFFING SOURCE INC	1118976	2877577	TEMPORARY STAFFING SERVICES	HUMAN RESOURCES DEPARTMENT
PRISM SOLUTIONS LLC	1051836	2610132		RECREATION DEPARTMENT
PROBE ENVIRONMENTAL INC	19803	2502194	ABATEMENT OF ASBESTOS	DEPARTMENT OF PUBLIC WORKS
PROJECT GET	20363	2540814	JOB SEARCH & PLACEMENT-WORK FIRST	EMPLOYMENT AND TRAINING DEPARTMENT
PROJECT GET	20363	2563946	JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
PROJECT GET	20363	2501733	JOB SEARCH	NO DEPARTMENT INDICATED
PROJECT GET	20363	2778465		WORKFORCE DEVELOPMENT DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
PROJECT GET	20363	2806247		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2778467		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2778477		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2761554		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2778661		WORKFORCE DEVELOPMENT DEPARTMENT
PVS TECHNOLOGIES INC	24231	2501270		SEWERAGE DEPARTMENT
R L WINIGER & COMPANY	1033182	2506508	INVESTIGATIVE SERVICES	FINANCE DEPARTMENT
RALPH CALDER & ASSOC	20041	2502210	PATTON PARK POOL/RECREATION FACILITY	RECREATION DEPARTMENT
RAM CONSTRUCTION SERVICES OF MICHIGAN	1104845	2786314	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
RAMA RAO & ALFRED INC	15030	2502274	A/E SERVICES WATER WORKS	NO DEPARTMENT INDICATED
RAMA RAO & ALFRED INC	15030	2500977	BLUEHILL STATION ADDITIONS	NO DEPARTMENT INDICATED
RAMA RAO & ALFRED INC	15030	2767688	CONTRACT FOR PROFESSIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES
RANDALL S LEVINE PC DBA LEVINE & LEVINE PC	1017685	2513748	LEGAL SERVICES	OMBUDSPERSON
RANDY LANE PC	1070228	2879763	CONTRACT FOR ACCOUNTING SERVICES	FINANCE DEPARTMENT
RAYMOND JONES MD	10770	2513137	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
RAYMOND JONES MD	10770	2544138	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
RAYMOND JONES MD	10770	2508115	SERVICES FOR DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
RAYMOND JONES MD	10770	2559423	PHISICIAN FOR DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
RAYMOND JONES MD	10770	2591480		HUMAN SERVICES DEPARTMENT
REACH INC	17260	2504789	NOF-PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
REACH PROJECT INC	1048827	2599632		HEALTH DEPARTMENT
REDSTONE ARCHITECTS	1001648	2506677	CAMPUS MARTIUS PARK DEVELOPMENT	RECREATION DEPARTMENT
REID & REID PC	1012544	2633008		LAW DEPARTMENT
RENAISSANCE PROPERTIES INC	1032580	2562053		FINANCE DEPARTMENT
RENAISSANCE PROPERTIES INC	1032580	2534576		HUMAN SERVICES DEPARTMENT
RESOURCE DATA SYSTEMS CORP	10349	2500772	LAW DEPARTMENT COMPUTER SYSTEMS	LAW DEPARTMENT
RESOURCE NETWORK	1007604	2560345	JOB SEARCH AND PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
RESOURCE NETWORK	1007604	2726455		WORKFORCE DEVELOPMENT DEPARTMENT
RESOURCE NETWORK	1007604	2778663		WORKFORCE DEVELOPMENT DEPARTMENT
RESPONSE NETWORK	1103012	2771949	CUSTOM SOFTWARE DEVELOPMENT	POLICE DEPARTMENT
RIGHT ASSOCIATES /JANNOTTA BRAY & ASSOCIATES	20383	2511677	EXECUTIVE COACHING SERVICES	HUMAN RESOURCES DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
RILEY ROUMELL & CONNOLLY PC	1060612	2623897		LAW DEPARTMENT
RILEY ROUMELL & CONNOLLY PC	1060612	2623906		LAW DEPARTMENT
RILEY ROUMELL & CONNOLLY PC	1060612	2623942		LAW DEPARTMENT
RLI INSURANCE COMPANY	1099957	2765028		WATER DEPARTMENT
ROBERT C BIRKS MD PC	7251	2578999		HUMAN SERVICES DEPARTMENT
ROBERT C BIRKS MD PC	7251	2592085		HUMAN SERVICES DEPARTMENT
ROBERT MATHEWS & ASSOCIATES INC	1059586	2620918		HUMAN SERVICES DEPARTMENT
ROBERT SEDLER	9851	2769756	CONSULTANT SERVICES	LAW DEPARTMENT
ROSE & ROSE	15597	2500750	LEGAL SERVICES	NO DEPARTMENT INDICATED
ROSS LEARNING INC	10675	2562588	WF WTW TIREMAN/GREYDALE PY 2002	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2562593	WF & WTW FORT WAYNE PY 2002	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2554055	BASIC LITERACY & COORDINATION	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2562407	WF & WTW LTC PY 2002	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2549631	WTW COMPETITIVE COORDINATION	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2537106	WIA ITA IMPLEMENTATION PY 01	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2540277	WF & FOOD STAMP ITA PY 01	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2572344		EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2624160		EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2599059		EMPLOYMENT AND TRAINING DEPARTMENT
ROY F WESTON INC	16868	2512933	ENVIRONMENTAL SERVICES - FICS #74431	FINANCE DEPARTMENT
ROY F WESTON INC	16868	2501574	WATERFRONT RECLAMATION PROJECT	LAW DEPARTMENT
ROYAL ROOFING CO INC	13119	2730710	ROOF REPLACEMENT	RECREATION DEPARTMENT
S D HAMILTON GROUP	1019484	2603327		FINANCE DEPARTMENT
SABRE CONTRACTING LLC	1106108	2797979	RENOVATIONS	RECREATION DEPARTMENT
SACRED HEART MAJOR SEMINARY	1576	2501491	FICS CONTRACT 078684 SPO 2510159	HEALTH DEPARTMENT
SACRED HEART REHABILITATION CENTER, INC	1013401	2507443	MEDICAID S.A. FYE 9/99 SACRED HEART	HEALTH DEPARTMENT
SAFE CENTER INC	19547	2501207		NO DEPARTMENT INDICATED
SAFE CENTER INC	19547	2557542	FAMILY SERVICES AND COUNSELING	FINANCE DEPARTMENT
SAFE CENTER INC	19547	2533141	EMERGENCY SERVICES	HUMAN SERVICES DEPARTMENT
SALVATION ARMY BOOTH SERVICES	15401	2510155	TRANSITIONAL HOUSING	FINANCE DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538824	LEGAL SERVICES	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538789	LEGAL SERVICES	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538820	LEGAL SERVICES: CLAUDE NELSON V CITY	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2505098	LEGAL SERVICES	FINANCE DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538816	BRADFORD ERVING V CITY/HAYWARD	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538794	EST. OF TOMMIE THOMAS V CITY	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2534988	PATRICK HATFIELD V CITY	LAW DEPARTMENT

Name of Counterparty	Vendor #	Contract #	Description	City Department
SCHINDLER ELEVATOR CORPORATION	6926	2558355	MADISON CENTER ELEVATOR MAINTENANCE	NO DEPARTMENT INDICATED
SCHUMAKER & COMPANY INC	1064547	2689171		BUDGET DEPARTMENT
SER CASA ACADEMY	1025139	2589594	EMPOWERMENT ZONE- PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2528378	YOUTH OPPORTUNITY GRANT # 2	EMPLOYMENT AND TRAINING DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2519316	YOUTH OPPORTUNITIES	EMPLOYMENT AND TRAINING DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2622682		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2536987	INDIVIDUAL TRAINING ACCOUNTS	EMPLOYMENT AND TRAINING DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2594584		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2501434	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
SER METRO DETROIT - JOB FOR PROGRESS	3369	2778762		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2775948		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2761551		WORKFORCE DEVELOPMENT DEPARTMENT
SERCO INC	16569	2568070		EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2623557		EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2548196	PARTNERSHIP FOR ADULT LEARNING	EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2561194	JOB SEARCH AND JOB PLACEMENT (JSP)	EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2561177	JOB SEARCH AND PLACEMENT(DEC-2K)	EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2778471		WORKFORCE DEVELOPMENT DEPARTMENT
SERCO INC	16569	2806253		WORKFORCE DEVELOPMENT DEPARTMENT
SFT INCORPORATED	1033579	2536333	FOR MISTERSKI POWER PLANT PROJECT	CITY COUNCIL
SHAR HOUSE	11024	2501503	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
SHAR HOUSE	11024	2501501	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
SHAR HOUSE	11024	2564200	WOMEN AND CHILDREN EXPANSION GRANT	HEALTH DEPARTMENT
SHAR HOUSE	11024	2501642	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
SHARON RODDY MD	1016242	2544065		HUMAN SERVICES DEPARTMENT
SHEVRIN CONSULTING SERVICES	1081120	2658592		WORKFORCE DEVELOPMENT DEPARTMENT
SIEMENS BUILDING TECHNOLOGIES INC	1080147	2799544	CONTROL SYSTEM IMPROVEMENTS	RECREATION DEPARTMENT
SIEMENS HEALTHCARE DIAGNOSTICS	1101501	2849348	ON-SITE DRUG TESTING	HEALTH DEPARTMENT
SILVERI ARCHITECTS	1031901	2549574	EMPOWERMENT ZONE IMPROVEMENT	RECREATION DEPARTMENT
SIMON HOUSE	18009	2541640	PERMANENT HOUSING (FICS#074931)	FINANCE DEPARTMENT
SIMON HOUSE	18009	2510640	EMERGENCY SHELTER	FINANCE DEPARTMENT
SIMONE CONTRACTING CORPORATION	1000476	2786501	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
SMITH BROS ELECTRIC INC	1018473	2582919		FINANCE DEPARTMENT
SMITH BROS ELECTRIC INC	1018473	2505208	INSTALL VOICE AND DATA WIRING SERVICES	INFORMATION TECHNOLOGY SERVICES
SMITH GROUP JIR LLC	1003317	2504102	LONG TERM MANAGEMENT	FINANCE DEPARTMENT
SNELL ENVIRONMENTAL GROUP INC	1000483	2502200	ABATEMENT ASBESTOS	DEPARTMENT OF PUBLIC WORKS
SNELL ENVIRONMENTAL GROUP INC	1000483	2500795	ENGINEERING SERVICES FOR NEW BRIDGES	DEPARTMENT OF PUBLIC WORKS
SOBH PROPERTY MANAGEMENT LLC	1018847	2515472		HEALTH DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
SOBRIETY HOUSE INC	1797	2501505	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
SOBRIETY HOUSE INC	1797	2501734	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
SOCIETY OF ST VINCENT DE PAUL	10460	2587915		FINANCE DEPARTMENT
SONDRA E JENKINS	1013274	2507145	JOINT L-M/QI PROJECT CONSULTANT	HUMAN RESOURCES DEPARTMENT
SOUTHEAST CHILDREN AND FAMILY DEVELOPMENT HEAD START	10372	2587309		HUMAN SERVICES DEPARTMENT
SOUTHEAST CHILDREN AND FAMILY DEVELOPMENT HEAD START	10372	2532516	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
SOUTHEAST CHILDREN AND FAMILY DEVELOPMENT HEAD START	10372	2504138	HEAD START PROGRAM 1998-99	HUMAN SERVICES DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2593437		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501895	HEALTHY START INIT 8/98	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2560866	CPBC MASTER AGREEMENT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2516778	FIDUCIARY SERVICES	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2538658	HEALTHY START INITIATIVE PROGRAM	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2556341	FIDUCIARY SERVICES FOR LEAD FREE DETROIT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2537516	CPBC MASTER CONTRACT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501527	EPSDT (HEALTHY KIDS)	NO DEPARTMENT INDICATED
SOUTHEASTERN MICHIGAN HEALTH	8092	2625403		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2522514	HEALTHY START INITIATIVE	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2507951	HIV EMERGENCY RELIEF 2/00	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501918	25 STD CONTROL 9-98 AND 9-99	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501498	HOPWA-PERSONS W/AIDS HSG	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2505868	25 STD & TB PHYSICIAN SERVICES	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2502007	STD & TB PYHSICIAN	NO DEPARTMENT INDICATED
SOUTHEASTERN MICHIGAN HEALTH	8092	2536778	FETAL INFANT MORTALITY REVIEW GRANT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2516123	EPSDT ( HEALTHY KIDS )	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2528888	SEMHA - CCA ADMINISTRATION	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2538739	HIV/AIDS PROJECT CPO	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2665698		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2587750		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2506174	25 TB/HIV CONTROL PROGRAM - 12/99	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2510504	LEAD FREE DETROIT PROJECT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2581401		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2504657	FISCAL MANAGEMENT SERVICES	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2614575		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2612915		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2619300		HEALTH DEPARTMENT

Name of Counterparty	Vendor #	Contract #	Description	City Department
SOUTHEASTERN MICHIGAN HEALTH	8092	2538646	REFUGEE HEALTH SCREENING PROGRAM	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2613498		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2571721		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2766781		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2766314		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2793186		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2770373		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2753985		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2761660		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2788671		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2755765		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2784430		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2799776		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2796870		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2797934		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2797936		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2624694		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2799792		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2776660		HEALTH DEPARTMENT
SOUTHWEST COUNSELING	1000589	2549618	CAREER INITIATIVES CENTER PROJECT	HUMAN SERVICES DEPARTMENT
SOUTHWEST COUNSELING	1000589	2593318		FINANCE DEPARTMENT
SOUTHWEST DETROIT BUSINESS ASSOCIATION	19640	2548414		FINANCE DEPARTMENT
SOUTHWEST DETROIT COMMUNITY	1067854	2606819		FINANCE DEPARTMENT
SPALDING DEDECKER ASSOCIATES INC	1427	2632652		RECREATION DEPARTMENT
SPEC ASSOCIATES	19262	2765376		HUMAN SERVICES DEPARTMENT
SPECTRUM HUMAN SERVICES	20301	2501508	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
SPIEGEL & MCDIARMID	19669	2501813	LEGAL SERVICES	PUBLIC LIGHTING DEPARTMENT
ST GREGORY COMMUNITY CENTER	16937	2511397	P&DD PUBLIC SERVICE	FINANCE DEPARTMENT
ST PATRICKS SENIOR CENTER INC	12493	2502481	SENIOR CITIZENS MEAL	HEALTH DEPARTMENT
ST REGIS DETROIT PARTNERS LLC	1102961	2770016		POLICE DEPARTMENT
STAR CENTERS INC	1003699	2501619	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
STELLA B SEIDEN	2398	2502097		NO DEPARTMENT INDICATED
STONE & WEBSTER MICHIGAN INC	8561	2500914	MISTERSKY PWR PLANT CONSULTING	PUBLIC LIGHTING DEPARTMENT
STRATEGIC STAFFING SOLUTIONS	17268	2620837		NON-DEPARTMENTAL
STRATEGIC STAFFING SOLUTIONS	17268	2767687	CONTRACT FOR PROFESSIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES
STRATEGIC STAFFING SOLUTIONS	17268	2681666		INFORMATION TECHNOLOGY SERVICES
STRATEGIC STAFFING SOLUTIONS	17268	2554729	2001/2002 CONTRACTUAL RESOURCES	INFORMATION TECHNOLOGY SERVICES



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
STRATEGIC STAFFING SOLUTIONS	17268	2643900		INFORMATION TECHNOLOGY SERVICES
STROHL SYSTEMS GROUP INC	19599	2514946	970259-COMPUTER - SOFTWARE LICENSE	INFORMATION TECHNOLOGY SERVICES
STS CONSULTANTS LTD	1027626	2619993		RECREATION DEPARTMENT
SWORD SOLUTIONS INC	1075932	2634531		HEALTH DEPARTMENT
SYNC TECHNOLOGIES INC	1025602	2643904		INFORMATION TECHNOLOGY SERVICES
SYNC TECHNOLOGIES INC	1025602	2681667		INFORMATION TECHNOLOGY SERVICES
SYNC TECHNOLOGIES INC	1025602	2804856		HUMAN SERVICES DEPARTMENT
SYNCH SOLUTIONS	1102866	2768084	CONTRACT FOR TECHNOLOGY RESOURCES	INFORMATION TECHNOLOGY SERVICES
SYSTEMS CONSULTING GROUP LLC	1021802	2537205	CONSULTANT SERVICES	DEPARTMENT OF TRANSPORTATION
T & T BUILDERS	1025258	2544439	HOME WEATHERIZATION	HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2524579	WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2525183		FINANCE DEPARTMENT
T & T BUILDERS	1025258	2672030		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2607322		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2789080		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2732569		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2761175		HUMAN SERVICES DEPARTMENT
TARA TUOMAALA	1047262	2569166		CULTURAL AFFAIRS DEPARTMENT
TC SIMMONS VISITING MINISTRY	18571	2510152	SHELTER AND SERVICE	FINANCE DEPARTMENT
TECH TOWN	1107416	2807786		HUMAN SERVICES DEPARTMENT
TEI ENVIRONMENTAL SOLUTIONS LLC	1109309	2548181	(UNIROYAL) INTERIM RESPONSE ACTIVITIES FOR EAST JEFFERSON AT BELLE ISLE	ENVIRONMENTAL AFFAIRS DEPARTMENT
TEI ENVIRONMENTAL SOLUTIONS LLC	1109309	2563252	BROWNFIELD SAP PHASE I AND PHASE II	ENVIRONMENTAL AFFAIRS DEPARTMENT
TETRA TECH MPS	1030048	2633203		DEPARTMENT OF PUBLIC WORKS
THE ARTS PLACE	20040	2643815		RECREATION DEPARTMENT
THE BARTECH GROUP	1036576	2681675		INFORMATION TECHNOLOGY SERVICES
THE BARTECH GROUP	1036576	2643893		INFORMATION TECHNOLOGY SERVICES
THERMO JARRELL ASH CORP	23280	2502432	MAINTENANCE	FINANCE DEPARTMENT
THOMAS E MARSHALL PC	17881	2511456	SHAUN NEAL, ET AL V CITY OF DETROIT, ET AL	LAW DEPARTMENT
THOMAS E MARSHALL PC	17881	2513521	LIGENS D. MOORE V CITY OF DETROIT	LAW DEPARTMENT
THOMAS J WALSH APPRAISAL CO	20198	2502095	CASINO SITE APPRAISER	LAW DEPARTMENT
TIBURON INC	1072420	2614989		POLICE DEPARTMENT
TIBURON INC	1072420	2637943		POLICE DEPARTMENT
TILLMAN & TILLMAN PC	1018624	2515016	WILLIAM GRAHAM V CITY/MANSON	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2562545	LEGAL SERVICES: LYNN/BEAUCHAMP V CITY	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2544381	RYAN LACKIE V CITY OF DETROIT/FULKS	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2632190		LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2534965	ANDREOS COOPER V CITY	LAW DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
TIMMIS & INMAN LLP	19998	2562570	LEGAL SERVICES	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2508654	SHANNON L. TROMEUR V JULIUS LIGE	HEALTH DEPARTMENT
TIMMIS & INMAN LLP	19998	2502450	LEGAL SERVICES: WILLIAM BURKES V CITY	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2544404	TITO BURLEIGH V CITY/WILLIAMS	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2508661	LEGAL SERVICES: TUCKER V CITY OF DETROIT	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2562575	HENRY BROWN V CITY/JULIUS TATE	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2562563	LEGAL SERVICES	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2544430	TOMMIE THOMAS V CITY, ET AL	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2562559	TORI CARTER, ET AL V CITY	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2502452	LEGAL SERVICES	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2544420	RUPERT/HAYES/BOWERS V BROWN	LAW DEPARTMENT
TISEO BROTHERS INC	18296	2501389	VIRGINIA PARK PAVING	NO DEPARTMENT INDICATED
TODD PHILLIPS CHILDRENS HOME	16998	2501778		NO DEPARTMENT INDICATED
TRAVELLERS AID SOCIETY OF DET	15890	2501964	EMERGENCY SHELTER	HUMAN SERVICES DEPARTMENT
TWW & ASSOCIATES INC	15821	2563101	WORKFIRST/WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
TWW & ASSOCIATES INC	15821	2550329	OPERATION FAST BREAK/ PAL	EMPLOYMENT AND TRAINING DEPARTMENT
TWW & ASSOCIATES INC	15821	2696181		WORKFORCE DEVELOPMENT DEPARTMENT
TWW & ASSOCIATES INC	15821	2803891		WORKFORCE DEVELOPMENT DEPARTMENT
TWW & ASSOCIATES INC	15821	2778474		WORKFORCE DEVELOPMENT DEPARTMENT
TWW & ASSOCIATES INC	15821	2806255		WORKFORCE DEVELOPMENT DEPARTMENT
TXU ENERGY SERVICE	1021990	2525960	CITY WIDE NATURAL GAS PURCHASE	PUBLIC LIGHTING DEPARTMENT
UNIGLOBE CONSTRUCTION CO	19275	2793402		HUMAN SERVICES DEPARTMENT
UNITED COMMUNITY HOUSING COALITION	9812	2510128	HOMELESS ASSISTANCE PROGRAM	FINANCE DEPARTMENT
UNIVERSAL SYSTEM TECHNOLOGIES INC	20223	2589037		INFORMATION TECHNOLOGY SERVICES
UNIVERSAL SYSTEM TECHNOLOGIES INC	20223	2768088	PROFESSIONAL SERVICES CONTRACT	INFORMATION TECHNOLOGY SERVICES
UNIVERSITY FAMILY PHYSICIANS	1045603	2541597	ENV: MEDICAL MONITORING SERVICES	ENVIRONMENTAL AFFAIRS DEPARTMENT
UNIVERSITY OF DETROIT MERCY	1051358	2722921		RECREATION DEPARTMENT
UNIVERSITY OF MICHIGAN	8466	2500990	EMERGENCY RESPONSE PLANNING	WATER DEPARTMENT
UNIVERSITY PHYSICIAN GROUP	1093137	2799075		HEALTH DEPARTMENT
UNIVERSITY WOMEN'S CARE	1030044	2530120		HEALTH DEPARTMENT
UNIVERSITY WOMEN'S CARE	1030044	2595456		HEALTH DEPARTMENT
UNIVERSITY WOMEN'S CARE	1030044	2567920		HEALTH DEPARTMENT
UNIVERSITY WOMEN'S CARE	1030044	2614558		HEALTH DEPARTMENT
UNLIMITED SOLUTIONS INC	17906	2502050	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
UNLIMITED SOLUTIONS INC	17906	2554534	2001/2001 CONTRACTUAL RESOURCES	INFORMATION TECHNOLOGY SERVICES
UPTOWN LAND DEVELOPMENT CORP	18833	2501758		EMPLOYMENT AND TRAINING DEPARTMENT
URBAN MANAGEMENT CORP	20310	2502173	FLEET MAINTENANCE SERVICES	DEPARTMENT OF PUBLIC WORKS

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
URBANWERKS LLC	1083053	2664787		RECREATION DEPARTMENT
URS CORPORATION	1052537	2607949		ENVIRONMENTAL AFFAIRS DEPARTMENT
URSO PALMER & ROSS PC	1048532	2574335		CITY COUNCIL
U-SNAP BAC NON-PROFIT CORP	20364	2506589	PUBLIC SERVICE AND REHAB	FINANCE DEPARTMENT
U-SNAP BAC NON-PROFIT CORP	20364	2584237		PLANNING AND DEVELOPMENT DEPARTMENT
U-SNAP BAC NON-PROFIT CORP	20364	2501597	SITE IMPROVEMENTS HOUSING	NO DEPARTMENT INDICATED
V W PROPERTIES	1084250	2531882		POLICE DEPARTMENT
V W PROPERTIES	1084250	2509482		POLICE DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2505192	LEGAL SERVICES: DEWOLF, ET AL V CITY	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2521182	LYNN/BEAUCHAMP V CITY/RADFORD	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2505073	LEGAL SERVICES	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2539172	LEGAL SERVICES	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2515553	LEGAL SERVICES: KIMBER V CITY/ADUROJA	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2521167	LEGAL SERVICES: LONGSTREET V JORDAN	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2536310	LEGAL SERVICES	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2511869	LEGAL SERVICES	LAW DEPARTMENT
VAN SCOYOC ASSOCIATES INC	1070940	2617193		LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2594482		LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2563075	BLUE CROSS/BLUE SHIELD RESERVE FUND	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2544823	LEGAL SERVICES	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2546318	LEGAL SERVICES	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2591271		LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2563068	TOYIA MOODY/STEPHANIE BENNETT V CITY	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2632746		LAW DEPARTMENT
VARNUM RIDDERING SCHMIDT	17517	2502367	TELECOMMUNICATIONS/FIBER OPTICS	LAW DEPARTMENT
VARNUM RIDDERING SCHMIDT	17517	2514143	LEGAL SERVICES	LAW DEPARTMENT
VENABLE BAETJER HOWARD LLP	20054	2503723	PROFESSIONAL SERVICES	CITY COUNCIL
VIRCHOW KRAUSE & CO LLP	1099691	2746850		FINANCE DEPARTMENT
VIRGINIA PARK CITIZENS SERVICE	16867	2719711		DEPARTMENT OF TRANSPORTATION
VISION INFORMATION TECHNOLOGIES	1011855	2542788	WEB DEVELOPMENT	INFORMATION TECHNOLOGY SERVICES
VOICE PRINT INTERNATIONAL INC	1045791	2816063	MAINTENANCE FOR VOICE SERVICES	POLICE DEPARTMENT
VORHIES ESTATE INC	1005399	2517975		HUMAN SERVICES DEPARTMENT
VS VISUAL STATEMENT INC	1076618	2796124		POLICE DEPARTMENT
W D LEE CENTER FOR LIFE MANAGEMENT	1003687	2502211	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
W-3 CONSTRUCTION COMPANY	1022302	2796096	LIGHTING IMPROVEMENTS	RECREATION DEPARTMENT
WALBRIDGE-ALDINGER CO	2782	2588907		WATER DEPARTMENT
WALBRIDGE-ALDINGER CO	2782	2529880	PRIMARY CLARIFIER NUMBERS 17 AND 18	SEWERAGE DEPARTMENT
WALBRIDGE-ALDINGER CO	2782	2517999	SECONDARY CLARIFIER IMPROVEMENTS	SEWERAGE DEPARTMENT

Name of Counterparty	Vendor #	Contract #	Description	City Department
WALSH CONSTRUCTION	1003706	2540999	CONNER CREEK PILOT CSO CONTROL FACILITY	SEWERAGE DEPARTMENT
WARM TRAINING CENTER	1099138	2798140		HUMAN SERVICES DEPARTMENT
WARM TRAINING CENTER	1099138	2761360		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2637413		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2592885		FINANCE DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2746897		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2808870		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2706004		HUMAN SERVICES DEPARTMENT
WARREN CONNER DEVELOPMENT COALITIONS	1015379	2515838	WARREN CONNER SA FYE 9/99	HEALTH DEPARTMENT
WARREN CONNER DEVELOPMENT COALITIONS	1015379	2736044		WORKFORCE DEVELOPMENT DEPARTMENT
WAYNE COUNTY	18789	2560623	WF/WTW JOB SEARCH AND JOB PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE COUNTY	18789	2574696		POLICE DEPARTMENT
WAYNE COUNTY	18789	2772891		POLICE DEPARTMENT
WAYNE COUNTY	-	-	PURCHASE AGREEMENT, DATED JULY 28, 1976 BETWEEN THE CITY AND COUNTY OF WAYNE	NO DEPARTMENT INDICATED
WAYNE COUNTY COMMUNITY COLLEGE	1008933	2782908		WORKFORCE DEVELOPMENT DEPARTMENT
WAYNE COUNTY COMMUNITY COLLEGE	1008933	2782906		WORKFORCE DEVELOPMENT DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539793		HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539816	PREVENTATIVE SERVICES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539788	TARGET CITIES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539821	PREVENTATIVE SERVICES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2516330	WSU - UNIVERSITY CONSORTIUM	HUMAN RESOURCES DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539807	PREVENTATIVE SERVICES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2560543	CITY/UNIVERSITY CONSORTIUM	HUMAN RESOURCES DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2532723	WIA TITLE I OFFICE AUTOMATION TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2501980	TITLE III OFFICE AUTOMATION TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2571280		EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2552859	OFFICE AUTOMATION & WORD PROCESSING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2519218	WORD PROCESS TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2611249		POLICE DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2501174		NO DEPARTMENT INDICATED
WAYNE STATE UNIVERSITY	3116	2765357		CITY COUNCIL
WAYNE STATE UNIVERSITY	3116	2797492		HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY COLLEGE	19759	2502190		PLANNING AND DEVELOPMENT DEPARTMENT
WAYNE STATE UNIVERSITY COLLEGE	19759	2500873	EZ PROGRAM OPERATIONS	NO DEPARTMENT INDICATED

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
WCI CONTRACTORS	17607	2681202		RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2733883	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2762089	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2708713		RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2731182		RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2762091	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2729538	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2785381	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2799443	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WE CARE DEVELOPMENT CORP	20361	2627183		WORKFORCE DEVELOPMENT DEPARTMENT
WEISS CONSTRUCTION CO	16586	2500908	DWS-805 SUBURBAN METER AUTOMATION	WATER DEPARTMENT
WEISS CONSTRUCTION CO	16586	2501482	DWS-800 SUBURBAN WATER METERS	WATER DEPARTMENT
WELLSPRING	18110	2597175		FINANCE DEPARTMENT
WEST DETROIT INTERFAITH	1044949	2554192		FINANCE DEPARTMENT
WESTFIELD DETROIT LLC	1021039	2517679		HUMAN SERVICES DEPARTMENT
WESTIN ENGINEERING INC	14468	2767695	PROFESSIONAL SERVICES CONTRACT	INFORMATION TECHNOLOGY SERVICES
WILDWOOD RANCH	1012803	2547128	DETROIT RESCUE MISSION	HUMAN SERVICES DEPARTMENT
WILDWOOD RANCH	1012803	2516691	SUMMER CAMPERSHIPS TO URBAN YOUTHS	HUMAN SERVICES DEPARTMENT
WILLA R WALKER LLC	1071151	2618732		CULTURAL AFFAIRS DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2501454	GRAIMARK REHAB PROJ - FICS #79019	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2501725	ENVIRONMENTAL STATUTES & REGULATIONS	LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2505940	LEGAL SERVICES-ENVIRONMENTAL	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2500981	FICS #68652-MID-CITY REVITALIZATION	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2559971	ERNEST MONROE V CITY OF DETROIT	WATER DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2623874		LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2501539	CASINO DEVELOPMENT PROJECT	LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2553947	BRUSH PARK PROJECT	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2641654	LEGAL SERVICES	LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2593326	LEGAL SERVICES	ENVIRONMENTAL AFFAIRS DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2512512	LEGAL SERVICES	LAW DEPARTMENT
WILLIE L MAYO CPA	1021915	2518939	AUDIT TRAINING	HUMAN SERVICES DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2618093		WATER DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2679478		WATER DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2566621		WATER DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2673433		WATER DEPARTMENT
WINDHAM REALTY GROUP INC	17474	2500986	VIC PARK MANAGER	PLANNING AND DEVELOPMENT DEPARTMENT
WOMENS JUSTICE CENTER	14689	2508100		HUMAN SERVICES DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
WOMENS JUSTICE CENTER/MY SISTER PLACE	1031434	2535491	DOMESTIC VIOLENCE SERVICES	POLICE DEPARTMENT
WORKBRAIN INC	1087022	2688977		NON-DEPARTMENTAL
WTF COMPANY LLC	1009825	2509611		POLICE DEPARTMENT
XEROX CORPORATION	20143	2527583	PHOTOCOPIER MAINTENANCE	COMMUNICATIONS AND CREATIVE SERVICES DEPARTMENT
YMCA OF METRO DETROIT	17203	2502285	PUBLIC FACILITY REHABILITATION	NO DEPARTMENT INDICATED
YMCA OF METROPOLITAN DETROIT	1071155	2801079		WORKFORCE DEVELOPMENT DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2516595		EMPLOYMENT AND TRAINING DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2797765		WORKFORCE DEVELOPMENT DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2775343		HUMAN SERVICES DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2743797		HUMAN SERVICES DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2803602		HUMAN SERVICES DEPARTMENT
YOUTH CONNECTION	1054883	2801091		WORKFORCE DEVELOPMENT DEPARTMENT
YOUTH LINKS USA	1044013	2552463	OPERATION FAST BREAK	EMPLOYMENT AND TRAINING DEPARTMENT
YWCA INTERIM HOUSE	2143	2535474	SERVICES WITH DOMESTIC VIOLENCE UNIT	POLICE DEPARTMENT
YWCA INTERIM HOUSE	2143	2508609	ESG CONTRACT FICS # 078503	FINANCE DEPARTMENT
ZETA STORK'S NEST FOUNDATION	13210	2508767	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
All collective bargaining agreements that had expired prior to confirmation to the extent that they purported to, or would be determined by applicable law to, provide continuing contractual benefits to employees or former employees of the City				



**EXHIBIT III.D.2**

RETAINED CAUSES OF ACTION

### **EXHIBIT III.D.2**

Reference is made to Section III.D.2 of the Plan. Capitalized terms used but not defined herein shall have the meanings given to them in Section I.A of the Plan.

Without limiting any relevant provision of the Plan (including Section III.D.2 thereof), the City expressly reserves and retains, and may enforce, any and all of its rights with respect to: (i) Causes of Action related to the City's Municipal Parking Department, (ii) Causes of Action related to the City's Finance Department, (iii) Causes of Action related to the City's Airport Department, (iv) Causes of Action related to the City's Public Lighting Department, (v) Causes of Action related to the City's Planning and Development Department, (vi) Causes of Action related to the City's Building Safety, Engineering and Environmental Department, (vii) Causes of Action related to the City's Water and Sewerage Department, (viii) Causes of Action related to the City's Department of Public Works, (ix) Causes of Action related to the City's Police Department, (x) Causes of Action related to the City's Fire Department, (xi) Causes of Action related to the City's Assessment Division, (xii) Causes of Action related to the City's Law Department, (xiii) Causes of Action related to any other City department, (xiv) Causes of Action against all litigation parties listed on Schedule H of the Second Amended List of Creditors and Claims [Docket No. 1059] and (xv) the Causes of Action in the following proceedings:

1. City of Detroit v. MTZ Incorporated, No. 05-121906, Mich. 36<sup>th</sup> Dist. Ct.;
2. City of Detroit v. Big Daddy's Soul Food, No. 04-109681, Mich. 36<sup>th</sup> Dist. Ct.;
3. City of Detroit v. Louie's Foods, Inc., No. 05-115153, Mich. 36<sup>th</sup> Dist. Ct.;
4. City of Detroit v. Robinson Group Home and Rodney Robinson, No. 07-125747, Mich. 36<sup>th</sup> Dist. Ct.;
5. City of Detroit v. Arthur R. Jett and Mildred S. Jett, No. 97-713173, Mich. 36<sup>th</sup> Dist. Ct.;
6. City of Detroit v. Celia Y. Collins, No. 02-107182, Mich. 36<sup>th</sup> Dist. Ct.;
7. City of Detroit v. Anthony Gillam & Kimberly Gillam, No. 01-113119, Mich. 36<sup>th</sup> Dist. Ct.;
8. City of Detroit v. Caesar Austin and Evelyn Austin, No. 02-119500, Mich. 36<sup>th</sup> Dist. Ct.;
9. City of Detroit v. Means Construction, Inc., Eric J. Means and Ted Smith, No. 03-105353, Mich. 36<sup>th</sup> Dist. Ct.;
10. City of Detroit v. Eick B. Jeter and Crystal B. Jeter, No. 03-146312, Mich. 36<sup>th</sup> Dist. Ct.;
11. City of Detroit v. Albert Green and Loretta Green, No. 06-102852, Mich. 36<sup>th</sup> Dist. Ct.;
12. City of Detroit v. Marlon Currie, No. 04-110183-GC, Mich. 36<sup>th</sup> Dist. Ct.;
13. City of Detroit v. Tamara Smith and James Smith, No. 04-114151, Mich. 36<sup>th</sup> Dist. Ct.;
14. City of Detroit v. Juan Rosado and Lori Rosado, No. 04-420691, Mich. 36<sup>th</sup> Dist. Ct.;
15. City of Detroit v. Victor Barnes and Gwendolyn Barnes, No. 04-130939, Mich. 36<sup>th</sup> Dist. Ct.;
16. City of Detroit v. Charles Selmon, No.04-132032-GC, Mich. 36<sup>th</sup> Dist. Ct.;

17. City of Detroit v. Gregory Webb, No. 04-139195, Mich. 36<sup>th</sup> Dist. Ct.;
18. City of Detroit v. Alden M. Jarvis and Veronica V. Jarvis, No. 04-136449, Mich. 36<sup>th</sup> Dist. Ct.;
19. City of Detroit v. Lisa D. Bradley, No. 04-136448, Mich. 36<sup>th</sup> Dist. Ct.;
20. City of Detroit v. Jarrick F. Goldsby, No. 04-145046, Mich. 36<sup>th</sup> Dist. Ct.;
21. City of Detroit v. Edgar Butler & Quensetta Butler, No. 04-145049-GC, Mich. 36<sup>th</sup> Dist. Ct.;
22. City of Detroit v. Michael Marshall and Sheila Marshall, No. 04-415055, Mich. 36<sup>th</sup> Dist. Ct.;
23. City of Detroit v. Dwight Riddell, Mich. 36<sup>th</sup> Dist. Ct.;
24. City of Detroit v. Frank Wilson and Edwina J. Wilson, No. 04-142987-GC, Mich. 36<sup>th</sup> Dist. Ct.;
25. City of Detroit v. Sharon F. Sexton, No. 05-103709, Mich. 36<sup>th</sup> Dist. Ct.;
26. City of Detroit v. John W. & Winnie M. Plummer, No. 05-108201-GC, Mich. 36<sup>th</sup> Dist. Ct.;
27. City of Detroit v. Leon Jackson and Harvard Square Center, Mich. 36<sup>th</sup> Dist. Ct.;
28. City of Detroit v. Michael Franke, No. 05-110302-GC, Mich. 36<sup>th</sup> Dist. Ct.;
29. City of Detroit v. Caesar Austin and Evelyn Austin, No. 05-116751, Mich. 36<sup>th</sup> Dist. Ct.;
30. City of Detroit v. Steven P. Morrow and Sophia Morrow, No. 05-121904, Mich. 36<sup>th</sup> Dist. Ct.;
31. City of Detroit v. Brian L. Reese and Deborah H. Reese, No. 07-121144, Mich. 36<sup>th</sup> Dist. Ct.;
32. City of Detroit v. Lori Rosado, No. 06-105264, Mich. 36<sup>th</sup> Dist. Ct.;
33. City of Detroit v. James M. Woodget, No. 08-124280, Mich. 36<sup>th</sup> Dist. Ct.;
34. City of Detroit v. Calvin L. Hall and Juanda W. Hall, No. 06-111621, Mich. 36<sup>th</sup> Dist. Ct.;
35. City of Detroit v. Stanley T. and Linda A. Bridges, Mich. 36<sup>th</sup> Dist. Ct.;
36. City of Detroit v. Nardin Park Recovery Center, No. 07-714583, Mich. 36<sup>th</sup> Dist. Ct.;
37. City of Detroit v. Jimmie Maddix and Carolyn Maddix, No. 08-137874, Mich. 36<sup>th</sup> Dist. Ct.;
38. City of Detroit v. Adrian Austin, No. 09-123096, Mich. 36<sup>th</sup> Dist. Ct.;
39. City of Detroit v. Betty Warmack, No. 09-123865, Mich. 36<sup>th</sup> Dist. Ct.;
40. City of Detroit v. Caesar Austin and Evelyn Austin, No. 10-106506, Mich. 36<sup>th</sup> Dist. Ct.;
41. City of Detroit v. Charles & Cheryl Lasley (Moss), No. 09-130913, Mich. 36<sup>th</sup> Dist. Ct.;
42. City of Detroit v. Sterling J. Brown and Mary Lisa Brown, No. 09-131658, Mich. 36<sup>th</sup> Dist. Ct.;

43. City of Detroit v. Carter Stevenson and Barbara Stevenson, No. 10-106505, Mich. 36<sup>th</sup> Dist. Ct.;
44. City of Detroit v. Jacqueline Murry, Mich. 36<sup>th</sup> Dist. Ct.;
45. City of Detroit v. James Gulley and Phyllis Gulley, Mich. 36<sup>th</sup> Dist. Ct.;
46. City of Detroit v. John Reed, No.10-124047, Mich. 36<sup>th</sup> Dist. Ct.;
47. City of Detroit v. Coleman Reed and Laurine Reed, No. 11-118847-GC, Mich. 36<sup>th</sup> Dist. Ct.;
48. City of Detroit v. Ernest Gardner, No. 11-117750, Mich. 36<sup>th</sup> Dist. Ct.;
49. City of Detroit v. Ronald Carrington and Delores Carrington, No. 12-109805, Mich. 36<sup>th</sup> Dist. Ct.;
50. City of Detroit v. Lawrence Harris, Mich. 36<sup>th</sup> Dist. Ct.;
51. City of Detroit v. Raymond McMurrian, No. 12-117043, Mich. 36<sup>th</sup> Dist. Ct.;
52. City of Detroit v. Luis Arroyo and Braka Higgins a.k.a. Arroyo, Mich. 36<sup>th</sup> Dist. Ct.;
53. City of Detroit v. Adrian Austin, Mich. 36<sup>th</sup> Dist. Ct.;
54. City of Detroit v. Joel Ruffin and Willma Orange-Ruffin, Mich. 36<sup>th</sup> Dist. Ct.;
55. City of Detroit v. Paulette Cochran, Mich. 36<sup>th</sup> Dist. Ct.;
56. City of Detroit v. April Kincaid, No. 12-113636, Mich. 36<sup>th</sup> Dist. Ct.;
57. City of Detroit v. James & Adino, No. 14-10436, Mich. 36<sup>th</sup> Dist. Ct.;
58. City of Detroit v. Dennis Denmark & Elana Denmark, No. 13-102803, Mich. 36<sup>th</sup> Dist. Ct.;
59. City of Detroit v. Clarinda Barnett-Harrison, Mich. 36<sup>th</sup> Dist. Ct.;
60. City of Detroit v. Jason Jordan, Mich. 36<sup>th</sup> Dist. Ct.;
61. City of Detroit v. Mondry Hardware & Mondrey, Louis, Mich. 36<sup>th</sup> Dist. Ct.;
62. City of Detroit v. Roland, Lisa, Mich. 36<sup>th</sup> Dist. Ct.;
63. City of Detroit v. Lazana, Deandre & Natalie, No. 12-123542-GC, Mich. 36<sup>th</sup> Dist. Ct.;
64. City of Detroit v. William Landrum and Caroline Landrum, No. 13-119468, Mich. 36<sup>th</sup> Dist. Ct.;
65. City of Detroit v. James Bates and Pricilla Bates, No. 13-102805, Mich. 36<sup>th</sup> Dist. Ct.;
66. City of Detroit v. Coutia Ramsey, No. 13-102804, Mich. 36<sup>th</sup> Dist. Ct.;
67. City of Detroit v. Ann Fletcher, No. 13-108163, Mich. 36<sup>th</sup> Dist. Ct.;
68. City of Detroit v. Jackie Hunter and Mary Hunter, Mich. 36<sup>th</sup> Dist. Ct.;
69. City of Detroit v. Monica Gordon, Mich. 36<sup>th</sup> Dist. Ct.;
70. City of Detroit v. Patricia Brown, No. 13-119470, Mich. 36<sup>th</sup> Dist. Ct.;

71. City of Detroit v. Ronald Coleman & Alice Coleman, No. 13-117682 GC, Mich. 36<sup>th</sup> Dist. Ct.;
72. City of Detroit v. Rennilda Graham, No. 13-119472, Mich. 36<sup>th</sup> Dist. Ct.;
73. City of Detroit v. Kamin Davis & Tana Davis, Mich. 36<sup>th</sup> Dist. Ct.;
74. City of Detroit v. Elaine Ivery, Mich. 36<sup>th</sup> Dist. Ct.;
75. City of Detroit v. Eric Smith, No. 13-122869, Mich. 36<sup>th</sup> Dist. Ct.;
76. City of Detroit v. Mary Waters, Mich. 36<sup>th</sup> Dist. Ct.;
77. City of Detroit v. Todd Philson, Mich. 36<sup>th</sup> Dist. Ct.;
78. City of Detroit v. Kenneth Holms, Sr., Mich. 36<sup>th</sup> Dist. Ct.;
79. City of Detroit v. Jack Kene Obi, No. 05-104554-GC, Mich. 36<sup>th</sup> Dist. Ct.;
80. City of Detroit v. Brandy Marie Duke aka Brandy Niang, No. 08-124279, Mich. 36<sup>th</sup> Dist. Ct.;
81. City of Detroit v. Cevonia Cherise McClure, No. 07-110343, Mich. 36<sup>th</sup> Dist. Ct.;
82. City of Detroit v. Henry Ricardo Smith, No. 07-2093, Mich. 36<sup>th</sup> Dist. Ct.;
83. City of Detroit v. Abdul Raheem Rashed, No. 07-1556323, Mich. 36<sup>th</sup> Dist. Ct.;
84. City of Detroit v. Milton Lee Newman, No. 07-121142, Mich. 36<sup>th</sup> Dist. Ct.;
85. City of Detroit v. Andre Williams, Mich. 36<sup>th</sup> Dist. Ct.;
86. City of Detroit v. Helen Roberts, Mich. 36<sup>th</sup> Dist. Ct.;
87. City of Detroit v. Terry Darnell Jackson , No. 06-119826-GC, Mich. 36<sup>th</sup> Dist. Ct.;
88. City of Detroit v. Bushierra McDonald, No. 07-132889, Mich. 36<sup>th</sup> Dist. Ct.;
89. City of Detroit v. Denna Belton, No. 06-160876, Mich. 36<sup>th</sup> Dist. Ct.;
90. City of Detroit v. Georgianna Colston , No. 07-132886, Mich. 36<sup>th</sup> Dist. Ct.;
91. City of Detroit v. Terrance Omar Ford, No. 07-144864, Mich. 36<sup>th</sup> Dist. Ct.;
92. City of Detroit v. Jessie Al McQuarter, No. 07-127234, Mich. 36<sup>th</sup> Dist. Ct.;
93. City of Detroit v. Kevin Labrell Howell, No. 07-127238, Mich. 36<sup>th</sup> Dist. Ct.;
94. City of Detroit v. Deconte Jerdo, Mich. 36<sup>th</sup> Dist. Ct.;
95. City of Detroit v. Sheila Marie-Maxwell Coleman, Mich. 36<sup>th</sup> Dist. Ct.;
96. City of Detroit v. Jessie Crutcher and Adrienne Smith, No. 08-133795, Mich. 36<sup>th</sup> Dist. Ct.;
97. City of Detroit v. Joachba D. Hammound-Grace, Mich. 36<sup>th</sup> Dist. Ct.;
98. City of Detroit v. Lamont Street, Mich. 36<sup>th</sup> Dist. Ct.;
99. City of Detroit v. William F. & Constance Harris, No. 08-124278, Mich. 36<sup>th</sup> Dist. Ct.;
100. City of Detroit v. Shealtiel N. Moore, Mich. 36<sup>th</sup> Dist. Ct.;

101. City of Detroit v. Mary Rogers, Mich. 36<sup>th</sup> Dist. Ct.;
102. City of Detroit v. Daniel R. Tapert, Mich. 36<sup>th</sup> Dist. Ct.;
103. City of Detroit v. Dukes, Emanuel C., Mich. 36<sup>th</sup> Dist. Ct.;
104. City of Detroit v. Yolanda F. Brady, Mich. 36<sup>th</sup> Dist. Ct.;
105. City of Detroit v. Erskine Wright II, Mich. 36<sup>th</sup> Dist. Ct.;
106. City of Detroit v. Lonnie E. Coleman, Mich. 36<sup>th</sup> Dist. Ct.;
107. City of Detroit v. Calvin Meeks, III, Mich. 36<sup>th</sup> Dist. Ct.;
108. City of Detroit v. Neandue O. Nance, No. 09-11643, Mich. 36<sup>th</sup> Dist. Ct.;
109. City of Detroit v. Lula M. Smith, No. 09-119723, Mich. 36<sup>th</sup> Dist. Ct.;
110. City of Detroit v. Latasha Merriweather, No. 09-119723, Mich. 36<sup>th</sup> Dist. Ct.;
111. City of Detroit v. Tamieka L. Norris, No. 10-125151, Mich. 36<sup>th</sup> Dist. Ct.;
112. City of Detroit v. Franceksa Rodriquez, No. 10-124044, Mich. 36<sup>th</sup> Dist. Ct.;
113. City of Detroit v. Laquanya Candice, No. 08-120177-GC, Mich. 36<sup>th</sup> Dist. Ct.;
114. City of Detroit v. Latonya Katina-Foxey, No. 08-120173, Mich. 36<sup>th</sup> Dist. Ct.;
115. City of Detroit v. Raegan Carmell Sweet, No. 08-120172, Mich. 36<sup>th</sup> Dist. Ct.;
116. City of Detroit v. Oscar Cameron & Oscar G. Cameron II, Mich. 36<sup>th</sup> Dist. Ct.;
117. City of Detroit v. Macia Sherrie Stokes, No. 08-120171, Mich. 36<sup>th</sup> Dist. Ct.;
118. City of Detroit v. Angela Conley, No. 08-120174, Mich. 36<sup>th</sup> Dist. Ct.;
119. City of Detroit v. Eugene Cole & Victory Outreach Detroit, No. 07-120608-GC, Mich. 36<sup>th</sup> Dist. Ct.;
120. City of Detroit v. Kevin Dittich, No. 14-101640, Mich. 36<sup>th</sup> Dist. Ct.;
121. City of Detroit v. Morgan McCrary, Mich. 36<sup>th</sup> Dist. Ct.;
122. City of Detroit v. Twayla Lynette Larry, No. 07-120610, Mich. 36<sup>th</sup> Dist. Ct.;
123. City of Detroit v. Deandre Lamarr Falls, Mich. 36<sup>th</sup> Dist. Ct.;
124. City of Detroit v. Latonya Katina-Foxey, No. 08-120173, Mich. 36<sup>th</sup> Dist. Ct.;
125. City of Detroit v. Raegan Carmell Sweet, No. 08-120172, Mich. 36<sup>th</sup> Dist. Ct.;
126. City of Detroit v. Milton L. Newman, Mich. 36<sup>th</sup> Dist. Ct.;
127. City of Detroit v. 3843 Biddle & Scroggins, Daisy, No. 05-122123-GC, Mich. 36<sup>th</sup> Dist. Ct.;
128. City of Detroit v. Alexander Spencer, Jr., Mich. 36<sup>th</sup> Dist. Ct.;
129. City of Detroit v. Tonia Williams, Mich. 36<sup>th</sup> Dist. Ct.;
130. City of Detroit v. Mayor Rissell & Karen Russell, No. 04-113310, Mich. 36<sup>th</sup> Dist. Ct.;
131. City of Detroit v. Minnie Lee Martin, No. 99-925205, Mich. Third Judicial Cir.;



132. City of Detroit v. Ambassador Nursing Home, Inc. aka Pembroke Nursing Center, No. 02-238630, Mich. Third Judicial Cir.;
133. City of Detroit v. Tyrone and Janice Winfrey, Mich. 36<sup>th</sup> Dist. Ct.;
134. City of Detroit v. Mark Kulbaba, Inc. dba Servicemaster & Mark Kulbaba, No. 03-302931, Mich. Third Judicial Cir.;
135. City of Detroit v. Nardin Park Recovery Center, Mich. Third Judicial Cir.;
136. City of Detroit v. Page Litho, Inc., No. 11-006743-CZ, Mich. Third Judicial Cir.;
137. City of Detroit v. The Printing Professionals, No. 11-006745-CZ, Mich. Third Judicial Cir.;
138. City of Detroit v. Waterman & Sons Printing Company, Inc., No. 11-007078-CZ, Mich. Third Judicial Cir.;
139. City of Detroit v. Opus One, Mich. Third Judicial Cir.;
140. City of Detroit v. Kyler Reamules, Mich. Third Judicial Cir.;
141. City of Detroit v. B & J Enameling Inc. & Holtshouser, Erin & Kownacki, Sandra, Mich. Third Judicial Cir.;
142. City of Detroit v. Jacquettier Coleman, No. 13-116327, Mich. 36<sup>th</sup> Dist. Ct.;
143. City of Detroit v. Nardin Park Drug Abuse Center et al., No. 13-011688-CZ, Mich. Third Judicial Cir.;
144. City of Detroit v. Sheila A. Kimbrough, No. 07-155641, Mich. 36<sup>th</sup> Dist. Ct.;
145. City of Detroit v. Counselo Maurico, No. 07-155674, Mich. 36<sup>th</sup> Dist. Ct.;
146. City of Detroit v. Christina Morris, No. 07-155726, Mich. 36<sup>th</sup> Dist. Ct.;
147. DuJon Johnson v. City of Detroit; No. 12-202678, Mich. 36<sup>th</sup> Dist. Ct.;
148. Bella Marshall, aka Bella Marshall Barden, No. 2012-777-270-DE (Probate);
149. William S. Jordan, No. 03-41137, Bankr. E.D. Mich.;
150. Catherine Gaskin, No. 03-67569, Bankr. E.D. Mich.;
151. Catherine Gaskin, No. 03-41232, Bankr. E.D. Mich.;
152. Dwayne Akra, No. 03-69349, Bankr. E.D. Mich.;
153. Dwayne Akra, No. 00-47216, Bankr. E.D. Mich.;
154. Diana Daniel, No. 05-56536, Bankr. E.D. Mich.;
155. Jerry Lee Miller, No. 09-62314, Bankr. E.D. Mich.;
156. Lyall T Hoggatt and Gwendolyn Hoggatt, No. 09-76296, Bankr. E.D. Mich.;
157. Terri L. Sykes, No. 11-72188, Bankr. E.D. Mich.;
158. Shanta Corporation, No. 12-43956, Bankr. E.D. Mich.;
159. Sareta Jean Cheathem, No. 12-59435, Bankr. E.D. Mich.;

160. Belinda Rochelle Sanders, No. 12-57603, Bankr. E.D. Mich.;
161. Denise Evans Whitley, No. 14-40849, Bankr. E.D. Mich.;
162. Whitley v. City of Detroit Treasurer et al, No. 14-04131 Bankr. E.D. Mich.;
163. Kimberli Powell, No. 13-40036 (Adversary Case No. 13-04134), Bankr. E.D. Mich.;
164. Ruthea Taylor:, No. 13-41265-PJS (Adversary Case No(s) 13-04235, 13-04237 and 13-04239), Bankr. E.D. Mich.;
165. Louise Williams, No. 13-40374-MBM (Adversary Case No. 13-04215), Bankr. E.D. Mich.;
166. Dorothy Wilson, No. 13-43731-WSD (Adversary Case No. 13-04296); Bankr. E.D. Mich.;
167. Carol Lowe-Redding, No. 12-60626, Bankr. E.D. Mich.;
168. Rodney A. Bowie, No. 04-40019, Bankr. E.D. Mich.;
169. Christopher D. Baty, No. 04-54408, Bankr. E.D. Mich.;
170. Tonia Howard, No. 07-58025, Bankr. E.D. Mich.;
171. Carl Barner and Yolanda Barner, No. 07-58840, Bankr. E.D. Mich.;
172. Jerome Jenkins, No. 09-67014, Bankr. E.D. Mich.;
173. Romana Bullock v. Wayne County Treasurer, et al. Mich. 36<sup>th</sup> Dist. Ct.;
174. General Shale Brick v. City of Detroit, No. 06-44397, Mich. 36<sup>th</sup> Dist. Ct.;
175. Gloria Jean McLaurin v. Detroit Parking Violations Bureau, No. 293700, Mich. Ct. App.;
176. Dennis Lynval v. City of Detroit, No. 12-012164, Mich. 36<sup>th</sup> Dist. Ct.;
177. City of Detroit v. Mdrahi, Mohamed, No. 3-005784-CC (Condemnation);
178. City of Detroit v. True Missionary Baptist Church, No. 13-005785-CC (Condemnation);
179. City of Detroit v. True Missionary Baptist Church, No. 13-005787-CC (Condemnation);
180. City of Detroit v. True Missionary Baptist Church, No. 13-005795-CC (Condemnation);
181. City of Detroit v. True Missionary Baptist Church, No. 13-005814-CC (Condemnation);
182. City of Detroit v. Khami, Issam, et al., No. 13-005816-CC (Condemnation);
183. City of Detroit v. CE Detroit, No. 13-005820-CC (Condemnation);
184. City of Detroit v. State of Michigan, No. 12-014797-CC (Condemnation);
185. City of Detroit v. Wilcox aka Albert, Martha, No. 12-014799-CC (Condemnation);
186. City of Detroit v. Wilson, Kenneth L., No. 13-005825-CC (Condemnation);
187. City of Detroit v. True Missionary Baptist Church, No. 13-05826-CC (Condemnation);
188. City of Detroit v. True Missionary Baptist Church, No. 13-005827-CC (Condemnation);
189. City of Detroit v. Wilson, Gail, et al., No. 12-015039-CC (Condemnation);

190. City of Detroit v. Wilcox, Martha, No. 12-014867-CC (Condemnation);
191. City of Detroit v. CE Detroit, LLC, No. 12-014803-CC (Condemnation);
192. City of Detroit v. Lucido, Steven J., et al., No. 13-05828-CC (Condemnation);
193. City of Detroit v. Detroit Leasing, Inc., No. 13-005829-CC (Condemnation);
194. City of Detroit v. Newell, Nema N., No. 13-005830-CC (Condemnation);
195. City of Detroit v. Jones, James N., No. 13-005831-CC (Condemnation);
196. City of Detroit v. Jones, James N., No. 13-005832-CC (Condemnation);
197. Manos, Dino v. City of Detroit and Abram, Frank H. , No. 12-011400, Mich. 36<sup>th</sup> Dist. Ct.;
198. City of Detroit v. Priscilla White, No. 06-120153-GC, Mich. 36<sup>th</sup> Dist. Ct.;
199. City of Detroit v. Tommie L. Douglas, Jr., No. 13-116328, Mich. 36<sup>th</sup> Dist. Ct.;
200. City of Detroit v. Natoshia Lane Lucas, No. GC-08H559, Mich. 36th Dist. Ct.;
201. City of Detroit v. James Strickland, No. 12-103387-GC, Mich. 36th Dist. Ct.;
202. City of Detroit v. Giant Janitorial Services Inc & Peter J. Huthwaite, No. 02-147508, Mich. 36th Dist. Ct.;
203. City of Detroit v. Deborah Davenport Bankruptcy, No. 03-65075, Bankr. E.D. Mich.;
204. City of Detroit v. Renaissance West Comental Helath Services et al., No. 04-405900-CZ, Mich. Third Judicial Cir.;
205. City of Detroit v. Ernest Karr, No. 13-009376, Mich. 36<sup>th</sup> Dist. Ct.;
206. City of Detroit v. Clarence & Marilyn Bell, Mich. 36th Dist. Ct.;
207. City of Detroit v. John W. & Martha Higgins, Mich. 36th Dist. Ct.;
208. City of Detroit v. Beverly Jeanette, Mich. 36th Dist. Ct.;
209. City of Detroit v. Gwendolyn Broadnax, Mich. 36th Dist. Ct.;
210. City of Detroit v. Emily Talbert-Holt, No. 09-003020-CZ, Mich. Third Judicial Cir.;
211. City of Detroit v. Linda Terry, No. 09-17213-GC, Mich. 36th Dist. Ct.;
212. City of Detroit v. Dwayne B. Toles, No. 07-157206-GC, Mich. 36th Dist. Ct.;
213. City of Detroit v. Victor C. Travier, No. 08-126677-GC, Mich. 36th Dist. Ct.;
214. City of Detroit v. Victoria L. Cliett, No. 13-118142, Mich. 36<sup>th</sup> Dist. Ct.;
215. City of Detroit v. Bessie Harris, No. 08-126678-GC, Mich. 36th Dist. Ct.;
216. City of Detroit v. Donald R. & Latania C. McClendon, No. 08-145303-GC, Mich. 36th Dist. Ct.;
217. City of Detroit v. Jeanette Beverly, No. 09-108564-GC, Mich. 36th Dist. Ct.;
218. City of Detroit v. Linda Terry, No. 09-17213-GC, Mich. 36th Dist. Ct.;
219. City of Detroit v. Sharon Brown, No. 09-114024-GC, Mich. 36th Dist. Ct.;

220. City of Detroit v. Emily Talbert-Holt, No. 09-003020-CZ, Mich. 36th Dist. Ct.;
221. City of Detroit v. Deborah Hicks, No. 13-012387, Mich. 36<sup>th</sup> Dist. Ct.;
222. City of Detroit v. Flozelle Crosby, No. 09-112041-GC, Mich. 36th Dist. Ct.;
223. City of Detroit v. Vanessa A. Hall, No. 09-112039-GC, Mich. 36th Dist. Ct.;
224. City of Detroit v. Milton s. & Brenda K. Campbell, No. 09-114017-GC, Mich. 36th Dist. Ct.;
225. City of Detroit v. Jerel Johnson & Deshawn L. Morrison, No. 09-131660-GC, Mich. 36th Dist. Ct.;
226. City of Detroit v. Will Ivey, No. 13-118143, Mich. 36<sup>th</sup> Dist. Ct.;
227. City of Detroit v. Melvin Eades and Rachel Eades, No. 09-135760, Mich. 36th Dist. Ct.;
228. City of Detroit v. James Woodget, No. 10-104902-GC, Mich. 36th Dist. Ct.;
229. City of Detroit v. Pamela Franklin and Marvin Franklin, No. 10B2476, Mich. 36th Dist. Ct.;
230. City of Detroit v. Yvette Pugh, No. 11-107209-GC, Mich. 36th Dist. Ct.;
231. City of Detroit v. Everette Driver & Sheila Driver, No. 11-107031-GC, Mich. 36th Dist. Ct.;
232. City of Detroit v. Paul Swanson, No. 1102022H-GC, Mich. 41B Dist. Ct.;
233. City of Detroit v. Gillian John, No. 13-118144, Mich. 36<sup>th</sup> Dist. Ct.;
234. City of Detroit v. Luther Gray III, No. 07-122557-GC, Mich. 36th Dist. Ct.;
235. City of Detroit v. Tony Davis Garnishment, No. 08-114619-CD, Mich. 36th Dist. Ct.;
236. City of Detroit v. Bennie Hayden, No. 13-C3512-GC, Mich. 36th Dist. Ct.;
237. City of Detroit v. Raymond McMurrian, No. 12-117043-GC, Mich. 36th Dist. Ct.;
238. City of Detroit v. Timothy Ebendick and Colleen Ebendick, No. 13-117680-gc, Mich. 36th Dist. Ct.;
239. City of Detroit v. Sea-Breeze Traing Corp dba City Laundry Pers Prop, Mich. Third Judicial Cir.;
240. City of Detroit v. Jean James, No. 13-117268-GC, Mich. 36th Dist. Ct.;
241. City of Detroit v. Chezcore Inc. & Cieskowski, David, Mich. Third Judicial Cir.;
242. City of Detroit v. Monica Chavers, No. 13-118145, Mich. 36<sup>th</sup> Dist. Ct.;
243. City of Detroit v. Slack, Jonathon, No. 13-117270-GC, Mich. 36th Dist. Ct.;
244. City of Detroit v. Kevin Doss, No. 13-117269-GC, Mich. 36th Dist. Ct.;
245. City of Detroit v. Mack Orangel, No. 13-39949-GC, Mich. 36th Dist. Ct.;
246. Markos Patty Store v. City of Detroit, No. 13-000003-CZ, Mich. Third Judicial Cir.;
247. City of Detroit v. Gloria Ballard, Mich. 36th Dist. Ct.;

248. City of Detroit v. Daryl Johnson & Nadeine Johnson, Mich. 36th Dist. Ct.;
249. City of Detroit v. Rebecca Shelton, Mich. 36th Dist. Ct.;
250. City of Detroit v. Cynthia Snith & Kwame Smith, No. 13-117678-GC, Mich. 36th Dist. Ct.;
251. City of Detroit v. Zeola Carey, No. 09-107281, Mich. 36<sup>th</sup> Dist. Ct.;
252. City of Detroit v. Kenneth Tinsley & Cheryl Tinsley, Mich. 36th Dist. Ct.;
253. City of Detroit v. Louis Parker, Mich. 36th Dist. Ct.;
254. City of Detroit v. Matthew Underwood & Vantress Underwood, No. 13-117679-GC, Mich. 36th Dist. Ct.;
255. City of Detroit v. James D. & Marva E. Washington, No. 03-145330-GC, Mich. 36th Dist. Ct.;
256. City of Detroit v. Belda P. Garza, No. 07-122553-GC, Mich. 36th Dist. Ct.;
257. City of Detroit v. Fred Hill, No. 14-101263-GC, Mich. 36th Dist. Ct.;
258. City of Detroit v. Kathrine Luckett, No. 13-122872-GC, Mich. 36th Dist. Ct.;
259. City of Detroit v. Mary Majek, No. 14-101262-GC, Mich. 36th Dist. Ct.;
260. City of Detroit v. Kyler Reamules, No. 13-122874-GC, Mich. 36th Dist. Ct.;
261. City of Detroit v. Mary Waters, No. 13-121800, Mich. 36<sup>th</sup> Dist. Ct.;
262. City of Detroit v. Meal Tech Products, Inc. & Letitia Gordon, No. 14--000586-CZ, Mich. Third Judicial Cir.;
263. City of Detroit v. Davis McGill & Juwana D. McGill, No. 13-20224-GC, Mich. 36th Dist. Ct.;
264. City of Detroit v. Majestic Theater center Inc., No. 11-007260-CZ, Mich. Third Judicial Cir.;
265. City of Detroit v. Shelbourne Group In. Y Leipsitz-Makino, Kathy, No. 14-102379-GC, Mich. 36th Dist. Ct.;
266. City of Detroit v. Ali Beidoun, No. 13-121801, Mich. 36<sup>th</sup> Dist. Ct.;
267. City of Detroit v. Marcel Maurice Moore, No. 07-04395T-GC, Mich. 41B Dist. Ct.;
268. City of Detroit v. Shashu Makeda Harris, No. 06-101803-GC, Mich. 36th Dist. Ct.;
269. City of Detroit v. Lesley Girard Gates, No. 06-120154-GC, Mich. 36th Dist. Ct.;
270. City of Detroit v. Shawn Myatt, Mich. 36th Dist. Ct.;
271. City of Detroit v. Angela Nicole Shelly, No. 07-122578-GC, Mich. 36th Dist. Ct.;
272. City of Detroit v. Ann Francine Smith, No. 07-117414-GC, Mich. 36th Dist. Ct.;
273. City of Detroit v. Saun Roland Scott, No. 07-122576-GC, Mich. 36th Dist. Ct.;
274. City of Detroit v. Faynese deeneil Robinson-Law, No. 06-101802-GC, Mich. 36th Dist. Ct.;

275. City of Detroit v. Celia Harris, No. 13-121803, Mich. 36<sup>th</sup> Dist. Ct.;
276. City of Detroit v. Delois Kirkman, No. 07-134556-GC, Mich. 36th Dist. Ct.;
277. City of Detroit v. Michael Amthony Hines, No. 06-120152-GC, Mich. 36th Dist. Ct.;
278. City of Detroit v. Derrick James McDowell, No. 07-58101-GC, Mich. 36th Dist. Ct.;
279. City of Detroit v. Tamaara Morris, No. 06-101804-GC, Mich. 36th Dist. Ct.;
280. City of Detroit v. Rhonda Joann White, No. 07-134557-GC, Mich. 36th Dist. Ct.;
281. City of Detroit v. Danetta L. Simpson, No. 12-121739-GC, Mich. 36th Dist. Ct.;
282. City of Detroit v. Kildare Clarke, No. 08-00468-GC, Mich. 36th Dist. Ct.;
283. City of Detroit v. Aretha Lula Crawford, No. 07-145090-GC, Mich. 36th Dist. Ct.;
284. City of Detroit v. Euel Kinsey, No. 14-304163, Mich. 36<sup>th</sup> Dist. Ct.;
285. City of Detroit v. Natasha Nakie-Nacole Coats, No. 08-C0945-GC, Mich. 36th Dist. Ct.;
286. City of Detroit v. Rebecca Marie Dunn, No. 07155738-GC, Mich. 36th Dist. Ct.;
287. City of Detroit v. Eve Reedy Doster, No. 08-106725-GC, Mich. 36th Dist. Ct.;
288. City of Detroit v. Barnstormer Pilot Club, LLC, No. 14-002984, Mich. 36<sup>th</sup> Dist. Ct.;
289. City of Detroit v. Virginia Francnessa Flamer, No. 07-145091-GC, Mich. 36th Dist. Ct.;
290. City of Detroit v. Gregory Lynn Delaney, No. 07-145091-GC, Mich. 36th Dist. Ct.;
291. City of Detroit v. Tyrone Jemall Peals, No. 07-117411-GC, Mich. 36th Dist. Ct.;
292. City of Detroit v. Paul Douglas Bosman, No. 07-1805-GC, Mich. 22nd Dist. Ct.;
293. City of Detroit v. Ann Francien Smith, Mich. 36th Dist. Ct.;
294. City of Detroit v. Khatoon Dawood, No. 08-C01778-GC-01, 52nd Dist. Ct.;
295. City of Detroit v. Jaroslaw Sziejter, No. 09-114019, Mich. 36th Dist. Ct.;
296. City of Detroit v. Kimberly James, Mich. 36<sup>th</sup> Dist. Ct.;
297. City of Detroit v. Rachel Erika Thomas-Sharpe, Mich. 36th Dist. Ct.;
298. City of Detroit v. Tawanda Latreese Wilder, No. 09-114021-GC, Mich. 36th Dist. Ct.;
299. City of Detroit v. Elgin R. Taylor, No. 09-114022-GC, Mich. 36th Dist. Ct.;
300. City of Detroit v. Lasonia Smith, Mich. 36th Dist. Ct.;
301. City of Detroit v. Lamont Street, Mich. 36th Dist. Ct.;
302. City of Detroit v. Shealtiel N. Moore, Mich. 36th Dist. Ct.;
303. City of Detroit v. Jaroslaw Sziejter, No. 09-114019, Mich. 36th Dist. Ct.;
304. City of Detroit v. Christine Myers, Gavin Harrison, Karen Kialka, No. 09-114016-GC, Mich. 36th Dist. Ct.;
305. City of Detroit v. Verizon, Mich. 36<sup>th</sup> Dist. Ct.;
306. City of Detroit v. Marcus Ricardo Gary, No. 09-114018-GC, Mich. 36th Dist. Ct.;



307. City of Detroit v. Christine Myers, Gavin Harrison, Karen Kialka, No. 09-114016-GC, Mich. 36th Dist. Ct.;
308. City of Detroit v. Derek Culver, No. 13-121802, Mich. 36<sup>th</sup> Dist. Ct.;
309. City of Detroit v. Rita Lynette Powell-Pyles, No. 09-131657-GC, Mich. 36th Dist. Ct.;
310. City of Detroit v. Kari Burge, No. 10-106504-GC, Mich. 36th Dist. Ct.;
311. City of Detroit v. Jerea Deana Jackson, No. 08-106730-GC, Mich. 36th Dist. Ct.;
312. City of Detroit v. Angelo Iafrate, Mich. 36<sup>th</sup> Dist. Ct.;
313. City of Detroit v. Jamal Anthony Gaddie, No. 07-141061-GC, Mich. 36th Dist. Ct.;
314. City of Detroit v. Sophia Hawkins, No. 07-141894-GC, Mich. 36th Dist. Ct.;
315. City of Detroit v. Terrance Thomas, No. 10-108337-GC, Mich. 36th Dist. Ct.;
316. City of Detroit v. Terrance Thomas, No. 10-108337-GC, Mich. 36th Dist. Ct.;
317. City of Detroit v. Maia Williams, Mich. 36th Dist. Ct.;
318. City of Detroit v. Frances Blue, No. 10-118297-GC, Mich. 36th Dist. Ct.;
319. City of Detroit v. Jerel D. Matthaw, No. 10-122303, Mich. 36th Dist. Ct.;
320. City of Detroit v. Ashli R. Thomas, No. 10-122302-GC, Mich. 36th Dist. Ct.;
321. City of Detroit v. George Webb, No. 10-121743-GC, Mich. 36th Dist. Ct.;
322. City of Detroit v. Elsie L. Green & Sadie Reynolds, No. 10-124040-GC, Mich. 36th Dist. Ct.;
323. City of Detroit v. Wayne County 7 Raymond J. Wojtowicz, No. 13-000036-MZ-C30, Mich. 36<sup>th</sup> Dist. Ct.;
324. City of Detroit v. Kenneth L. Hurt, No. 11-105194-GC, Mich. 36th Dist. Ct.;
325. City of Detroit v. Tiyunna George, Mich. 36th Dist. Ct.;
326. City of Detroit v. Dejuan L. Washington, No. 11-105192-GC, Mich. 36th Dist. Ct.;
327. City of Detroit v. Marc Williams, No. 12-103384-GC, Mich. 36th Dist. Ct.;
328. City of Detroit v. Charles Williams, Mich. 36th Dist. Ct.;
329. City of Detroit v. Jennifer Bramer, No. 12-103386-GC, Mich. 36th Dist. Ct.;
330. City of Detroit v. Ronald Taylor, No. 04-117439-GC, Mich. 36th Dist. Ct.;
331. City of Detroit v. Empire Leasing, No. 14-15917-GC, Mich. 36th Dist. Ct.;
332. City of Detroit v. Wise Finley, No. 14-105916-GC, Mich. 36th Dist. Ct.;
333. City of Detroit v. John Louis Herring, Mich. 36th Dist. Ct.;
334. City of Detroit v. Damon Key, No. 14-15921-GC, Mich. 36th Dist. Ct.;
335. City of Detroit v. Claudio Lopez, Mich. 36th Dist. Ct.;
336. City of Detroit v. Michael Mingo, No. 14-105920-GC, Mich. 36th Dist. Ct.;

337. City of Detroit v. Myrtle Pasha, Mich. 36th Dist. Ct.;
338. City of Detroit v. Larry Callahan, No. 08-105046-GC, Mich. 36th Dist. Ct.;
339. City of Detroit v. Anthony Caslio, No. 07-154008-GC, Mich. 36th Dist. Ct.;
340. City of Detroit v. Antonio L. Johnson, No. 08-122838-GC, Mich. 36th Dist. Ct.;
341. City of Detroit v. Markeeda Morgan, No. 07-124692-GC, Mich. 36th Dist. Ct.;
342. City of Detroit v. 19696 Omira, No. 09-110228-GC, Mich. 36th Dist. Ct.;
343. City of Detroit v. Cadolba Management and Associates, No. 09-120755-GC, Mich. 36th Dist. Ct.;
344. City of Detroit v. Clarence Edward Key, No. 09-114023-GC, Mich. 36th Dist. Ct.;
345. Motor City Bending Inc vs City of Detroit, No. 07-729179, Mich. 36th Dist. Ct.;
346. City of Detroit v. 19696 Omira, No. 09-110228, Mich. 36th Dist. Ct.;
347. City of Detroit v. Cadpba Management and Associates, No. 09-120755, Mich. 36th Dist. Ct.;
348. City of Detroit v. Clarence Edward Key, No. 09-114023, Mich. 36th Dist. Ct.;

## **ITEM 7**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

Chapter 9

City of Detroit, Michigan,

Case No. 13-53846

Debtor.

Hon. Steven W. Rhodes

**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On September 16, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit A**; and via First Class mail on the service list attached hereto as **Exhibit B**:

- Seventh Amended Chapter 9 Plan for the Adjustment of Debts of the City of Detroit (September 16, 2014) [Docket No. 7502]
- Notice of Filing of Redlined Version of Seventh Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 7503]
- Stipulation by and Between the City of Detroit, Michigan and Creditors Regarding Adjournment of the Hearing on Plan Confirmation [Docket No. 7529]

Dated: September 17, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245



# EXHIBIT A

**Exhibit A**  
**Served via Email**

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**Exhibit A**  
**Served via Email**

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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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Counsel for Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	The Sanders Law Firm PC	Herbert A Sander	hsanders@miafscme.org
Counsel for Michigan Auto Recovery Service Inc; Wayne County Circuit Court, Hyde Park Cooperative, et al. v. City of Detroit, by and through its Buildings and Safety Engineering Department, Case No. 10-005687-CZ	Thornbladh Legal Group PLLC	Kurt Thornbladh	kthornbladh@gmail.com; thornbladh.kurt3@gmail.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan T. Brown	susan.brown5@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan E. Jacobsen VP	susan.jacobsen2@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water Bonds)	U.S. Bank National Association, as trustee, for the Detroit Sewer and Water Bonds	Attn: Lawrence J. Bell	lawrence.bell@usbank.com
Union Representative	UAW - Local # 412	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - Local #212	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - PAA Local #2211	Attn: Robyn Brooks	BrooR@detroitmi.gov
Union Representative	UAW - WWTP Local #2200	Attn: Laurie Stuart	mimilaurie@yahoo.com; ltownse@detroitpubliclibrary.org
Union Representative	United Auto Workers Union	Attn: Michael Nicholson	mnicholson@uaw.net
Counsel for United States of America	Unites States Attorney	Julia A. Caroff, Assitant US Attorney	julia.caroff@usdoj.gov
Union Representative	Utility Workers Union of America	Attn: James Harrison	jharrison@uwua.net
Union Representative	Utility Workers Union of America Local #488	Attn: Carl Anderson	canderson@dwsd.org
Union Representative	Utility Workers Union of America Local #504	Attn: Curliisa Jones	mcqueen@dwsd.org
Union Representative	Utility Workers Union of America Local #531	Attn: Samuel Wilson	swilson@dwsd.org
Counsel for Center for Community Justice and Advocacy ("CCJA")	Vanessa G. Fluker, Esq., PLLC	Vanessa G Fluker	vgflawyer@sbcglobal.net
Interested Party	Vanguardians	Barry Allen	pra@vanguardians.org
Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Attn: David E. Lemke, Esq. & Courtney Rogers	david.lemke@wallerlaw.com; courtney.rogers@wallerlaw.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Michael R Paslay Ryan K Cochran	Mike.Paslay@wallerlaw.com; Ryan.Cochran@wallerlaw.com
Counsel for UBS AG and Merrill Lynch Capital Services, Inc. (COP Swap Counterparties)	Warner Norcross & Judd LLP	Charles N Ash Jr	cash@wnj.com
Counsel for UBS AG and Merrill Lynch Capital Services Inc (COP Swap Counterparties)	Warner Norcross & Judd LLP	Stephen B Grow Douglas A Dozeman & Charles N Ash Jr	sgrow@wnj.com; ddozeman@wnj.com; cash@wnj.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Alfredo R Perez	alfredo.perez@weil.com



**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Attn: Gary T. Holtzer, Esq. & Alfredo R. Pérez, Esq.	gary.holtzer@weil.com; alfredo.perez@weil.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Kelly DiBlasi	kelly.dibiasi@weil.com
Counsel for Robbie Flowers, Michael Wells, Janet Whitson, Mary Washington and Bruce Goldman	William A. Wertheimer		billwertheimer@gmail.com ejessad@wwrplaw.com; mrjames@wwrplaw.com
Counsel for Financial Guaranty Insurance Company	Williams Williams Rattner & Plunkett PC	Ernest J Essad Jr & Mark R James	llarose@winston.com; skohn@winston.com; chardman@winston.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Attn: Lawrence A. Larose Samuel S. Kohn Carrie V. Hardman	sfoos@winston.com swolfson@wolfsonbolton.com; akochis@wolfsonbolton.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Sarah T. Foss	dls@wmlaborlaw.com
Counsel for The Bank of New York Mellon	Wolfson Bolton PLLC	Scott A Wolfson & Anthony J Kochis	macwilliams@youngpc.com; quadrozzi@youngpc.com; efiling@youngpc.com
Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	
Counsel for Oakland County	Young & Associates	Jaye Quadrozzi and Sara K. MacWilliams	

# **EXHIBIT B**

**Exhibit B**  
**Served via First Class Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
Interested Party	Ricoh USA Inc	Recovery & Bankruptcy Group	3920 Arkwright Rd Ste 400		Macon	GA	31210
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

## **ITEM 8**

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re

Chapter 9

CASE NO: 13-53846  
Hon. Steven W. Rhodes

CITY OF DETROIT, MICHIGAN

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**ORDER DISMISSING CLAIMS FROM MEDIATION**

AFSCME has agreed to withdraw the following claims from its Proof of Claims:

1. "Underfunded pension and post employment benefit obligations."
2. "Negotiation of Local 542 Supplemental Agreement" MERC Case Number C07 LO-033."

Accordingly, the Court **DISMISSES** those claims; they will not be discussed at mediation.

**IT IS ORDERED**

S/Victoria A. Roberts  
Victoria A. Roberts  
United States District Judge

Dated: October 8, 2014

## **ITEM 9**



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

	X	
	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
	:	
	X	

**SUPPLEMENTAL BRIEF OF THE CITY OF DETROIT IN  
SUPPORT OF OBJECTION OF THE CITY OF DETROIT,  
PURSUANT TO SECTIONS 105 AND 502(B) OF THE BANKRUPTCY  
CODE, BANKRUPTCY RULE 3007 AND LOCAL RULE 3007-1,  
TO PROOF OF CLAIM NUMBER 2958 FILED BY MICHIGAN  
AFSCME COUNCIL 25 AND ITS AFFILIATED DETROIT LOCALS**

The City of Detroit, Michigan (the "City") hereby files this supplemental brief (the "Brief")<sup>1</sup> in support of the Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and Its Affiliated Detroit Locals (Docket No. 4876) (the "Claim Objection") and respectfully represents as follows:

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<sup>1</sup> Capitalized terms not otherwise defined in this Brief have the meanings given to them in the Seventh Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 7502) (as it may be further supplemented, modified or amended, the "Plan").

## Background

1. On November 21, 2013, the Court entered the Order, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (Docket No. 1782) (the "Bar Date Order"). The Bar Date Order established February 21, 2014 at 4:00 p.m., Eastern Time (the "General Bar Date"), as the general deadline for the filing of proofs of claim in the City's chapter 9 case.

2. On the General Bar Date, Michigan AFSCME Council 25 and Its Affiliated Detroit Locals ("AFSCME") filed proof of claim number 2958 (the "Claim"), asserting liabilities in the aggregate amount of not less than \$8,718,697,854.82. The Claim expressly provides that it consists of a number of separate claims. Claim, at 1. AFSCME filed the Claim for all amounts allegedly due to AFSCME and its members and former member retirees and future retirees with respect to an array of potential liabilities. Id. The Claim is protective in nature, identifying a series of broad categories of claims, as well as "any other claims which arise before July 18, 2014." Id.

3. On May 15, 2014, the City filed the Claim Objection. By the Claim Objection, the City objected to the Claim on the ground that, among other things, the liabilities asserted therein frequently are too vague to permit the City to

4. On September 2, 2014, AFSCME filed Creditor Michigan AFSCME Council 25 and Its Affiliated Detroit Locals' Response to the Debtor's Objection to Proofs of Claim (Docket Number 2958) (Docket No. 7235) (the "AFSCME Response").

6. On October 14, 2014, legal issues relating to two potential theories of liability asserted by AFSCME in the Claim (together, the "Issues") were referred back to this Court for expedited adjudication. The Issues consist of the following:

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"13th Check" program. See Claim, at Ex. 1, row 7 (the "13th Check Claim").<sup>2</sup>

- (b) Whether the City has any additional liability to AFSCME or the parties AFSCME represents, above and beyond the treatment provided for OPEB Claims under the Plan, arising from modifications to retiree health care benefits made by the City in 2006. See Claim, at Ex. 1, row 17 (the "Health Care Modification Claim").

7. AFSCME asserts the 13th Check Claim and the Health Care Modification Claim as Other Unsecured Claims in Class 14 under the Plan, and seeks a recovery separate and apart from the Plan recoveries for pension and other post-employment benefit claims. However, with the public agreement and support of AFSCME and other parties, the City has resolved its obligations on account of:

- (a) all GRS Pension Claims, including, by definition, the liabilities asserted in the 13th Check Claim (the "Alleged 13th Check Liabilities"); and (b) all OPEB Claims, including the liabilities asserted in the Health Care Modification Claim (the "Alleged OPEB Liabilities"). This resolution was developed after months of

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<sup>2</sup> In support of the 13th Check Claim, attached to the AFSCME Response is a copy of the Decision and Recommended Order of Administrative Law Judge on Summary Disposition (the "ALJ Opinion") issued in the Michigan Employment Relations Commission ("MERC") proceeding In the Matter of City of Detroit and AFSCME Council 25, Case No. C12 E 092 (the "13th Check Proceeding"). See AFSCME Response at Exhibit 7. AFSCME asserts that the ALJ Opinion establishes the 13th Check Claim "to be as high as \$174,000,000." In fact, the ALJ Opinion states that reserving any amount for this claim would be "entirely unwarranted at this stage" and that establishing an amount for this claim "would require an unwarranted degree of speculation upon speculation." ALJ Opinion, at 18-19.

negotiations and is unambiguously reflected in the terms of the Plan by the treatment provided to Class 11 (GRS Pension Claims) and Class 12 (OPEB Claims). Accordingly, the City requests that the Court disallow the 13th Check Claim and the Health Care Modification Claim consistent with the terms of the Plan and the settlements embodied therein.

### **Argument**

#### ***The 13th Check Claim Was Resolved by the Agreed-Upon Treatment of GRS Pension Claims Under the Plan***

8. Under the 13th Check program, annual earnings on GRS pension assets over and above the assumed rate of return of 7.9% were distributed, at the discretion of the GRS board of trustees (the "Board"), in the form of additional contributions to active employees' annuity savings fund accounts or additional checks to retirees in excess of the 12 monthly pension checks retirees otherwise would receive each year. ALJ Opinion, at 2. In the 13th Check Proceeding, AFSCME (a) alleged that the City failed to collectively bargain regarding the elimination of the 13th Check program in 2011 and (b) sought to recover amounts that individual retirees allegedly would have received in 2011 and 2012 had the 13th Check program remained in place during that period. Id.

9. The 13th Check Proceeding was stayed as a result of the commencement of the Chapter 9 Case. The automatic stay of sections 362 and 922 of the Bankruptcy Code was lifted by the Court for the limited purpose of

permitting the retiring Administrative Law Judge to issue the ALJ Opinion based on an earlier bench ruling. See Order Modifying the Automatic Stay to Allow Administrative Law Judge to Execute His Opinion (Docket No. 1070), at ¶ 2.

10. Once issued on October 2013, the ALJ Opinion acknowledged that the nature of the relationship between the City and the counterparties to pending MERC proceedings would be materially changed by the Chapter 9 Case, "and the dormant pending litigation, and the relief sought therein, will all likely be moot." ALJ Opinion, at 3. This statement is correct as to the 13th Check Proceeding. The Plan establishes the treatment of the City's pension-related liabilities regardless of the outcome of the 13th Check Proceeding.

11. The liabilities asserted in the 13th Check Proceeding, to the extent valid at all (which they are not, for the reasons discussed below), are classified as GRS Pension Claims under the Plan. In particular, Section I.A.203 of the Plan provides as follows:

"GRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City or any participants in GRS, their heirs or beneficiaries or by the GRS or any trustee thereof or any other Entity acting on the GRS's behalf, against the City or any fund managed by the City (including, but not limited to, the General Fund, the water fund, the sewage disposal fund, the Detroit General Retirement System Service Corporation fund or the pension funds) based upon, *arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation,*



Plan, at § I.A.203 (emphasis added).<sup>3</sup>

13. The Plan provides for the clearly defined treatment of all GRS Pension Claims – in the estimated aggregate allowed amount of \$1.879 billion – in Class 11 under the Plan. See Plan, at § II.B.3.r (providing for the treatment of all

3 The Plan defines the term "Claim" with reference to section 101(5) of the Bankruptcy Code. Plan, at § I.A.60. Section I.A.257 of the Plan makes clear that any Claim that meets the definition of a GRS Pension Claim, among other claims, cannot also be an Other Unsecured Claim in Class 14 under the Plan. See Plan, at § I.A.257 (providing that "'Other Unsecured Claim' means any Claim that is not . . . a GRS Pension Claim [or] an OPEB Claim" among other Claims).

GRS Pension Claims). The express Plan provisions will govern the treatment of all claims falling within the definition of GRS Pension Claims. The filing of proofs of claim by AFSCME with respect to such liabilities, as permitted by the Bar Date Order, does not somehow transform these liabilities into Claims that fall outside the Plan or its definition of GRS Pension Claims.<sup>4</sup> It is a fundamental aspect of the bankruptcy plan process that proofs of claim are subject to the treatment specified in the Plan; the Plan is not subject to the proposed treatment of liabilities that individual claimants may include in proofs of claim.

14. Once classified as GRS Pension Claims by the Plan, these claims cannot be asserted by the claimant in another class to obtain additional or preferred treatment. As noted above, the Plan expressly prohibits AFSCME's preferred treatment of this alleged claim in Class 14. See Plan, at § I.A.257 (providing that "'Other Unsecured Claim' means any Claim that is not . . . a GRS

4 By the Bar Date Order, AFSCME was permitted to file "one or more omnibus proofs of claim on behalf of AFSCME-represented employees and former employees, regardless of the nature of such claims, including, without limitation, claims for post-retirement health obligations, pension obligations (whether benefits, underfunding or otherwise) or other compensation, subject to the City's right to object to any such claims." Bar Date Order, at ¶ 14. Notwithstanding this general authorization, however, it is not clear to the City whether the individual retiree Holders of the Claims constituting the Alleged 13th Check Liabilities and the Alleged OPEB Liabilities are, in fact, represented by AFSCME – and, therefore, that AFSCME possesses standing to assert these portions of the Claim – because AFSCME expressly declined to represent retired employees in the Chapter 9 Case in pre-bankruptcy correspondence with the City.

Pension Claim [or] an OPEB Claim" among other Claims). In sum, because the Alleged 13th Check Liabilities fit squarely into the Plan's definition of GRS Pension Claims, they are subsumed within the treatment provided all such Claims in Class 11 under the Plan.<sup>5</sup>

15. The Plan further makes clear that Holders of Claims are entitled to no satisfaction of their Claims other than that provided in the applicable Class under the Plan. Section III.D.4.a of the Plan, for example, provides that "the rights afforded under the Plan and the treatment of Claims under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims arising on or before the Effective Date .... whether or not ... a proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code." Plan, at § III.D.4.a.

16. Section III.D.4.b of the Plan similarly confirms that "the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all debts of the City ... and such discharge will void any judgment obtained against the City at any time, to the extent that such judgment relates to a discharged debt ...." Plan, at § III.D.4.b. In addition, as of the Effective Date, AFSCME and all other Holders of Claims against the City will be enjoined from

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<sup>5</sup> Among other things, AFSCME already has agreed to withdraw \$8.1 billion of the Claim relating to pension liabilities. See Order Dismissing Claims from Mediation (Docket No. 7877).

taking any actions to enforce any Claim against the City pursuant to Section III.D.5.a of the Plan. Thus, to the extent the Alleged 13th Check Liabilities constitute a valid Claim against the City – which they do not for all of the reasons set forth below – such Claim would be entirely subject to the treatment provided GRS Pension Claims in Class 11 under the Plan and cannot be a Class 14 Claim. Likewise, by the terms of the Plan, the 13th Check Proceeding will be permanently enjoined and must be "withdrawn or dismissed with prejudice." See Plan, § III.D.5.a.1.<sup>6</sup>

***The City Has No Liability on Account of the 13th Check Claim***

17. Even if the Court were to find that the 13th Check Claim is not subsumed by the treatment of GRS Pension Claims under the Plan (which it is), the City has no liability with respect to the 13th Check Claim.

18. AFSCME seeks to compel the City's payment of "13th check" distributions to retirees for 2011 and 2012 based on the ALJ Opinion, which found that elimination of the 2011 and 2012 payments violated the Michigan Public Employment Relations Act, MCL § 423.201, et seq. ("PERA"), because the elimination of the 13th Check program was implemented by the City without first bargaining with AFSCME.

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<sup>6</sup> This principle applies equally to the numerous other union claims and claims filed by individuals asserting similar liabilities.

19. In reaching its conclusion, the ALJ Opinion assumes for the purpose of its analysis that the practice of paying 13th checks was lawful under the Michigan Public Employee Retirement System Investment Act, MCL § 38.1132, et seq. ("PERSIA"). It was not. The Board's practice of awarding additional benefits to active employees and retirees who participate in GRS, including the "13th check" distributions, was a clear breach of the Board's fiduciary duties under applicable state law, and it is beyond purview that an employer does not violate labor law by failing to bargain to continue an illegal practice.

20. GRS was established pursuant to Article 11 of the Charter of the City of Detroit (the "Charter"). Section 11-101 of the Charter provides that "The city shall provide, by ordinance, for the establishment and maintenance of retirement plan coverage for city employees." Chapter 47 of the Detroit City Code of 1984 (the "Ordinance"), in effect at the times relevant for this dispute, sets forth the benefits available to participants and other terms of the GRS. Section 47-1-3 of the Ordinance creates the Board as the responsible party for administration of the GRS as follows:

A Board of Trustees of the General Retirement System is hereby created. The Board is vested with the general administration, management and responsibility for the proper operation of the System, and for making effective the provisions of [this] chapter.

21. No provision of the Charter or the Ordinance authorizes the Board to increase or decrease benefits provided by GRS, or to create benefits not otherwise described in the Ordinance. The grant of authority to the Board is limited to administration, management and proper operation – not the creation of new benefits.

22. The Charter and Ordinance further provide that the authority to amend GRS is vested in the City Council. Section 47-3-14(h) of the Ordinance provides that collective bargaining agreements that accept the terms of the Ordinance are subject to the Board's power to modify or amend "*the administrative rules and procedures*" (emphasis added) governing the defined contribution benefits provided in Article III of GRS, and Section 47-3-12(b) of the Ordinance provides that the Board may amend the "Participant Loan Program," but each of these limited exceptions highlight the general rule that only the City Council had general amendment authority over GRS.

23. Although, for many years prior to 2011, the Board took the position that it had authority to designate GRS funds as "excess earnings" for distribution to active employees and retirees pursuant to the 13th Check program, the Ordinance did not expressly authorize these additional benefits.

24. PERSIA requires that, among other things, a fiduciary "discharge his or her duties solely in the interest of the participants and the



beneficiaries, and ... (a) [a]ct with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims." MCL § 38.1133(13)(3)(a).

25. This requirement is almost identical to the federal Employee Retirement Income Security Act of 1974, as amended ("ERISA") requirement that a fiduciary "act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." 29 U.S.C. § 1104(a)(1)(B); see generally Bd. of Trs. of Birmingham Emps. Ret. Sys. v. Comerica Bank, 767 F. Supp. 2d 793, 798 (E.D. Mich. 2011) ("Michigan courts ... look to ERISA and interpretive case law as persuasive authority in applying PERSIA ...."); Estes v. Adrian Anderson & N. Point Advisors, 2012 Mich. App. LEXIS 2236 at \*\*7-8 (Mich. Ct. App. Nov. 15, 2012) (PERSIA is analogous to ERISA with respect to fiduciary requirements);<sup>7</sup> accord Bd. of Trs. of Birmingham Emps. Ret. Sys., 767 F. Supp. 2d at 798.

26. To meet ERISA's prudence standard, fiduciaries must undertake a careful and impartial investigation of all relevant facts and circumstances. The prudence requirement focuses on whether the fiduciaries, at the time they

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<sup>7</sup> Copies of all unpublished decisions cited herein are attached hereto as Exhibit A.

engaged in the challenged transaction, "employed the appropriate methods to investigate the merits" of the transaction. Donovan v. Mazzola, 716 F.2d 1226, 1231-32 (9th Cir. 1983); Bussian v. RJR Nabisco Inc., 223 F.3d 286, 299-300 (5th Cir. 2000) (fiduciary must conduct a thorough and impartial investigation and make an objectively reasonable decision). A showing that a plan fiduciary failed to follow reasonable procedures is sufficient to show a breach of fiduciary duty. Howard v. Shay, 100 F.3d 1484, 1488-90 (9th Cir. 1996). Prudence is an objective standard that focuses on the fiduciary's conduct. Good faith will not excuse a lack of procedural prudence. For purposes of satisfying the duty of prudence, "a pure heart and an empty head are not enough." Donovan v. Cunningham, 716 F.2d 1455, 1467 (5th Cir. 1983).

27. In at least one instance, a federal district court has held that allegations that trustees continued to issue 13th checks despite their knowledge that doing so would put the plan in financial jeopardy, are sufficient to state a claim for breach of fiduciary duty. Saxton v. Central Pennsylvania Teamsters Pension Fund, 2003 U.S. Dist. LEXIS 23983 (E.D. Pa. 2003). In that case, the trustees had explicit authority to issue 13th checks so long as certain funding prerequisites were satisfied. Id. at \*35. Although the plan's actuary certified that the funding prerequisites had been met, it was alleged that the plan trustees allowed the funding analysis to be performed with outdated and improper actuarial methods, all

with the knowledge that continued payments would put the plan's funding status at risk. Id. In those circumstances, the court held that the plaintiffs had stated a claim for breach of fiduciary duty. Id. at \*38. The court held that ERISA's fiduciary obligations include "monitoring the plan's solvency." Id. at \*37.

28. In the case of the City's 13th Check program, there is no indication that the Board ever thoroughly analyzed the determination of "excess earnings," or the impact of their decisions on the financial stability of GRS. Nor is there any indication that the Board made any attempt to understand the actuarial risk associated with "13th checks" and other extra benefits, or to question the Board's actuaries regarding the basis for their projections. If the Board had fulfilled its duty, it undeniably would have understood that the very concept of "excess earnings" in a pension system like GRS is the product of a conceptual mistake.

29. Actuaries project pension costs and assets over the long term, and when trustees spend "excess" money from the good years, they defeat one of the fundamental aspects of actuarial models – that investment gains, rather than employer contributions or local taxpayers, will defray a significant portion of total pension costs. The very actuarial consulting firm that GRS uses and the Board has long retained, Gabriel Roeder Smith & Company, has publicly conceded that use

of a 13th check program in public pension plans poses imprudent actuarial and financial risks to the retirement system.

30. In a New York Times article (the "Article") published October 22, 2013, Rick Roeder, a founding member of Gabriel Roeder Smith & Company, said the following about the 13th Check program: "There is no actuarial justification for 13th checks .... A 7-year-old child could understand this. *It's laughable that this could happen, but it did.*" (emphasis added). A copy of the Article is attached hereto as Exhibit B. To put it mildly, laughably unsound practices hardly satisfy the heightened duty of care imposed by PERSIA on the GRS Board.

31. The Article also notes that "a study in 2011 by an outside actuary showed that the extra payouts were actually costing Detroit billions of dollars . . . . Actuaries model pension costs over the long term, and when trustees find 'excess' money year by year and spend it, they defeat the fundamental premise of the plan — that investment gains, not local taxpayers, will pay most of the cost." A copy of this study is attached hereto as Exhibit C.

32. It is black-letter law that one of the common-law duties of a trustee under PERSIA and ERISA is to preserve and maintain the assets of the trust. See Central States Pension Fund v. Central Transit., 472 U.S. 559, 559-60 (1985). By continuing to pay benefits not required by the terms of GRS without

careful and thorough analysis of the financial impact to GRS, and without an adequate understanding of (or willful blindness to) the consequences of their actions, the Board breached its fiduciary duty to GRS and its participants.

33. Because the Board breached its fiduciary duty by issuing 13th checks, the City could not have breached any duty to bargain under PERA over the elimination of the unlawful practice.

34. "In construing and applying PERA, the Michigan Supreme Court has held that the Michigan legislature intended Michigan courts to rely on analogous federal precedent." Rogers v. Board of Educ., 2 F.3d 163, 166 (6th Cir. 1993) (compiling authority).

35. In this vein, the Michigan Supreme Court has held that subjects of bargaining that are mandatory, permissive or illegal have the same meaning under PERA as under the NLRA:

Mandatory subjects of collective bargaining are those within the scope of 'wages, hours, and other terms and conditions of employment'. [MCL § 423.215; MSA § 17.455(15).] If either party proposes a mandatory subject, both parties are obligated to bargain about it in good faith.

Permissive subjects of collective bargaining are those which fall outside the scope of 'wages, hours, and other terms and conditions of employment', and may be negotiated only if both parties agree.

Illegal subjects are those which even if negotiated will not be enforced because adoption would be violative of the law or of the NLRA.

Central Michigan University Faculty Assoc. v. Central Michigan University, 404 Mich. 268, 289-90 (Mich. 1978), citing Pontiac Police Officers Ass'n v Pontiac, 397 Mich 674, 679 (Mich. 1976).

36. The City could not have violated PERA by failing to bargain over a change to the 13th Check program because any negotiated resolution other than to eliminate this illegal practice would violate PERSIA.

37. As such, were the City to appeal the ALJ Opinion, there is virtually no doubt that the decision would be set aside. The standard for setting aside a decision such as the ALJ Opinion requires a showing that the decision was (a) in violation of the constitution or a statute, (b) in excess of the statutory authority or jurisdiction of the agency, (c) made upon unlawful procedure resulting in material prejudice to a party, (d) not supported by competent, material and substantial evidence on the whole record, (e) arbitrary, capricious or clearly an abuse or unwarranted exercise of discretion or (f) affected by other substantial and material error of law. MCL § 24.306.

38. Based on the foregoing, AFSCME's claim for any amount related to the elimination of the 13th check should be disallowed.



***The Health Care Modification Claim Was Resolved by the  
Agreed-Upon Treatment of OPEB Claims Under the Plan***

39. Just as with respect to the Alleged 13th Check Liabilities, the Alleged OPEB Liabilities constitute OPEB Claims under the Plan and are subject to the Plan treatment in Class 12. According to AFSCME, the Alleged OPEB Liabilities arise from the modification of retiree health-care benefits by the City in 2006 that caused retirees to incur increased costs for such health care. Claim, at 3.

40. The Plan defines OPEB Claims as "any Claim against the City for OPEB Benefits held by a retiree who retired on or before December 31, 2014 and is otherwise eligible for OPEB Benefits, and any eligible surviving beneficiaries of such retiree." Plan, at § I.A.255. The Plan defines "OPEB Benefits" as follows:

post-retirement health, vision, dental, life and death benefits provided to retired employees of the City and their surviving beneficiaries pursuant to the Employee Health and Life Insurance Benefit Plan and the Employees Death Benefit Plan, including the members of the certified class in the action captioned Weiler et. al. v. City of Detroit, Case No. 06-619737-CK (Wayne County Circuit Court), pursuant to the "Consent Judgment and Order of Dismissal" entered in that action on August 26, 2009.

Plan, at § I.A.254.

41. Based on the totality of the information provided by AFSCME, the City is not aware of any basis for AFSCME to argue that the Alleged OPEB Liabilities do not arise from "post-retirement health, vision, dental, life and death benefits" or that such Claims are not held by retirees who retired on or before December 31, 2014. The description of the Health Care Modification Claim states that it is for "retiree health care benefits" dating back to 2006, establishing that the Alleged OPEB Liabilities fit squarely within the Plan definition of "OPEB Claims." Accordingly, the Alleged OPEB Liabilities are subsumed within the treatment provided all such Claims in Class 12 under the Plan. See Plan, at § II.B.3.s. As noted above, a Claim within the definition of OPEB Claim cannot also be asserted as an Other Unsecured Claim in Class 14 of the Plan. See Plan, at § I.A.257 (providing that "'Other Unsecured Claim' means any Claim that is not . . . a GRS Pension Claim [or] an OPEB Claim" among other Claims). Moreover, for all of the reasons set forth above with respect to the Alleged 13th Check Liabilities, the Alleged OPEB Liabilities will be discharged as of the Effective Date and are entitled to no further recovery except as set forth in Class 12 under the Plan.

### **Reservation of Rights**

42. The City is filing this Brief to address certain specific arguments relating to the 13th Check Claim and the Health Care Modification

Claim. The City continues to seek the relief requested in the Claim Objection with respect to the remaining liabilities asserted in the Claim, and this Brief does not constitute a waiver of any such request for relief. The City reserves all of its rights with respect to the Claim Objection and currently expects to file its reply in support of the additional relief requested in the Claim Objection on October 17, 2014.

WHEREFORE, for the foregoing reasons, the City requests that the Court promptly disallow the 13th Check Claim and the Health Care Modification Claim and grant such other and further relief to the City as the Court determines to be appropriate.

Dated: October 16, 2014

Respectfully submitted,

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY

## **EXHIBIT A**



COLETTA ESTES and All Others Similarly Situated, Plaintiffs-Appellees, v ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants, and DAVID CLARK, SUSAN GLASER, SHEILA KNEESHAW, GERALD FISCHER, RONALD GRACIA, WENDALL ANTHONY, KENNETH v. COCKREL, JR., KATHLEEN LEAVEY, JEFFREY BEASLEY, MONICA CONYERS, and DEDAN MILTON, Defendants-Appellants. COLETTA ESTES, TERRY SMITH-JACKSON, TERITTHA KINNEY, ELEANOR BENNETT, ANTHONY WHEELER, ANDREIA JOHNSON, REGINALD BRYANT, DYNITA MCCASKILL, ANTHONY SCANDOVAL, ELEANOR BENNET, MARK MAPP, and RONALD MORRING, Plaintiffs-Appellees, v DAVID CLARK, SUSAN GLASER, SHEILA KNEESHAW, GERALD FISCHER, RONALD GRACIA, WENDALL ANTHONY, KENNETH v. COCKREL, JR., KATHLEEN LEAVY, JEFFREY BEASLEY, MONICA CONYERS, and DEDAN MILTON, Defendants-Appellants, and ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants. COLETTA ESTES, TERRY SMITH-JACKSON, TERITTHA KINNEY, ELEANOR BENNETT, ANTHONY WHEELER, ANDREIA JOHNSON, REGINALD BRYANT, DYNITA MCCASKILL, ANTHONY SCANDOVAL, ELEANOR BENNET, MARK MAPP, and RONALD MORRING, Plaintiffs-Appellees, v DAVID CLARK, SUSAN GLASER, SHEILA KNEESHAW, GERALD FISCHER, RONALD GRACIA, WENDALL ANTHONY, KENNETH v. COCKREL, JR., KATHLEEN LEAVY, JEFFREY BEASLEY, MONICA CONYERS, and DEDAN MILTON, Defendants-Appellants, and ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants, and NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS, Amicus Curiae. COLETTA ESTES, TERRY SMITH-JACKSON, TERITTHA KINNEY, ELEANOR BENNETT, ANTHONY WHEELER, ANDREIA JOHNSON, REGINALD BRYANT, DYNITA MCCASKILL, ANTHONY SCANDOVAL, ELEANOR BENNET, MARK MAPP, and RONALD MORRING, Plaintiffs-Appellees, v DAVID CLARK, SUSAN GLASER, SHEILA KNEESHAW, GERALD FISCHER, RONALD GRACIA, WENDALL ANTHONY, KENNETH v. COCKREL, JR., KATHLEEN LEAVY, JEFFREY BEASLEY, MONICA CONYERS, and DEDAN MILTON, Defendants, and ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants-Appellants. DAVID MALHALAB and All Others Similarly Situated and MARY PHELPS and All Others Similarly Situated, Plaintiffs-Appellees/Cross Appellants, v MARTY BANDEMER, JEFFREY BEASLEY, GREGORY BEST, GARY CHRISTIAN, SETH DOYLE, FRANK ENGLISH, DEDAN MILTON, JAMES MOORE, TYRONE SCOTT, PAUL STEWART, ALBERTA TINSLEY-TALABI, ROGER CHEEK, BARBARA ROSE COLLINS, WILLIAM FAIRWEATHER, JOHNNY GOLDEN, LAURA ISOM, MARTY KNOWLES, SHARON MCPHAIL, JEFFREY PEGG, and CLARENCE WILLIAMS, Defendants-Appellants/Cross Appellees, and ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants. NATHAN JACK CHASE and All Others Similarly Situated, Plaintiffs-Appellees/Cross Appellants, v REV. WENDALL ANTHONY, DAVID CLARK, MONICA CONYERS, KENNETH V. COCKREL, JR., SHEILA COCKREL, CEDRIC COOK, GERALD FISCHER, RONALD GRACIA, JEFFREY BEASLEY, SUSAN GLASER, KWAME M. KILPATRICK, SHEILA KNEESHAW, KATHLEEN LEAVY, STEPHANIE MILLEDGE, DEDAN MILTON, and TIMOTHY NGARE, Defendants-Appellants/Cross Appellees, and



**ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants.  
DAVID MALHALAB and MARY PHELPS, Plaintiffs-Appellees, v MARTY  
BANDEMER, JEFFREY BEASLEY, GREGORY BEST, ROGER CHEEK, GARY  
CHRISTIAN, BARBARA ROSE COLLINS, SETH DOYLE, FRANK ENGLISH,  
WILLIAM FAIRWEATHER, JOHNNY GOLDEN, LAURA ISOM, MARTY  
KNOWLES, SHARON MCPHAIL, DEDAN MILTON, JAMES MOORE,  
JEFFREY PEGG, TYRONE SCOTT, PAUL STEWART, ALBERTA  
TINSLEY-TALABI, and CLARENCE WILLIAMS, Defendants-Appellants, and  
ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants.  
NATHAN JACK CHASE and ANDREW DANIELS EL, Plaintiffs-Appellees, v REV.  
WENDALL ANTHONY, JEFFREY BEASLEY, DAVID CLARK, MONICA  
CONYERS, KENNETH V. COCKREL, JR., SHEILA COCKREL, CEDRIC COOK,  
GERALD FISCHER, RONALD GRACIA, SUSAN GLASER, KWAME M.  
KILPATRICK, SHEILA KNEESHAW, KATHLEEN LEAVY, STEPHANIE  
MILLEDGE, DEDAN MILTON, and TIMOTHY NGARE, Defendants-Appellants,  
and ADRIAN ANDERSON and NORTH POINT ADVISORS, L.L.C., Defendants.**

**No. 294515, Nos. 294537, No. 294555, No. 294559, No. 294541, No. 294543, No.  
294728, No. 294729**

# **COURT OF APPEALS OF MICHIGAN**

*2012 Mich. App. LEXIS 2236*

**November 15, 2012, Decided**

**NOTICE:** THIS IS AN UNPUBLISHED OPINION. IN ACCORDANCE WITH MICHIGAN COURT OF APPEALS RULES, UNPUBLISHED OPINIONS ARE NOT PRECEDENTIALLY BINDING UNDER THE RULES OF STARE DECISIS.

## **PRIOR HISTORY: [\*1]**

Wayne Circuit Court. LC No. 09-010080-NZ. Wayne Circuit Court. LC No. 09-010080-NZ. Wayne Circuit Court. LC No. 09-010080-NZ. Wayne Circuit Court. LC No. 09-012332-NZ. Wayne Circuit Court. LC No. 09-010940-NZ. Wayne Circuit Court. LC No. 09-012332-NZ. Wayne Circuit Court. LC No. 09-010940-NZ.

**JUDGES:** Before: MURRAY, P.J., and CAVANAGH and STEPHENS, JJ.

## **OPINION**

PER CURIAM.

These eight consolidated appeals arise from three cases filed in the Wayne Circuit Court that challenge pension fund investments made by the city of Detroit's General Retirement System (LC Nos. 09-010080-NZ and 09-010940-NZ), and the city's Police and Fire Retirement System (LC No. 09-012332-NZ). We affirm in part,

reverse in part, and remand for further proceedings consistent with this opinion.

Four appeals derive from LC No. 09-010080-NZ. In Docket No. 294515, 11 present and former members of the General Retirement System's Board of Trustees (the trustee defendants) appeal as of right a September 2009 circuit court order denying their motion for summary disposition premised on governmental immunity. In Docket No. 294537, the trustee defendants appeal by leave granted a separate September 2009 [\*2] order certifying a plaintiff class. In Docket No. 294555, the trustee defendants appeal by leave granted portions of the circuit court's September 2009 order denying summary disposition on grounds unrelated to governmental immunity. And in Docket No. 294559, Adrian Anderson and North Point Advisors, L.L.C. (the investment advisor defendants), two other defendants who advised the General Retirement System on financial matters, appeal by leave granted the circuit court's September 2009 order denying their motion for summary disposition.

Two appeals derive from LC No. 09-010940-NZ. In Docket No. 294543, 16 current and former members of the General Retirement System's Board of Trustees (the trustee defendants) appeal as of right an October 2009 circuit court order denying their motion for summary disposition premised on governmental immunity. Plaintiffs cross-appeal, challenging the circuit court's dismis-

sal of a breach of contract claim and refusal to allow amendment of their complaint. In Docket No. 294729, the trustee defendants appeal by leave granted portions of the circuit court's October 2009 order denying summary disposition unrelated to governmental immunity.

Lastly, two of the [\*3] appeals derive from LC No. 09-012332-NZ. In Docket No. 294541, 20 current and former members of the Police and Fire Retirement System's Board of Trustees (the trustee defendants) appeal as of right an October 2009 circuit court order denying summary disposition on the basis of governmental immunity. Plaintiffs cross-appeal, challenging the circuit court's dismissal of a breach of contract claim and refusal to allow amendment of their complaint. In Docket No. 294728, the trustee defendants appeal by leave granted portions of the court's October 2009 order denying summary disposition unrelated to governmental immunity.

## I

In LC No. 09-010080-NZ, plaintiffs filed an eight-count second amended complaint against 11 current and former trustees of the General Retirement System and their investment advisors. Count I alleged that defendants "repeatedly and flagrantly" violated their fiduciary duties to participants in the General Retirement System as set forth in the Public Employee Retirement System Investment Act (PERSIA), *MCL 38.1132 et seq.*, and that governmental immunity did not shield the trustee defendants from their grossly negligent conduct. Count II alleged a breach of common-law fiduciary [\*4] duties based on "grossly ill-advised and high risk investments." Count III, alleged a breach of common-law fiduciary duties based on the shredding and loss of Plan-related documents, i.e., "spoliation of evidence." The allegations in Count IV, entitled "gross negligence," included self-dealing, improper and extravagant travel, and approving improper investments. Count V averred a claim of "Waste," in that defendants "improperly dissipated the Plans' assets." Count VI set forth instances of common-law and statutory conversion committed by the trustee defendants, including with regard to extravagant, unnecessary, and improper travel. Count VII contained a request for "declaratory and injunctive relief." And Count VIII alleged that, because of defendants' gross negligence, the Plan suffered losses beyond normal market risk and amounted to "unconstitutional diminishment and/or impairment of accrued financial benefits of the Plan" in violation of *Const 1963, art 9, § 24*.

In LC Nos. 09-010940-NZ and 09-012332-NZ, substantially similar first amended complaints were filed against 16 current and former trustees of the General Retirement System and 20 current and former trustees of the Police [\*5] and Fire Retirement System, respectively, as well as the same financial advisors. Count I of

the first amended complaints alleged that defendants' investment decisions violated their statutory fiduciary responsibilities under the PERSIA, *MCL 38.1132 et seq.* Count II, captioned "City of Detroit Ordinance," asserted that Detroit ordinances "permit[] Plaintiffs to bring this civil action for relief against Defendant-Trustees" for violating their fiduciary duties under the PERSIA. Count III was a negligence claim. Count IV alleged that the trustee defendants had caused the city to breach its agreements with pension plan participants, like plaintiffs. Count V, titled "Breach of Third-Party Contract," alleged that plaintiffs were third-party beneficiaries of the contracts between the investment advisor defendants and the trustee defendants and plaintiffs were harmed by the investment advisor defendants' unreasonable performance. Count VI averred breaches of common-law fiduciary duties; Count VII alleged gross negligence; and Count VIII sought "declaratory and injunctive relief."

## II

In Docket Nos. 294555, 294559, 294728, and 294729, appeals arising from each of the three circuit court actions, [\*6] the trustee defendants and the investment advisor defendants assert that plaintiffs do not have standing to pursue any of the claims in their complaints. Defendants sought summary disposition pursuant to *MCR 2.116(C)(7)*, (8), and (10), but the circuit court relied on subrule (C)(10) in denying defendants' motions pertaining to standing. Whether a party has legal standing to assert a claim constitutes a question of law that this Court considers de novo. *Heltzel v Heltzel*, 248 Mich App 1, 28; 638 NW2d 123 (2001). We also review de novo a circuit court's summary disposition ruling. *Corley v Detroit Bd of Ed*, 470 Mich 274, 277; 681 NW2d 342 (2004).

A motion brought pursuant to *MCR 2.116(C)(10)* "tests the factual support of a plaintiff's claim." *Walsh v Taylor*, 263 Mich App 618, 621; 689 NW2d 506 (2004). "Summary disposition is appropriate under *MCR 2.116(C)(10)* if there is no genuine issue regarding any material fact and the moving party is entitled to judgment as a matter of law." *West v Gen Motors Corp*, 469 Mich 177, 183; 665 NW2d 468 (2003). "In reviewing a motion under *MCR 2.116(C)(10)*, this Court considers the pleadings, admissions, affidavits, and other relevant documentary evidence [\*7] of record in the light most favorable to the nonmoving party to determine whether any genuine issue of material fact exists to warrant a trial." *Walsh*, 263 Mich App at 621. "A genuine issue of material fact exists when the record, giving the benefit of reasonable doubt to the opposing party, leaves open an issue upon which reasonable minds might differ." *West*, 469 Mich at 183.

Pursuant to longstanding Michigan jurisprudence on standing, "a litigant has standing whenever there is a legal cause of action. Further, whenever a litigant meets the requirements of MCR 2.605, it is sufficient to establish standing to seek a declaratory judgment." *Lansing Sch Ed Ass'n v Lansing Bd of Ed*, 487 Mich 349, 372; 792 NW2d 686 (2010).

## A. STANDING UNDER THE PERSIA, LEGAL CAUSE OF ACTION

### 1. THE TRUSTEE DEFENDANTS

Defendants initially contend that plaintiffs cannot bring a private cause of action under the PERSIA because it does not include a civil enforcement provision.

The PERSIA is analogous to the federal Employee Retirement Income Security Act, ERISA, 29 USC 1001 *et seq.* ERISA sets minimum standards for pension plans offered by private employers, but does not apply to pension plans established by governmental [\*8] entities. See 29 USC 1003(b)(1); *Bd of Trustees of City of Birmingham Employees' Retirement Sys v Comerica Bank*, 767 F Supp 2d 793, 798 (ED Mich, 2011). Neither ERISA nor the PERSIA requires the establishment of pension plans; however, when a pension plan is established, the PERSIA requires that certain minimum standards be met. Like ERISA, the PERSIA requires that fiduciaries of employee pension plans "act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims." MCL 38.1133(3)(a); see, also, 29 USC 1104(a)(1)(B). And the PERSIA requires that fiduciaries give appropriate consideration to the facts and circumstances relevant to the particular investment or investment course of action and act accordingly. MCL 38.1133(3)(d).

ERISA, however, includes a civil enforcement provision which provides that participants and beneficiaries may bring civil actions to redress violations of the Act, including violations by fiduciaries. See 29 USC 1109; 29 USC 1132(a)(1) and (l)(1). The PERSIA does not include a civil [\*9] enforcement provision. But this lack of a specific civil enforcement provision is consistent with the broad constitutional grant of powers of local self-government enjoyed by municipalities as relates to local governmental issues like their retirement plans. See, e.g., *Brouwer v Bronkema*, 377 Mich 616, 649-650; 141 NW2d 98 (1966); *Dooley v City of Detroit*, 370 Mich 194, 212; 121 NW2d 724 (1963); *Davidson v Hine*, 151 Mich 294, 296; 115 NW 246 (1908).

The city of Detroit is a home rule city pursuant to the Home Rule City Act, MCL 117.1 *et seq.* As our Supreme Court observed in *Detroit Police Officers Ass'n v City of Detroit*, 391 Mich 44, 66; 214 NW2d 803 (1974), the Home Rule City Act "reflect[s] the position now expressed in Const 1963, art 7, s 22 that Michigan is a strong home rule state with basic local authority." Specifically, Const 1963, art 7, § 22, provides that a city has the power and authority to adopt a charter, as well as resolutions and ordinances "relating to its municipal concerns, property and government, subject to the constitution and law." Accordingly, subject to the constitution and law, home rule cities are governed by their city charter. "Retirement plans are a [\*10] 'permissible charter provision' adoptable under the broad grant of authority bound in [MCL 117.4i and 117.4j] of the Home Rule Cities Act." *Detroit Police Officers Ass'n*, 391 Mich at 66. As our Supreme Court has held "the entire subject of pensions, including the manner of proving the right thereto, is subject to control by the people of the municipality in the adoption of their charter." *Kelly v City of Detroit*, 358 Mich 290, 299; 100 NW2d 269 (1960). That is, "[p]ension matters . . . in a municipality operating under a home-rule or freeholders' charter are generally held to be within the exclusive control of the municipality." *Id.* at 298 (citation omitted).

The Detroit City Charter provides for retirement plans in Article 11. In particular, Section 11-101 provides:

1. The City shall provide, by ordinance, for the establishment and maintenance of retirement plan coverage for city employees.

2. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and that funding shall not be used for financing unfunded accrued liabilities.

3. The accrued financial benefits of active and retired city employees, being contractual obligations of the [\*11] city, shall in no event be diminished or impaired.

Section 11-103 provides that two governing bodies exist to administer the city's General Retirement System and the Police and Fire Retirement System.

The Detroit Municipal Code, in Chapter 47, sets forth provisions related to the retirement system. Article 1 sets forth the common provisions of the retirement system and several provisions cite to the PERSIA as au-

thority. See, e.g., Sections 47-1-12 and 47-1-15. Article 4 of Chapter 47 sets forth miscellaneous provisions of the retirement system, and includes the following provision which appears to have been effective since 2001:

**Sec. 47-4-3. - Enforcement; civil action.**

A civil action for relief against any act or practice which violates the state law, the 1997 Detroit City Charter, 1984 Detroit City Code or the terms of this Plan, may be brought by:

- (1) A Plan participant who is or may become eligible to receive a benefit;
- (2) A beneficiary who is or may become eligible to receive a benefit;
- (3) A Plan fiduciary, including a Trustee;
- (4) The Finance Director, on behalf of the City as Plan sponsor.<sup>1</sup>

<sup>1</sup> In accordance with this provision, for example, the Police and Fire Retirement System and the [\*12] General Retirement System of the City of Detroit have brought a civil action as "pension plan[s] and trust[s] established by the Charter and Municipal Code of the City of Detroit." *Police & Fire Retirement Sys of City of Detroit v Watkins*, unreported opinion, No. 08-12582 (ED Mich, Sept 30, 2009).

In this case, plaintiffs, as plan participants or beneficiaries, alleged that defendant trustees violated a state law, in particular their fiduciary duties arising under the

PERSIA, including *MCL 38.1133(3)(a)* and *(3)(d)*. "[A]pplicable general laws of the state must be read into the charters of municipal corporations." *Council of City of Saginaw v Bd of Trustees of Policemen & Firemen Retirement System of City of Saginaw*, 321 Mich 641, 647; 32 NW2d 899 (1948). But it is a tort claim because plaintiffs alleged breach of duties imposed by law, the PERSIA. Although a municipality like Detroit has broad authority, that authority is subject to statutory limitations, *Const 1963, art 7, § 22*, including the governmental tort liability act (GTLA) which provides that a governmental agency is immune from tort liability if "engaged in the exercise or discharge of a governmental function." *MCL 691.1407(1)*.

A [\*13] "governmental function" is activity expressly or impliedly mandated or authorized by charter or ordinance. *MCL 691.1401(f)*; *Maskery v Univ of Mich Bd of Regents*, 468 Mich 609, 613-614; 664 NW2d 165 (2003). The focus is on the general activity, not the specific conduct involved at the time of the alleged tort. *Tate v Grand Rapids*, 256 Mich App 656, 661; 671 NW2d 84 (2003). In this case, Article 11 of the city charter provides for the establishment of two boards of trustees as governing bodies for administering the city's retirement plans. Plaintiffs' claims arise from the trustee defendants' alleged acts related to administering the city's retirement plans, i.e., a governmental function. The Legislature has not specifically authorized a private cause of action under the PERSIA in avoidance of governmental immunity. See *Lash v Traverse City*, 479 Mich 180, 194; 735 NW2d 628 (2007). Although the Detroit Municipal Code may appear to have authorized such a cause of action, the city could not create a cause of action against itself in contravention of the broad scope of governmental immunity. See *Mack v Detroit*, 467 Mich 186, 196; 649 NW2d 47 (2002). Thus, contrary to the circuit court's [\*14] conclusion that Detroit ordinances invested plaintiffs with standing to challenge investment decisions of the trustee defendants, none of the plaintiffs in these cases may pursue a legal cause of action for the alleged PERSIA violations against the trustee defendants. See *Lansing Sch Ed Ass'n*, 487 Mich at 372.

## 2. THE INVESTMENT ADVISOR DEFENDANTS

Defendant Anderson works as the president of defendant North Point Advisors, a private entity, which rendered services to the retirement system. Because the investment advisor defendants were not engaged in a "governmental function" when they rendered such services, they are not entitled to the protection of governmental immunity. See *Rambus v Wayne Co Gen Hosp*, 193 Mich App 268, 273; 483 NW2d 455 (1992). As set forth above, the Detroit Municipal Code authorized plan participants, beneficiaries, fiduciaries, and the Plan

sponsor to bring "[a] civil action for relief against any act or practice which violates the state law." "The framers of the charter, and the people of the city in its adoption, must be presumed to have intended that the provision be construed as it reads." *Kelly*, 358 Mich at 296.

Plaintiffs, as plan participants or beneficiaries, [\*15] alleged that the investment advisor defendants violated state law, in particular, the PERSIA. Pursuant to the PERSIA, the investment advisor defendants constitute "investment fiduciaries," which *MCL 38.1132c(1)(b)* defines as including a person who "[r]enders investment advice for a system for a fee or other direct or indirect compensation." Plaintiffs alleged that the investment advisor defendants violated their investment fiduciary duties as set forth in *MCL 38.1133(3)*. Accordingly, as the trial court concluded, plaintiffs have standing to pursue their cause of actions against the investment advisor defendants for violations of the PERSIA.

#### B. DECLARATORY RELIEF UNDER THE PERSIA

Governmental immunity prohibits plaintiffs from pursuing tort claims against the trustee defendants, but such immunity does not prevent the enforcement of the PERSIA by declaratory judgment if the requirements of *MCR 2.605* are met. See *Lansing Sch Ed Ass'n*, 487 Mich at 372; *Lash*, 479 Mich at 194-196. According to *MCR 2.605(A)(1)*, "[i]n a case of actual controversy within its jurisdiction, a Michigan court of record may declare the rights and other legal relations of an interested party seeking a declaratory judgment, [\*16] whether or not other relief is or could be sought or granted." "An 'actual controversy' exists where a declaratory judgment or decree is necessary to guide a plaintiff's future conduct in order to preserve his legal rights." *Groves v Dep't of Corrections*, 295 Mich App 1, 10; 811 NW2d 563 (2011) (internal quotation and citation omitted). And the purpose of a declaratory judgment is "to enable the parties to obtain adjudication of rights before an actual injury occurs, to settle a matter before it ripens into a violation of the law or breach of contract, or to avoid multiplicity of actions by affording a remedy for declaring in expedient action the rights and obligations of all litigants." *Rose v State Farm Mut Auto Ins Co*, 274 Mich App 291, 294; 732 NW2d 160 (2006).

In this case, an "actual controversy" does not exist because a declaratory judgment is not necessary to guide plaintiffs' "future conduct in order to preserve [their] legal rights." *Groves*, 295 Mich App at 10. And, because plaintiffs have alleged actual injury and violations of the law, the objectives of the declaratory judgment rule cannot be met. Accordingly, plaintiffs do not have standing to pursue a declaratory judgment [\*17] action against either the trustee defendants or the investment advisor defendants with regard to their PERSIA-based claims.

#### C. PLAINTIFFS' STANDING TO BRING OTHER CLAIMS (LC NO. 09-010080-NZ)

In their complaint, plaintiffs also alleged that the trustee defendants breached their common-law fiduciary duties. It is clear that a fiduciary relationship existed between plaintiffs as plan participants or beneficiaries and the trustee defendants. See *In re Karmey Estate*, 468 Mich 68, 75 n 2; 658 NW2d 796 (2003), quoting Black's Law Dictionary (7th ed). Accordingly, the trustee defendants had a duty to act for the benefit of plaintiffs on matters within the scope of that relationship. *Id.* "Relief is granted when such position of influence has been acquired and abused, or when confidence has been reposed and betrayed." *Vicencio v Ramirez*, 211 Mich App 501, 508; 536 NW2d 280 (1995).

Here, plaintiffs alleged and offered evidence<sup>2</sup> that the trustee defendants breached their fiduciary duties in several respects, including by making imprudent and improper investments causing losses of retirement funds, destroying evidence, and engaging in self-dealing such as spending funds on unnecessary and extravagant [\*18] travel.<sup>3</sup> However, this state treats a breach of fiduciary duty claim as a common-law tort. *Miller v Magline, Inc*, 76 Mich App 284, 313; 256 NW2d 761 (1977). As discussed above, the trustee defendants are entitled to immunity for tort claims. See *MCL 691.1407(1)*. But in Count IV of their complaint, plaintiffs alleged that the trustee defendants were not entitled to immunity because their conduct was grossly negligent. *MCL 691.1407(2)(c)* sets forth as a condition of immunity that "conduct [ ] not amount to gross negligence that is the proximate cause of the injury or damage." Because plaintiffs pleaded in avoidance of governmental immunity, the circuit court properly denied the trustee defendants' motion for summary disposition on the basis of standing with regard to plaintiffs' claims that the trustee defendants violated their common-law fiduciary duties.

2 The newspaper articles that plaintiffs attached to their summary disposition response qualify as hearsay. *Baker v Gen Motors Corp (After Remand)*, 420 Mich 463, 512; 363 NW2d 602 (1984). But the articles may contain at least some admissible content. *MCR 2.116(G)(5)* ("documentary evidence offered in support of or in opposition to a motion [\*19] based on subrule (C)(1)-(7) or (10) shall only be considered to the extent that *the content or substance would be admissible as evidence*") (emphasis added).

3 We note that Count III (spoliation of evidence and document destruction) and Count V (spending funds on unnecessary travel) were

properly dismissed as distinct causes of action by the circuit court.

We also conclude that plaintiffs have standing to assert their claims of common-law and statutory conversion set forth in Count VI, legal causes of action grounded in the trustee defendants allegedly spending plan funds "on extravagant, unnecessary and improper trips." And plaintiffs possess standing to assert their claims set forth in Count VIII, that both the trustee defendants and investment advisor defendants violated *Const 1963, art 9, § 24*, which declares: "The accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby."

#### D. PLAINTIFFS' STANDING IN LC NOS. 09-010940-NZ AND 09-012332-NZ

Unlike the plaintiffs in LC No. 09-010080-NZ, plaintiffs in LC Nos. 09-010940-NZ and 09-012332-NZ did [\*20] not submit with their responses to the trustee defendants' motions for summary disposition an affidavit explaining how defendants' course of conduct (poor investments, self-dealing) harmed or placed at risk plaintiffs' interests in the retirement system. Nor did plaintiffs attach any affidavit, court records, or documentary evidence in admissible form; they attached copies of *Detroit Free Press* articles that reported on excessive travel by some board members and failed investments. The newspaper articles themselves do not constitute admissible evidence, *Baker v Gen Motors Corp (After Remand)*, 420 Mich 463, 512; 363 NW2d 602 (1984), but the contents of some of the articles might be admissible. *MCR 2.116(G)(5)*. Even assuming that plaintiffs in LC Nos. 09-010940-NZ and 09-012332-NZ inadequately supported their summary disposition responses, the trustee defendants' motions for summary disposition were inappropriate given the early stage of these litigations.

#### E. DISCOVERY INCOMPLETE IN ALL THREE CIRCUIT COURT ACTIONS

With respect to all three circuit court actions, a basic, well-established procedural proposition supported the circuit court's denial of defendants' motions for summary disposition [\*21] contesting plaintiffs' standing: "[I]ncomplete discovery generally precludes summary disposition, [unless] . . . further discovery does not stand a fair chance of finding factual support for the nonmoving party." *VanVorous v Burmeister*, 262 Mich App 467, 476-477; 687 NW2d 132 (2004). The circuit court record in LC No. 09-010080-NZ contains four voluminous files, but when defendants filed their motions for summary disposition discovery remained ongoing. Plaintiffs filed their initial complaint on April 29, 2009, and the trustee

defendants filed their motion for summary disposition on July 17, 2009, just 79 days later. The Court in *VanVorous*, 262 Mich App at 477, noted that a "party opposing a motion for summary disposition because discovery is not complete must provide some independent evidence that a factual dispute exists." (Internal quotation and citation omitted). In plaintiffs' summary disposition response, they appended many exhibits tending to substantiate the allegations in their second amended complaint, including an affidavit and other documents tending to suggest that defendants had invested unwisely and squandered plan funds. In summary, plaintiffs in LC No. 09-010080-NZ [\*22] have presented "some independent evidence that a factual dispute exists" in this case, and that further discovery "stand[s] a fair chance of finding factual support for the nonmoving party." *VanVorous*, 262 Mich App at 477. The circuit court thus correctly denied defendants' motions for summary disposition on the basis that plaintiffs lacked standing.

In LC Nos. 09-010940-NZ and 09-012332-NZ, summary disposition likewise was inappropriate because no discovery had occurred. See *VanVorous*, 262 Mich App at 476-477. The newspaper articles attached to plaintiffs' summary disposition responses in these cases comprise at least some independent evidence in support of their bad investment and self-dealing allegations. *Id.* at 477. There is a reasonable likelihood that plaintiffs could secure some admissible evidence supporting their breach of fiduciary duty and gross negligence claims, which they had standing to bring. *Lansing Sch Ed Ass'n*, 487 Mich at 372.<sup>4</sup> The circuit court correctly denied defendants' motions for summary disposition on the basis that plaintiffs lacked standing, even assuming that the court may have erred in premising its ruling on the Detroit retirement system ordinances and [\*23] dismissing the declaratory relief count of the complaint. See *Klooster*, 488 Mich at 313.

4 In Docket Nos. 294541 and 294543, plaintiffs in LC Nos. 09-010940-NZ and 09-012332-NZ cross-appeal contesting the circuit court's summary dismissal of their breach of contract counts (Counts IV and V) pursuant to *MCR 2.116(C)(8)*. We affirm the dismissal because these counts do not reference any specific agreements and consist entirely of conclusory allegations. On remand, plaintiffs may seek leave to file more specific breach of contract counts in amended complaints. See *MCR 2.118(A)(2)*.

#### F. CONCLUSIONS CONCERNING STANDING

In LC No. 09-010080-NZ, the trustee defendants' motion for summary disposition on the basis of standing with regard to Count I, the alleged PERSIA violations,



should have been granted, and summary disposition of Count VII, the request for declaratory relief, was properly granted. The investment advisor defendants' motion for summary disposition on the basis of standing with regard to Count I, the alleged PERSIA violations, was properly denied. The circuit court properly denied the trustee defendants' and the investment advisor defendants' motions for summary disposition on the basis [\*24] of standing with regard to (1) Count II, breach of common-law fiduciary duties, (2) Count IV, gross negligence, (3) Count VI, conversion, and (4) Count VIII, the violation of *Const 1963, art 9, § 24*. The court properly dismissed Count III, spoliation, and Count V, waste, as separate counts.

In LC Nos. 09-010940-NZ and 09-012332-NZ, the trustee defendants' motion for summary disposition on the basis of standing with regard to Count I, the alleged PERSIA violations, should have been granted, and summary disposition of Count VIII, the request for declaratory relief, was properly granted. The investment advisor defendants' motion for summary disposition on the basis of standing with regard to Count I, the alleged PERSIA violations, and Count II, the ordinances under which plaintiffs sought relief, was properly denied. The circuit court properly denied defendants' motions for summary disposition of (1) Count III, negligence, (2) Count VI, breach of common-law fiduciary duties, and (3) Count VII, gross negligence. Plaintiffs' inadequately pleaded breach of contract claims, as set forth in Counts IV and V, were properly dismissed.

### III

In Docket Nos. 294515, 294541, and 294543, the trustee defendants [\*25] in each circuit court action assert that the circuit court erred in denying their motions for summary disposition premised on governmental immunity. The circuit court stated that it denied the motions for summary disposition premised on governmental immunity under MCL 2.116(C)(7).

Under *MCR 2.116(C)(7)*, summary disposition is proper when a claim is barred by immunity granted by law. To survive such a motion, the plaintiff must allege facts justifying the application of an exception to governmental immunity. [The reviewing court] consider[s] all documentary evidence submitted by the parties, accepting as true the contents of the complaint unless affidavits or other appropriate documents specifically contradict them. [*Fane v Detroit Library Comm'n*, 465 Mich 68, 74; 631 NW2d 678 (2001).]

#### A. LC NO. 09-010080-NZ

Pursuant to *MCL 691.1407(7)(a)*, "gross negligence" is defined as "conduct so reckless as to demonstrate a substantial disregard for whether an injury results." *MCL 691.1407(7)(a)*. Accepting as true plaintiffs' allegations in LC No. 09-010080-NZ, including that the defendant trustees entered into multiple "grossly ill-advised and high-risk" pension fund investments with little investigation [\*26] and contrary to the advice of most investment consultants, as well as spent pension funds on numerous unnecessary and extravagant trips, a reasonable inference arises that the trustee defendants engaged in "conduct so reckless as to demonstrate a substantial disregard for whether" injury resulted to the retirement system. See *MCL 691.1407(7)(a)*. The complaint also maintained that "Defendants' breaches of duty and gross negligence are the proximate cause of the injury." The trustee defendants did not submit with their motion any documentary evidence contradicting the complaint's assertions. Thus, the motion for summary disposition was properly denied.

#### B. LC NOS. 09-010940-NZ AND 09-012332-NZ

In LC Nos. 09-010940-NZ and 09-012332-NZ, the first amended complaints mentioned the defendant trustees' series of ill-advised and high risk pension fund investments, as well as their excessive travel that included attending numerous meetings in California, Chicago, Arizona, Florida, New York, and Singapore in a six-month period of time. The first amended complaints also contain a gross negligence count, Count VII. The first amended complaints do not as extensively describe the allegedly reckless [\*27] conduct as the second amended complaint does in LC No. 09-010080-NZ. However, accepting as true the allegations in the first amended complaints as a whole, they at least arguably suggest that defendants engaged in "conduct so reckless as to demonstrate a substantial lack of concern for whether an injury results," *MCL 691.1407(7)(a)*, and that defendants proximately caused the injuries alleged.

#### C. DISCOVERY INCOMPLETE

Moreover, summary disposition on the issue of governmental immunity also is improper because discovery remains incomplete in LC No. 09-010080-NZ, and there has been little to no discovery in LC Nos. 09-010940-NZ and 09-012332-NZ. The circuit court reached the correct result in denying defendants' motions for summary disposition based on governmental immunity. However, we

caution that bad investment decisions as determined in hindsight do not constitute gross negligence.

#### IV

Lastly, in Docket No. 294537, the trustee defendants argue that the circuit court erred in several respects when it granted plaintiffs' motion for class certification. For the reasons discussed above, we reject the trustee defendants' first contention that the class certification was a mistake because plaintiffs [\*28] lacked standing.

The trustee defendants next submit that "the record does not reveal . . . whether the trial court engaged in *any* analysis of whether the prerequisites were met, let alone a sufficient analysis to satisfy the standard set by" the Michigan Supreme Court. [Emphasis in original.]

"Pursuant to *MCR 3.501(A)(1)*, members of a class may only sue or be sued as a representative party of all class members if the prerequisites dictated by the court rule are met." *Henry v Dow Chem Co*, 484 Mich 483, 496; 772 NW2d 301 (2009). Our Supreme Court elaborated as follows, in *Henry*, 484 Mich at 502-504, concerning the quantum of information that a party seeking class certification must supply a circuit court:

[A] certifying court may not simply "rubber stamp" a party's allegations that the class certification prerequisites are met. However, the federal "rigorous analysis" requirement does not necessarily bind state courts. . . . Given that *MCR 3.501(A)* expressly conditions a class action on satisfaction of the prerequisites, a party seeking class certification is required to provide the certifying court with information sufficient to establish that each prerequisite for class certification [\*29] in *MCR 3.501(A)* is in fact satisfied. A court may base its decision on the pleadings alone *only if* the pleadings set forth sufficient information to satisfy the court that each prerequisite is in fact met. The averments in the pleadings of a party seeking class certification are only sufficient to certify a class if they satisfy the burden on the party seeking certification to prove that the prerequisites are met, such as in cases where the facts necessary to support this finding are uncontested or admitted by the opposing party.

If the pleadings are not sufficient, the court must look to additional information beyond the pleadings to determine whether class certification is proper. However,

when considering the information provided to support class certification, courts must not abandon the well-accepted prohibition against assessing the merits of a party's underlying claims at this early stage in the proceedings. . . . [S]tate courts also have broad discretion to determine whether a class will be certified. . . . [Emphasis in original.]

In LC No. 09-010080-NZ, plaintiffs' second amended complaint recited 14 paragraphs under the heading, "Class Action Allegations," which addressed the [\*30] class action prerequisites in *MCR 3.501(A)(1)*. Later, plaintiffs filed a motion and brief seeking class certification in which they summarized the facts underlying the claims of the entire proposed class, and added specific details to their complaint's class action allegations, including that:

o approximately 9,000 active members of the Plan were damaged by defendants' conduct,

o the claims of the proposed class members had "questions of law and fact in common," including whether defendants "violated their statutory fiduciary duties established by PERSIA," "violated common law fiduciary duties owed to the Plan and Plan participants," and "were negligent [or grossly negligent] with respect to the Plan,"

o "the only individual issue will be that of each individual Class member's damages,"

o plaintiffs' counsel had "particular and extensive experience in litigating complex class actions" and "[c]ertifying the Class . . . is the superior, if not only, mechanism by which to proceed" because "[a]djudication of the legality of Defendants' actions will determine most . . . liability issues for all Class members,"

o [\*31] the class members' best interests weighed in favor of certifying the proposed class,

o the proposed class' claim for declaratory and injunctive relief "weigh[ed] heavily in favor of class certification,"

o the case did not present any disparate issues that might render the class action unmanageable,

o certification "will bring finality to the litigation on this issue and it will avoid additional litigation by other members of the plaintiff Class," and

o in light of the relatively small damages suffered by individual class members, the present case was well-suited "to the class action procedural device, because Class members may be precluded from pursuing their rights individually, due to the economics of doing so."

On September 23, 2009, the circuit court entered an order granting the motion for class certification. The order provides:

Plaintiff[s] having filed a Motion for Class Certification; Defendants having opposed Plaintiffs' Motion for Class Certification; *the Court having reviewed all of the Briefs and supporting material submitted* [emphasis added], and having heard oral argument of counsel for the Parties; and being fully advised in the premises:

IT IS . . . ORDERED that Plaintiffs' [\*32] Motion for Class Certification is GRANTED as this Court is satisfied that:

(a) The class is so numerous that joinder of all members is impracticable as there are approximately 9,000 members;

(b) There are questions of law, breach of fiduciary duty, and gross negligence; or questions of fact, Plaintiffs lost money; common to the members of the class that predominate over questions affecting only individual members;

(c) The claims or defenses of the representative parties, as derivative Plaintiffs that lost a percentage of the Plan money, are typical of the claims or defenses of the class;

(d) The representative parties have fairly and adequately asserted the interests of the class; and

(e) The maintenance of the action as a class action will be superior to other

available methods of adjudication in promoting the convenient administration of justice.

Further, this Court is satisfied:

(a) That this class action is the superior method of adjudicating because the prosecution of separate actions by or against individual members of the class could create a risk of:

i. Inconsistent or varying adjudications with respect to individual members of the class that would confront the party opposing the class [\*33] with incompatible standards of conduct; and

ii. Adjudications with respect to individual members of the class that would as a practical matter be dispositive of the interests of other members not parties to the adjudications or substantially impair or impede their ability to protect their interests;

(b) Equitable or declaratory relief might be appropriate with respect to the class;

(c) The action will be manageable as a class action;

(d) The separate claims of individual class members are insufficient to support separate actions;

(e) It is probable that the amount which may be recovered by the derivative class members justifies a class action; and

(f) Members of the class have a significant interest in controlling the prosecution and defense of all actions.

The class shall be certified as follows: all active Detroit employee and retiree participants in the Detroit General Retirement System, and all beneficiaries of a participant in the Detroit General Retirement System;

IT IS FURTHER ORDERED that the Class shall receive notice pursuant to *MCR 3.501(C)(5)*, and that the Class Notice will be published in the following newspapers, for the following time periods: The Detroit Free Press and The [\*34] Detroit News, one 5.5 inch-by-5 inch display to run Monday through Friday for two consecutive weeks and on two

consecutive Sundays. Also, Plaintiffs' counsel shall receive any responses to the various forms of notice, and shall promptly inform the Court of any class members who choose to opt out of this litigation. [Emphasis in original.]

Our review of the record confirms that plaintiffs satisfied their obligation "to provide the certifying court with information sufficient to establish that each prerequisite for class certification in *MCR 3.501(A)* is in fact satisfied." *Henry*, 484 Mich at 502. The circuit court considered the many class action allegations in plaintiffs' complaint, the documentation that plaintiffs submitted to substantiate their motion for class certification, and the parties' many briefs pertaining to certification. In light of the complaint's class action allegations and the evidence plaintiffs appended to their motion for class certification, which the circuit court referenced in deciding the motion, we conclude that (1) the circuit court's order adequately explains that the prerequisites for class certification existed in this case; (2) the circuit court's order [\*35] contains no clearly erroneous findings of fact; and (3) the circuit court acted within its discretion in entering the order certifying the plaintiff class. See *Henry*, 484 Mich at 495-496.

Contrary to the trustee defendants' inadequate notice arguments, the order granting certification satisfied court rule notice requirements. "As soon as practicable, the court shall determine how, when, by whom, and to whom the notice shall be given; the content of the notice; and to whom the response to the notice is to be sent." *MCR 3.501(C)(3)*. The order granting certification makes evident that notice shall occur (1) by publication (how), a notice method specifically contemplated in *MCR 3.501(C)(4)(b)*, in the *Detroit Free Press* and the *Detroit News*; (2) "Monday through Friday for two consecutive weeks and on two consecutive Sundays" (when); (3) to "all active Detroit employee and retiree participants in the Detroit General Retirement System, and all beneficiaries of a participant in the Detroit General Retirement System" (to whom); (4) "the Class shall receive notice pursuant to *MCR 3.501(C)(5)*," which sets forth in subrules (a)-(h) mandatory notice contents (the content of the notice); (5) "Plaintiffs' [\*36] counsel shall receive any responses to the various forms of notice, and shall promptly inform the Court of any class members who choose to opt out of this litigation" (to whom responses should be sent); and (6) the trustee defendants do not contradict plaintiffs' appellate contention that they prepared the notice.<sup>5</sup> Although the trustee defendants complain that the "court did not review nor make any findings with respect to the sufficiency of the form, sub-

stance or manner of class notice," the trustee defendants do not mention any specific information that the court purportedly failed to consider in formulating the notice, and they do not explain any manner in which the failure to take into account the information could have prejudiced anyone--the potential class members, plaintiffs, or defendants. *MCR 2.613(A)*. Accordingly, the circuit court's order granting plaintiffs' motion for class certification is affirmed.

5 In *MCR 3.501(C)(6)(a)*, the Supreme Court placed on the plaintiff the burden of paying for the notice to the class.

Affirmed in part, reversed in part, and remanded for further proceedings consistent with this opinion. We do not retain jurisdiction.

/s/ Christopher M. Murray

/s/ [\*37] Mark J. Cavanagh

/s/ Cynthia Diane Stephens





**DRAKE SAXTON, JIMMY LITTLE, and THOMAS C. DUDLEY, individually and on behalf of all others similarly situated, Plaintiffs, v. CENTRAL PENNSYLVANIA TEAMSTERS PENSION FUND; the CENTRAL PENNSYLVANIA TEAMSTERS PENSION FUND TRUSTEES-WILLIAM SHAPPELL, KEITH NOLL, KEVIN M. CICAK, TOM J. VENTURA, THOMAS K. WOTRING, and PETER HASSLER; and the FUND ADMINISTRATOR-JOSEPH J. SAMOLEWICZ; Jointly and Severally, Defendants.**

**Civil Action No. 02-CV-986**

**UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

*2003 U.S. Dist. LEXIS 23983; 32 Employee Benefits Cas. (BNA) 1126*

**December 9, 2003, Decided**

**PRIOR HISTORY:** *Saxton v. Cent. Pa. Teamsters Pension Fund*, 2003 U.S. Dist. LEXIS 23828 (E.D. Pa., Oct. 28, 2003)

**DISPOSITION:** Defendants' Motion to Dismiss granted in part and denied in part.

**COUNSEL:** [\*1] For Drake Saxton, Jimmy Little, Thomas C Dudley, PLAINTIFFS: Alan M Sandals, Sandals & Associates PC, Philadelphia, PA USA. Ann Curry Thompson, Kelman Loria Will Harvey & Thompson, Detroit, MI USA.

For Central Pennsylvania Teamsters Pension Fund, Trustees & Administrator, Joseph J Samolewicz, Peter Hassler, Thomas K Wotring, Tom J Ventura, Kevin M Cicak, Keith Noll, William Shappell, Central Pennsylvania Teamsters Pension Fund Trustees, Central Pennsylvania Teamsters Pension Fund, DEFENDANTS: Paul C Evans, Morgan Lewis & Bockius LLP, Philadelphia, PA USA.

**JUDGES:** Van Antwerpen, J.

**OPINION BY:** Van Antwerpen

**OPINION**

**OPINION AND ORDER**

## **I. Introduction**

We have before us Defendants' Motion to Dismiss Plaintiffs' Amended Complaint for failure to state cognizable claims pursuant to *Fed. R. Civ. P. 12(b)(6)*. Plaintiffs Drake Saxton, Jimmy Little, and Thomas C. Dudley, acting on behalf of themselves and all others similarly situated, allege that Defendants Central Pennsylvania Teamsters Pension Fund, Trustees, and Fund Administrator violated various provisions of ERISA, including breach of fiduciary duty provisions, § 404(a)(1)(A)-(D), 29 U.S.C. § 1104 (a)(1)(A)-(D) [\*2] ; unlawful reduction of accrued benefits, § 204(g), 29 U.S.C. § 1054(g); unlawful forfeiture of accrued benefits, § 203(a), 29 U.S.C. § 1053(a); illegal transfers of plan assets, § 4231, 29 U.S.C. § 1411; and prohibited transactions, § 406(a), 29 U.S.C. § 1106(a). Plaintiffs also assert violations under the LMRA, § 302, 29 U.S.C. § 186, as well as a violation of collective bargaining agreements. For the reasons set forth below, the Defendants' Motion to Dismiss is granted in part and denied in part.

## **II. Jurisdiction**

This case arises under ERISA, 29 U.S.C. § 1001 *et seq.*; thus, we have federal question jurisdiction under 28 U.S.C. § 1331 and 29 U.S.C. § 1132(e).

## **III. Background**

We present the relevant facts as Plaintiffs allege them in their brief. Defendant, the Central Pennsylvania



Teamsters Fund ("Fund" or "Pension Plan") is a multi-employer pension fund governed by the Employee Retirement Income Securities Act ("ERISA"), 29 U.S.C. § 1001 *et seq.* [\*3] Plaintiffs are participants in the Fund, which is administered by three union Trustees, and three employer Trustees, as well as a Fund Administrator appointed by the Trustees. The Fund itself, a trust, is comprised of three distinct pension sub-plans, or sub-trusts, all of which qualify as separate ERISA benefit plans. These sub-plans include the Defined Benefit Plan ("DB Plan"), the Retirement Income Plan 1987 ("RIP 87 Plan"), and the Retirement Income Plan 2000 ("RIP 2000 Plan"). Each sub-plan is governed by the Central Pennsylvania Teamster Pension Fund Trust Agreement, as restated December 9, 1999 ("1999 Trust Agreement" or "Trust Agreement"), as well as by its own plan document. The DB Plan is a defined benefit plan, whereas the RIP 87 Plan and the RIP 2000 Plan are defined contribution or individual account plans, as defined by ERISA § 3(34), 29 U.S.C. § 1002(34).<sup>1</sup>

1 Defined benefit plans generally provide for fixed benefits payments as provided by the plan's terms. See 29 U.S.C. § 1002(35). Defined contribution, or individual account plans, create an individual account for each plan participant. The benefits paid to the participant are based entirely on the amount contributed to the participant's account, "and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account." 29 U.S.C. § 1002(34).

[\*4] Plaintiffs filed the instant action as a class action lawsuit. Named Plaintiffs Drake Saxton, Jimmy Little, and Thomas C. Dudley are participants in both the DB and RIP 87 Plans. In addition to asserting claims against the Fund, Plaintiffs' Amended Complaint alleges various ERISA violations against the Trustees and the Fund Administrator. Briefly, Count 1 of the Amended Complaint seeks declaratory and injunctive relief to clarify and enforce Plaintiffs' rights to future benefits under the DB Plan and the RIP 87 Plan upon this Court's resolution of Plaintiffs' remaining statutory based claims. Count II alleges that Defendant Trustees and Defendant Fund Administrator breached their fiduciary duties through various measures. Counts III and IV aver that the plan amendments adopted by Defendant Trustees in 2002 violated the "anti-cut back" rule of ERISA § 204(g)(1), 29 U.S.C. § 1054(g)(1) and constituted unlawful forfeitures of Plaintiffs' accrued benefits under § 203(a), 29 U.S.C. § 1053(a), respectively. Count V contends that the Trustees flouted ERISA § 4231(a), 29 U.S.C. § 1411(a) by causing illegal transfers [\*5] of plan assets without meeting certain specified requirements. Count VI alleges that Defendants breached col-

lective bargaining agreements with employers. The employers' obligations to contribute to the Fund arise from these agreements. Finally, Count VII sets forth claims pursuant to the *Labor Management Relations Act* ("LMRA") and seeks to hold Defendant Trustees and Defendant Fund Administrator personally liable for committing prohibited transactions in connection with the violations alleged throughout the Amended Complaint.

The Fund was created in 1955 by its settlors, the Transport Employers Association ("TEA") and the Teamsters, Chauffeurs, Warehouseman, and Helpers Local Union No. 429 ("Local 429"). Since then, the Fund and its sub-plans have been amended on multiple occasions. In 1986, the Fund documents were amended to phase out the DB Plan over a three year span, and establish a new "Retirement Income Plan," which, after the RIP 2000 plan was created, became known as the RIP 87 Plan. The DB Plan and RIP 87 Plan had overlapping, but not identical participation. As the collective bargaining agreements ("CBA") governing employer contributions into the DB Plan expired during [\*6] the three-year window, 95% of future employer contributions were directed into the RIP 87 Plan, and the remaining 5% were directed into the old DB Plan. This apportionment of employer contributions between the two plans was made pursuant to a formula set forth the Trust Agreement. The DB Plan was thereafter amended in 1989, effective January 1990, to direct *all* employer contributions into the RIP 87 Plan. The amendment was implemented based on the Trustees' incorrect assumption that the DB Plan was "fully funded" and thus required no further employer contributions to meet its existing benefit obligations to beneficiaries.

By 1999, however, it became evident that the DB Plan was in danger of not meeting ERISA's minimum funding requirements. The Fund's Settlers, TEA and Local 429, therefore amended the Fund's Trust Agreement in 1999. This agreement, known as the 1999 Second Amended and Restated Central Pennsylvania Teamsters Pension Trust Agreement, contained two important amendments. First, the RIP 2000 Plan was spun off from the RIP 87 Plan. The RIP 2000 Plan was established as a separate defined contribution plan for employers who had joined the Fund since 2000 and whose employees [\*7] had never participated in the DB Plan. Second, to ameliorate the DB Plan's funding problems, an amendment allocated a certain amount of future contributions of RIP 87 Employers from the RIP 87 Plan into the DB Plan for the years 2000 to 2005. The quantity of contributions reallocated was calculated from the total forfeitures<sup>2</sup> of RIP 87 Plan employees from the previous year. Significantly, the previous year's forfeitures remained in the RIP 87 Plan. The quantity of forfeitures merely

served as a guide for determining the portion of future contributions from RIP 87 Employers that would be allocated to the DB Plan. Thus, while the employers' overall contribution obligations did not diminish, a portion of those contributions were directed into the DB Plan. These amendments to the Trust Agreement were signed by both TEA and Local 429, the Fund's settlors.

In another attempt to surmount the DB Plan's underfunding issue, the Trustees announced two proposals to the membership in 2001. The first involved freezing the RIP 87 Plan, and re-activating the DB Plan for receipt of future employer contributions. The second option reallocated a additional percentage of future contributions of RIP [\*8] 87 Plan employers into the DB Plan pursuant to a formula based on the participant's age and years of service. The Trustees ultimately selected this latter option, deemed Amendment No. 4, effective March 1, 2002.<sup>3</sup> Amendment No. 4 also contained a second, separate amendment. The Trustees added to the amendment provisions of the Trust Agreement the statement, "nothing in this Trust Agreement shall preclude the Trustees from acting in their Settlor-capacity as appropriate by law." (1999 Trust Agreement, Art. XI, Sec. 11.1.) Amendment No. 4 was signed and issued by the Trustees, without the signatures of Local 429 and the TEA. Several months later, however, the Trustees reversed their position and adopted Amendment No. 6 to the 1999 Second Amended and Restated Trust Agreement. This amendment, effective January 2003, froze the RIP 87 Plan and allocated all future contributions of RIP 87 Plan employers into the DB Plan.<sup>4</sup> Plaintiffs' allegations stem primarily from these amendments.

2 A forfeiture occurs when a RIP 87 Plan participant terminates membership prior to his/her benefits becoming vested.

[\*9]

3 Amendment No. 4 provides in relevant part:

Section 2.3. Contributions to RIP 1987. Beginning January 1, 2000, all Contributions paid to the Fund by RIP 87 Employers shall be allocated to RIP 1987, except as otherwise provided in Section 2.4, herein.

Section 2.4. Contributions to the Defined Benefit Plan. A portion of the Contributions that each RIP 1987 Employer pays to the Fund will be allocated to the Defined Benefit plan, as follows:

A. Forfeitures. Effective January 1, 2000, the Contributions for

each RIP 1987 Employer that would otherwise be allocated to RIP 1987 will be reduced by the dollar value of the Forfeitures that its Employees incurred in RIP 1987 as of the first day of each Fund year. ...

B. In addition to the Contributions allocated to the Defined Benefit Plan under subsection (A) above, a portion of the Contributions to the Fund of each RIP 1987 Employer for hours worked by Participants on and after **March 1, 2002**, will be allocated to the Defined Benefit Plan in accordance with the following formula ...

(emphasis added).

4 Amendment No. 6 provides in pertinent part:

Section 2.3 Contributions to RIP 1987. Effective January 1, 2000 until December 31, 2002, all Contributions owed to the Fund by RIP 1987 Employers shall be allocated to RIP 1987, except as otherwise provided in Section 2.4, herein. Effective January 1, 2003, all Contributions to RIP 1987 will cease and all Contributions paid to the Fund by RIP 1987 Employers will be allocated to the Defined Benefit Plan.

#### [\*10] IV. Standard of Review

A motion to dismiss, pursuant to *Fed. R. Civ. P. 12(b)(6)*, tests the legal sufficiency of the complaint. *Conley v. Gibson*, 355 U.S. 41, 45-46, 78 S. Ct. 99, 2 L. Ed. 2d 80 (1957). Accordingly, an action will be dismissed under 12(b)(6) only when the plaintiff has failed to state a claim upon which relief can be granted. The criteria for deciding whether a plaintiff has met this standard have been clearly established. "In reviewing a motion to dismiss a complaint for failure to state a claim under *Fed. R. Civ. P. 12(b)(6)*, all allegations in the complaint and all reasonable inferences that can be drawn therefrom must be accepted as true and viewed in the light most favorable to the non-moving party." *Sturm v. Clark*, 835 F.2d 1009, 1011 (3d Cir. 1987). This Court need not credit, however, any conclusory allegations of law, unsubstantiated conclusions, and/or unwarranted

factual inferences. *Morse v. Lower Merion Sch. Dist.*, 132 F.3d 902, 906 (3d Cir. 1997). In addition, a complaint should be dismissed only if it appears to a [\*11] legal certainty that a plaintiff could prove no set of facts which would entitle him or her to relief. *D.P. Enterprises v. Bucks County Cmty. Coll.*, 725 F.2d 943, 944 (3d Cir. 1984).

Generally, a court may not take into account materials extraneous to the pleadings when considering a motion to dismiss. *Angelaastro v. Prudential-Bache Sec., Inc.*, 764 F.2d 939, 944 (3d Cir. 1985). If, however, a document is "integral to or explicitly relied upon in the complaint," it may be considered "without converting the motion [to dismiss] into one for summary judgment." *Shaw v. Digital Equip. Corp.*, 82 F.3d 1194, 1220 (1st Cir. 1996), superceded by statute on other grounds, as noted in *Greebel v. FTP Software, Inc.*, 194 F.3d 185, 197 (1st Cir. 1999); see also *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1426 (3d Cir. 1997) (finding district court's reliance on document provided by defendants in ruling on motion to dismiss appropriate because plaintiff's complaint was based on that document, even though complaint did not explicitly refer or cite to it); *In re Donald J. Trump Casino Sec. Litig.*, 7 F.3d 357, 368 n.9 (3d Cir. 1993) [\*12] ("a court may consider an undisputedly authentic document that a defendant attaches as an exhibit to a motion to dismiss if the plaintiff's claims are based on the document") (quoting *Pension Benefit Guar. Corp. v. White Consol. Indus.*, 998 F.2d 1192, 1196 (3d Cir. 1996)).

Plaintiffs' allegations, as set forth in the Amended Complaint, are heavily based upon the 1999 Trust Agreement, and the February 2002 and December 2002 amendments thereto, the 1999 RIP 1987 Plan Document, the 1994 DB Plan Document, and the collective bargaining agreements governing the named Plaintiffs' employment. These documents are attached as exhibits to both Plaintiffs' and Defendants' supporting Memoranda. The authenticity of these documents is not in dispute. Thus, it is proper for this Court to consider these documents in adjudicating Defendants' Motion to Dismiss. Notably, if the plan documents are unambiguous, we may construe them as a matter of law. *Kemmerer v. ICI Americas, Inc.*, 70 F.3d 281, 288-89 (3d Cir. 1995).

## V. Discussion

### A. Count 1

Pursuant to 29 U.S.C. § 1132(a)(1)(B), Count 1 of the Plaintiffs' Amended Complaint [\*13] seeks declaratory relief to clarify and enforce their rights to future benefits under the DB Plan and the RIP 87 Plan. (Am. Compl. P 59.) § 1132(a)(1)(B) enables ERISA plan participants or beneficiaries to institute a civil enforcement

action "to recover benefits due to him under the terms of his plan, to enforce his rights under the terms of the plan, or to clarify his rights to future benefits under the terms of the plan." Before a federal court may entertain a claim under this provision, however, the Third Circuit requires that a plaintiff first exhaust any remedies available under the plan. *Harrow v. Prudential Ins. Co.*, 279 F.3d 244, 252 (3d Cir. 2002) (citing *Zipf v. Am. Tel. & Tel.*, 799 F.2d 889, 891 (3d Cir. 1986)). The exhaustion requirement applies "to ERISA benefit claims, but not to claims arising from violations of substantive statutory provisions." *Id.* Courts require exhaustion of administrative remedies "to help reduce the number of frivolous lawsuits under ERISA; to promote the consistent treatment of claims for benefits; to provide a nonadversarial method of claims settlement; and to minimize the costs of claims settlement for [\*14] all concerned." *Id.* at 249 (quoting *Amato v. Bernard*, 618 F.2d 559, 567 (9th Cir. 1980)). The exhaustion requirement, however, is not absolute. If a plaintiff can provide a "clear and positive" showing that exhaustion would be futile, the requirement is excused. *Brown v. Cont'l Baking Co.*, 891 F. Supp. 238, 241 (E.D.Pa. 1995); see *Berger v. Edgewater Steel Co.*, 911 F.2d 911, 916 (3d Cir. 1990) ("Although the exhaustion requirement is strictly enforced, courts have recognized an exception when resort to the administrative process would be futile").

Plaintiffs admit that they have not exhausted their claim. Because the determination and clarification of benefits under the plans depend upon this Court's resolution of Plaintiffs' remaining statutory claims<sup>5</sup>, they allege that exhaustion under the plans' administrative claim procedures would be futile. (Am. Compl. PP 59, 60.) To support this argument, Plaintiffs characterize Count 1 as a "claim for benefits" not under the current plans' terms, but rather under the terms of the plans as ultimately determined by this Court. This distinction is unavailing because it does not overcome [\*15] the fundamental nature of the Count as a claim for the clarification and enforcement of future benefits.

5 Plaintiffs' Brief explains that Count 1, seeking a declaration of their rights to benefits, becomes relevant only upon this Court's adjudication of their remaining claims: "Hence, the legality under the ERISA statute of the plan terms are first placed in issue under Counts II through VII. It is only after these statutory claims are decided that the parties and the Court can determine the consequences of these rulings for the actual benefits entitlements of plaintiffs ... " (Pls.' Br. at 20.)

In essence, Plaintiffs first seek reconstitution of the plans' terms through this Court's adjudication of their remaining statutory-based counts before any resolution

of claims for benefits. Thus, in one sense, it would be futile to require Plaintiffs to exhaust any claims for benefits before these statutory issues are resolved, because the changes in the plans' terms constitute the gravamen of the Amended Complaint. [\*16] But all this means is that Plaintiffs' claim for clarification and enforcement of future benefits is premature. It does not provide a basis to apply the futility exception. Once this Court rules on Plaintiffs' remaining counts, they are then free to exhaust claims for benefits under the reconstituted plans' internal administrative procedures. Because such a claim must first be exhausted through the plans' internal administrative procedures before being brought in federal court, and because the futility exception is inapplicable, Count 1 must be dismissed at this time, without prejudice for Plaintiffs to refile the claim if and when appropriate.

#### B. Count II

Count II of the Amended Complaint alleges that Defendant Trustees and Defendant Fund Administrator, acting as "fiduciaries" within the meaning of 29 U.S.C. § 1002(21)(A)(1) <sup>6</sup>, breached their ERISA mandated fiduciary obligations through various measures.

To state a claim for breach of fiduciary duty under ERISA, a plaintiff must allege that the defendant undertook the challenged actions in a fiduciary capacity, and that the action taken constituted a breach of that duty. 29 U.S.C. §§ 1109 (a) [\*17] , 1132(a)(3). An ERISA fiduciary, properly identified, must employ within the defined domain "the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use." 29 U.S.C. § 1104(a)(1)(B). The fiduciary should act "solely in the interest of the participants and beneficiaries," and must discharge his duties "in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of [ERISA]." §§ 1104(a)(1)(A),(D). 29 U.S.C. § 1109(a) authorizes a beneficiary to bring suit against a fiduciary who has violated any of the fiduciary obligations ERISA imposes.

6 This provision provides in relevant part:

[A] person is a fiduciary with respect to a plan to the extent (i) he exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets.

Specifically, Plaintiffs assert nine separate violations of Defendants' fiduciary duties. (Am. Compl. PP 64(a)-(j).) For purposes of the following analysis, the alleged violations are grouped as follows: (1) inappropriately amending the 1999 Trust Agreement on several occasions in 2002 without the requisite signatures; (2) improperly issuing to retired DB Plan participants the "thirteenth check" through 2000; and (3) failing to prudently and effectively monitor the performance of investment advisors and managers responsible for the investment of plan assets.

#### 1. Trust Amendments

For the reasons set forth below, Plaintiffs' claims relating to Defendants' implementation of the 2002 Amendments to the 1999 Trust Agreement are dismissed with prejudice.

##### i. Trustees' Failure to Abide by the Amendment Provisions Of The Trust Agreement In Undertaking Amendment 4

Plaintiffs' Amended Complaint asserts that Defendant Trustees and Defendant Fund Administrator:

failed to discharge their duties in accordance with the documents and instruments governing the plans by again purporting to amend the 1999 Trust Agreement in February 2002 to arrogate to themselves [\*19] broad powers to act as settlors in amending the Trust Agreement, again without the authorizing signatures of Fund settlors, Local 429 and TEA, as required by the 1999 Trust Agreement.

(Am. Compl. P 64(i).) Specifically, "amendment No. 4 was signed solely by the Fund Trustees, but not by the TEA or by Local 429, as required by the 1999 Restated Trust Agreement, the document purportedly being amended." (Am. Compl. P 51.) Thus, Plaintiffs claim that Defendants' failure to comply with the appropriate Trust Agreement amendment procedures in implementing Amendment No. 4 constituted a breach of their fiduciary obligations. For the following reasons, we find that Plaintiffs have failed to state a claim upon which relief can be granted.

Article XI, section 11.1 of the 1999 Trust Agreement gives the power of amendment to the Trustees or Settlers, and explicitly sets forth the appropriate procedures to be employed when the amending party seeks to amend the Agreement:

The Trustees or the Settlers may amend the Trust Agreement in any manner and at any time, subject to the provisions of the Trust Agreement, ERISA and other federal and/or state law; provided, however, that [\*20] no amendment shall prejudice the rights of any Participant or Beneficiary with respect to claims which have been opened and are in being pursuant to the rules and regulations of the Fund; provided, further, that no amendment shall cause any of the assets of the Fund to revert to any Employer. Any amendment shall be effective as of the date set by resolution of the Trustees. Amendments shall be in written form. Notwithstanding anything to the contrary set forth herein, **any amendment to the Trust Agreement which would affect any rights or obligations of the Trustees or of TEA, as a Settlor, or of the Union, as a Settlor, shall not be effective unless approved in writing by the party or parties affected.**

(1999 Trust Agreement, Art. XI, Sec. 11.1 (emphasis added).)

Section 402(b)(3) of ERISA requires that every employee benefit plan provide (1) a "procedure for amending [the] plan and (2) "[a procedure] for identifying the persons who have authority to amend the plan." *Curtiss-Wright Corp. v. Schoonejongen*, 514 U.S. 73, 82, 115 S. Ct. 1223, 131 L. Ed. 2d 94 (1995). So long as these minimal requirements are met, "ERISA [] follows standard trust [\*21] law principles in dictating only that whatever level of specificity a company ultimately chooses, in an amendment procedure or elsewhere, it is bound to that level." *Id.* at 84, 115 S. Ct. 1223, 131 L. Ed. 2d 94; see 29 U.S.C. § 1104(a)(1)(D). Thus, a plan sponsor's failure to act in accordance with the amendment procedures of the governing plan document when implementing an amendment constitutes a breach of fiduciary duty possibly warranting judicial annulment of the amendment. *Curtiss-Wright Corp.*, 514 U.S. at 84-85, 115 S. Ct. 1223, 131 L. Ed. 2d 94. In the case at bar, Plaintiffs note that the February 2002 (and presumably December 2002) amendments to the Trust Agreement were promulgated without the signatures of TEA or Local 429. As the 1999 Trust Agreement indicates, however, the Trustees need only obtain the signatures of TEA and Local 429 if the amendment being adopted somehow impacts the rights or obligations of those parties as settlers. Thus, Defendants' adoption of the 2002 amend-

ments without the signatures of either TEA or Local 429 constituted a failure to act in accordance with the Trust Agreement's amendment [\*22] procedures only if the amendments impacted the settlers as such. Plaintiffs, however, fail to allege that the contested 2002 amendments affected the rights or obligations of TEA and Local 429 as settlers.<sup>7</sup> To state a claim for breach of fiduciary duty in this context, it must be alleged that the defendant neglected to administer the plan in accordance with its terms. The absence of any specific allegation that Defendants did not obtain the signatures required by the Trust Agreement *despite* the fact that the 2002 amendments implicated the rights and obligations of TEA and Union as settlers renders Plaintiffs' breach of fiduciary duty claim fatal. This claim of Count II is accordingly dismissed with prejudice for the aforementioned reasons.

7 Plaintiffs' claim that the amendments "severely reduced the accrued benefits of plaintiffs and the members of the Class and their accrual of future benefits under the pre-amendment RIP 87 Plan" (Am. Compl. P 64(h)) does not suggest that TEA or Local 429's rights or obligations as settlers were affected by the amendments.

#### [\*23] ii. Plan Amendments As A Fiduciary Act

Plaintiffs allege that Defendant Trustees and Defendant Fund Administrator violated their fiduciary duties under ERISA by adopting various amendments to the 1999 Trust Agreement in 2002. ERISA, a comprehensive statutory scheme, is intended to protect employees enrolled in pension and benefit plans. The responsibility of administering a plan in the best interests of its participants and beneficiaries resides with plan trustees, who are obligated under § 404 of ERISA to act in accordance with a standard of fiduciary conduct. 29 U.S.C. § 1104(A)-(D). Specifically, Plaintiffs aver that the 2002 amendments to the 1999 Trust Agreement violated ERISA § 404 because the amendments "severely reduced the accrued benefits of plaintiffs and the members of the class and their accrual of future benefits under the terms of the pre-amendment RIP 87 Plan." (Am. Compl. P 64(h).)

Before we may consider whether Plaintiffs have stated a claim for breach of fiduciary duty, we must first decide whether the Trustees' adoption of the 2002 amendments invoked ERISA's fiduciary duty provisions. In urging that we answer this question in the [\*24] affirmative, Plaintiffs argue that in the context of this multi-employer Pension Plan, the Trustees' actions in implementing amendments which affected the allocation of a finite asset pool constituted administrative and fiduciary functions. Defendants, in turn, counter with the proposition that a plan sponsor acts within its power as a settlor when amending any plan. As the following dis-

cussion reveals, the issue is not clear-cut. Upon careful consideration, we find that the Trustees functioned as settlors when amending the Pension Plan.<sup>8</sup> They were, consequently, free to amend without the restraints imposed by ERISA § 404.

8 We reach our decision today regardless of the November 2002 Department of Labor Bulletin.

In ascertaining whether plan sponsors act in a settlor or fiduciary capacity when amending ERISA-governed benefit plans, courts have drawn distinctions between multi-employer and single-employer plans, and between those plans that "affect the allocation of a finite plan asset pool" to which each [\*25] participating employer has contributed. *Musto v. Am. Gen. Corp.*, 861 F.2d 897, 912 (6th Cir. 1988), cert. denied, 490 U.S. 1020, 109 S. Ct. 1745, 104 L. Ed. 2d 182 (1989). Undoubtedly, the general rule is that the ERISA fiduciary obligations do not apply to a plan amendment. But, as the below discussion indicates, by no means has this general rule been unequivocally applied by courts.

Plaintiffs' argument is premised upon the rationale articulated by the Second Circuit in *Siskind v. Sperry Retirement Program*, *Unisys*, 47 F.3d 498 (2d Cir. 1995). Former employees brought suit challenging the defendant corporation's adoption of an amendment to a single-employer pension plan. The plaintiffs argued that the plan amendment, which excluded the plaintiffs from a selective early retirement program, constituted a breach of fiduciary duty to act for the sole benefit of plan participants. *Id.* at 500. In holding that the plan trustees' amendment of the single-employer plan did not invoke ERISA's fiduciary obligations, the Second Circuit explained that "in the single-employer setting, where plan trustees are also corporate officers, [\*26] their actions must be made in the interest of both the plan's participants and the employer." *Id.* at 506. Because the trustees have dual responsibilities in this regard, subjecting them to fiduciary obligations in their adoption of plan amendments would discourage the creation of benefit plans, a result ERISA intended to prevent. In setting forth its rationale, the Second Circuit distinguished cases where plan amendments were held to be fiduciary functions.<sup>9</sup> Those cases involved multi-employer pension plans.

The cases holding plan amendment to be an administrative and fiduciary task concern multiemployer pension plans, jointly administered by trustees representing the employers and trustees ap-

pointed by and representing the union. In the multiemployer setting, trustees amending a pension plan "affect the allocation of a finite plan asset pool" to which each participating employer has contributed. For that reason trustees administering a multiemployer plan are expected to act solely for the benefit of beneficiaries and are barred from acting on the employers' behalf.

*Id.* (internal citations omitted).

9 In *Chambless v. Masters, Mates & Pilots Pension Plan*, 772 F.2d 1032, 1038 (2d Cir. 1985), the Second Circuit recognized the existence of a fiduciary breach cause of action against the trustees of a multi-employer pension fund who amended a vested pension plan.

[\*27] In drawing a distinction between single-employer plans and multi-employer plans implicating a finite plan asset pool, the Second Circuit garnered support from the Sixth Circuit's dicta in *Musto*, 861 F.2d at 912, that "in amending a multi-employer plan, where the level of contributions of each participant employer has generally been set by collective bargaining, the trustees 'affect the allocation of a finite plan asset pool between participants' ... and hence act as plan administrators subject to a fiduciary duty." The Sixth Circuit, however, subsequently refused to treat single-employer and multi-employer plans differently in *Pope v. Central States S.E. & S.W. Areas Health and Welfare Fund*, 27 F.3d 211, 213-214 (6th Cir. 1994). In *Pope*, the Court of Appeals held that the trustees of a multiemployer welfare-benefit plan were not subject to fiduciary standards in amending a plan to reduce benefits in order to protect its financial stability. The Third Circuit recognized *Pope*'s impact on the fine distinction drawn by *Musto* as well: "*Pope* stands for the proposition that the Sixth Circuit, despite its authorship of *Musto*, is [\*28] prepared to treat single- and multi-employer plans similarly in the absence of some other salient difference." *Walling v. Brady*, 125 F.3d 114, 118 (3d Cir. 1997).

In the aftermath of these decisions, the Supreme Court has had occasion to address the issue of whether ERISA's fiduciary obligations apply to plan sponsors who amend plan agreements. These decisions, however, arose in the context of single-employer plans. See, e.g., *Lockheed Corp. v. Spink*, 517 U.S. 882, 116 S. Ct. 1783, 135 L. Ed. 2d 153 (1996). In *Lockheed*, the Court counseled that:



Plan sponsors who alter the terms of a plan do not fall into the category of fiduciaries. As we said with respect to the amendment of welfare benefit plans ... "employers or other plan sponsors are generally free under ERISA, for any reason at any time, to adopt, modify, or terminate welfare plans." When employers undertake those actions, they do not act as fiduciaries, but are analogous to the settlors of a trust.

*Id.* at 890, 116 S. Ct. 1783, 135 L. Ed. 2d 153 (citations omitted). This is because "only when fulfilling certain defined functions, including the exercise [\*29] of discretionary authority or control over plan management or administration,' does a person become a fiduciary under § 3(21)(A)," and ERISA's definition of fiduciary does not include plan design. *Id.* (quoting *Siskind*, 47 F.3d at 505). The Court stated that this reasoning applied to both pension and welfare benefit plans. *Id.* Despite the categorical language characterizing the Supreme Court's pronouncement, the Third Circuit expressly refused to recognize that the rule would apply in all situations.

*Lockheed* speaks of "plan sponsors," a term that applies to both single-employer sponsors and multi-employer sponsors under ERISA, and the opinion lacks any hint that single- and multi-employer plans should be analyzed differently. At the same time, the silence of *Lockheed* on this topic could arguably be a result of its subject matter, a single-employer plan. The Court did not mention multiemployer plans nor state that its decision was intended to reach them or to address their particular characteristics. ... We do not read *Lockheed* to be the definitive word that there are never valid occasions on which to distinguish between the two types [\*30] of plans....

*Walling*, 125 F.3d at 117. *Walling* involved an amendment to a multi-employer pension fund that lacked a finite asset pool. In no uncertain terms, the Court of Appeals held that "the simple fact that the plan at issue is a

multiemployer plan is insufficient to cause the fiduciary duty to attach to the Trustees' actions." *Id.* at 120. Nevertheless, the Third Circuit took notice that "the plan feature (a finite asset pool) on which Siskind based its deviation from this bright-line rule is not present here" and concluded that "the rationale for having the fiduciary duty of loyalty apply is therefore absent, because the Trustees have the power to incur unfunded liabilities." *Id.* at 118. Thus, while the Third Circuit's refusal to impose fiduciary burdens on the trustees before it was grounded in the logic of *Lockheed*, the underlying analysis reveals the court's reluctance to consider the principle articulated in *Lockheed* to be unequivocally independent of the type of plan involved.

Following the *Walling* decision, however, the Supreme Court reaffirmed the general principle that a plan sponsor's decision [\*31] to amend a plan concerns the composition or design of the plan itself and thus does not implicate ERISA's fiduciary obligations in *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 444, 119 S. Ct. 755, 142 L. Ed. 2d 881 (1999). *Hughes* clarified that the prior holding in *Lockheed* does not turn on "the type of plan being amended for the simple reason that the plain language of the statute defining fiduciary makes no distinction." *Id.* Notably, the issue arose before the Supreme Court once again in the context of a single-employer benefit plan. *Id.* Thus, while it does not necessarily diminish the import of *Walling*, it does undermine the notion that the type of plan at issue informs the decision of whether a plan sponsor acts as a fiduciary in undertaking a plan amendment. The Court's textual approach places emphasis on ERISA's definition of fiduciary. Because the term fails to distinguish between various plan permutations, and because it fails to include plan design as a defined function, a plan sponsor is free to amend any employee benefit plan without being subject to fiduciary review. *Lockheed*, 517 U.S. at 890, 116 S. Ct. 1783, 135 L. Ed. 2d 153. [\*32] Indeed, the *Hughes* Court stressed that "our conclusion applies with equal force to persons exercising authority over a contributory plan, a noncontributory plan, or any other type of plan." 525 U.S. at 444-45, 119 S. Ct. 755, 142 L. Ed. 2d 881. Thus, the Court held that the plaintiffs' fiduciary claims were directly foreclosed "by Spink's holding that, *without exception*, 'plan sponsors who alter the terms of a plan do not fall into the category of fiduciaries.'" *Id.* at 445, 119 S. Ct. 755, 142 L. Ed. 2d 881 (emphasis added). Admittedly, the Court's decision in *Hughes* does not directly dispose of the issue facing this Court, because the Pension Plan *sub judice* is a multi-employer plan involving the allocation of finite plan assets. But the reasons underpinning the Court's decision appear to preclude imposition of fiduciary duties on the Trustees in this instance. To prevail, Plaintiffs must address the definition of "fiduciary" set forth in the statute. Yet it appears that under any

plausible reading of the term, a plan sponsor's amendments to ERISA governed plans do not fall within its purview. Moreover, the Court's analysis appears [\*33] to foreclose consideration of any policy driven distinctions premised upon the unique features of the particular plan under review. Therefore, we cannot recognize a legal claim for breach of fiduciary duty stemming from Defendants' promulgation of the 2002 amendments.<sup>10</sup>

10 We are aware that a strong argument can be made that specific plan features should inform the fiduciary inquiry, and thus that fiduciary obligations should be imposed on plan sponsors who implement amendments to multi-employer pension funds implicating a finite asset pool. What we do learn from the Supreme Court's pronouncements on this issue is that the critical inquiry lies in determining whether the plan sponsors exercised discretionary authority or control over plan management or administration. While tinkering with plan design does not fall within this definition, the thrust of Plaintiffs' complaint is not simply that the Trustees amended the "form or structure" of the Pension Plan, *Hughes Aircraft*, 525 U.S. at 444, 119 S. Ct. 755, 142 L. Ed. 2d 881, but rather that the plan was amended to the detriment of Plaintiffs' present and future accrued benefits. Unlike in the former scenario, a rationale for having fiduciary duties apply in the latter case is present. Unquestionably, ERISA is intended to promote the creation of employee benefit plans, and its provisions should be read with this goal in mind. This explains the Supreme Court's reluctance to inflict on single-employer sponsors the burden of fiduciary obligations when such employers undertake to amend a plan that they have no obligation to provide in the first instance. There is, of course, another important competing goal: "to make sure that if a worker has been promised a defined pension benefit upon retirement-and if he has fulfilled whatever conditions are required to obtain a vested benefit-he actually will receive it." *Nachman Corp. v. Pension Benefit Guar. Corp.*, 446 U.S. 359, 375, 100 S. Ct. 1723, 64 L. Ed. 2d 354 (1980); see generally, 29 U.S.C. § 1001. It is important that employees enrolled in a benefit plan not be deprived of compensation that they *reasonably* anticipate under the plan's purported coverage. Indeed, this competing element may at times run up against ERISA's first purpose. As explicated above, the Pension Fund under review is a multi-employer plan that involves a finite asset pool. The fact that a multi-employer pension plan involves a finite asset pool could justify the imposition of fiduci-

ary obligations on trustees that adopt plan amendments because, in this setting, trustees are charged with *administering* allocation of the finite plan asset pool. Consequently, the trustees' decision to amend a plan in such manner as to alter the benefits could be interpreted as a fiduciary exercise of their administrative discretion under ERISA.

Plaintiffs contend that, through various purported amendments, Defendants reallocated employer contributions among several distinct, protected plans, to the immediate disadvantage of plan participants, who partake in the RIP 87 defined contribution plan. Although Defendants diverted *future* RIP 87 employer contributions to the defined benefit plan, Plaintiffs' reasonably anticipated receipt of benefits from these contributions plus their investment returns. This scenario may pose conflicting choices on the part of the Trustee Defendants as to each class of participants in the separate plans, who do not have identical economic interests. An argument can be made that these actions involve administering the allocation of employer contributions and plan assets, and justify imposition of fiduciary obligations. On the other hand, it is the job of sponsors to make difficult choices, not the courts, and as explicated above the Supreme Court's pronouncements on the subject do not leave room for this type of policy-based analysis.

[\*34] Neither the Third Circuit's decision in *Walling* or the Supreme Court's opinions analyzing this matter directly control the situation where trustees of a multiemployer pension fund reallocate a finite asset pool among various sub-plans through an amendment. Yet an examination of the rationales espoused by the Supreme Court in its teachings on the matter support the view that plan sponsors act as settlors in such setting.<sup>11</sup> Thus, we find that the Trustees' promulgation of the 2002 amendments to the Trust Agreement constitutes settlor conduct unrestrained by the obligations set forth in 29 U.S.C. §§ 1104(a)(1)(A)-(D). Accordingly, we grant Defendants' Motion on this issue, and dismiss this claim of Count II with prejudice.

11 As settlors, the Trustees are "free to make any amendment that [does] not run afoul of relevant ERISA regulations." *Walling*, 125 F.3d at 120. In *Hozier v. Midwest Fasteners, Inc.*, the Third Circuit explained that "an employer's decision to amend or terminate an employee benefit plan is unconstrained by the fiduciary duties that ERISA imposes on plan administration. Our conclusion does not imply that an employer has un-

fettered discretion to amend or terminate plans at will. In the case of pension plans, ERISA's detailed accrual and vesting provisions substantially limit this power." 908 F.2d 1155, 1162 (3d Cir. 1990). Thus, the Court of Appeals determined that although the defendant could have effected an invalid amendment, he could not have breached any fiduciary duties in deciding to amend the plan because he was simply not acting as an ERISA fiduciary. *Id.*

[\*35] 2. *The Thirteenth Check*

Plaintiffs assert that, in contrast to the explicit terms of the Trust Agreement, Defendant Trustees and Defendant Fund Administrator paid to DB Plan retirees a "thirteenth check" from 1987 through 2000. (See Am. Compl. P 64(a)-(f).) Defendants move to dismiss this allegation on the ground that it fails to state a claim for breach of fiduciary duties. For the following reasons, we find that Plaintiffs have stated a claim for breach of fiduciary duties in this context.

The DB Plan required that its participants be issued an additional benefit check, known as the "thirteenth check" so long as certain funding prerequisites were met. Specifically, the DB Plan provided that:

For certain retired participants and their Beneficiaries, an additional retirement benefit check in the form of a bonus check shall be paid ... [This benefit] is payable only to those retired pants ... who are entitled to receive a monthly benefit check for each month of the calendar year with respect to which the thirteenth check is being paid. **Notwithstanding the preceding, the "thirteenth check" shall only be payable if the Fund Actuary certifies that [\*36] the unfunded vested liability of the Fund, as calculated for MPPAA purposes as of the last day of the calendar year preceding distribution of the Additional Retirement Benefit check, does not exceed \$ 85,000,000.**

(1994 DB Plan, Art. IV, Sec. I(1)(j).) (emphasis added).

Plaintiffs, who were not members of the DB Plan at the time and thus never received any of the additional benefits, do not claim that the Fund Actuary failed to make the requisite certifications. Rather, they aver that the Defendant Trustees and Defendant Fund Administrator encouraged and permitted the Fund Actuary "to use outdated and improper 1951 mortality tables to cal-

culate the funding liability of the DB Plan, thereby distorting and concealing the true funding status of the Plan, depriving it of needed and legally required funding, and jeopardizing the security of the accrued pension benefits of plaintiffs and the members of the Class." (Am. Compl. P 64(e).) In response, Defendants argue that their decision to issue the check was a settlor decision not falling within the ambit of ERISA's fiduciary duty provisions. (Defs.' Reply Mem. at 22.) Because the Fund Actuary made the requisite certifications, [\*37] Defendants assert that the DB Plan term afforded them no choice but to pay to DB participants the additional benefits. (*Id.*)

As noted above, ERISA deems a person to be a fiduciary with respect to a plan "to the extent (i) he exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets. ..." 29 U.S.C. § 1002(21)(A)(1). Thus, "fiduciary obligations can apply to managing, advising, and administering an ERISA plan." *Pegram v. Herdrich*, 530 U.S. 211, 223, 120 S. Ct. 2143, 147 L. Ed. 2d 164 (2000). ERISA Section 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D) imposes upon fiduciaries the requirement that they discharge their duties solely in the interest of plan participants and beneficiaries and in accordance with plan documents insofar as such documents are consistent with ERISA. These obligations further include monitoring the plan's solvency and adjusting benefit levels if and when appropriate. See *Dippel v. Joint Bd. of Trustees*, 1982 U.S. Dist. LEXIS 10134, No. 80-0271, 1982 WL 2085, at \*7 (D.D.C. May 6, 1982) [\*38] ("The Board obviously retains the discretionary authority and indeed the fiduciary obligation to alter existing types and levels of medical benefits available under the Plan when the financial solvency of the Fund so requires.") (*dicta*); cf. *Baum v. Nolan*, 853 F.2d 1071, 1074-75 n.2 (2d Cir. 1988) (possibility that payment of pension benefits may affect fund's solvency is a matter of fiduciary duty) (*dicta*).

We find that Plaintiffs' claim passes muster under Rule 12(b)(6). Because Plaintiffs do not allege that Defendants paid out thirteenth checks in the absence of the Fund Actuary's certification, Defendants have technically adhered to a DB Plan term that affords them no discretion. They have complied with a term that demands issuance of the check upon meeting a specified prerequisite--the actuary's certification. Nevertheless we must at this point take as true Plaintiffs' factual allegations in the Amended Complaint that Defendants did exercise improper discretion, and thus acted in a fiduciary capacity, in their effort to ensure that the term's prerequisite was met, despite knowledge that the actual circumstances reflected otherwise. [\*39] Cf. *Fechter v. Conn. Gen. Life Ins. Co.*, 798 F. Supp. 1120, 1124 (E.D.Pa. 1991)

("Plaintiffs allege that Connecticut General transcended their usual role as an actuary and became a fiduciary by purposely using an allocation formula that, contrary to the plain language of the Plan, would permit most of the surplus assets to revert to the Company so that the Company would not question Connecticut General's excessively high premium. We have no doubt that if plaintiffs can prove their allegations, then as a matter of law, Connecticut General is an ERISA fiduciary"). Defendants have a fiduciary duty to faithfully administer the terms of the DB Plan, and to act prudently in determining whether the payment of a benefit was in fact authorized. See *Gruby v. Brady*, 838 F. Supp. 820, 829 (S.D.N.Y. 1993) (denying motion to dismiss fiduciary breach claim that trustees maintained benefits at excessive levels in plan that was in financial difficulty despite trustees following dictates of plan documents because "if the benefits levels as set forth in the Fund's governing plan documents are excessive, the Trustee Defendants may not avoid their fiduciary duties to Members [\*40] by hiding behind documents which are inconsistent with ERISA"). Permitting or encouraging the Fund Actuary to use an improper assumption in calculating the unfunded vested liability of the DB Plan in order to satisfy the term's prerequisite which subsequently necessitates a certain result, all with the knowledge that continued payments were imprudent and would put the entire Fund in financial jeopardy, states a claim for breach of fiduciary duty.<sup>12</sup>

12 Dicta contained in *Concrete Pipe and Products of California v. Construction Laborers Pension Trust For Southern California*, 508 U.S. 602, 633 n.19, 113 S. Ct. 2264, 124 L. Ed. 2d 539 (1993) buttresses our finding that Plaintiffs' allegations state a cognizable breach of fiduciary duty claim. In the context of holding that the MPPAA's presumptions in favor of multi-employer plans did not deny employer access to an impartial decision maker and thus did not violate due process rights, the Supreme Court noted that:

we know of no [case] in which a plan sponsor was found to have replaced an actuary's actuarial methods or assumptions with different ones of its own. Although we express no view on the question whether a plan sponsor must adopt the assumptions used by the actuary, we note that the legislative history of § 1082, which was enacted as part of ERISA in 1974,

suggests that the actuarial [sic] assumptions must be "independently determined by an actuary," and that it is "inappropriate for an employer to substitute his judgment ... for that of a qualified actuary" with respect to these assumptions.

*Id.* (quoting S.Rep. No. 93-383, p. 70 (1973)).

[\*41] Defendants may not avoid their fiduciary obligations by circumventing a term that purportedly provides them with no discretion. Accordingly, Defendants' Motion to Dismiss this claim of Count II is denied.

### 3. *Imprudent Investment of Plan Assets*

Plaintiffs' last breach of fiduciary duty claim is premised on the allegation that Defendant Trustees and Defendant Fund Administrator:

failed to prudently and effectively monitor and oversee the performance of the investment advisors and managers who were responsible for the investment of plan assets, and instead continued to employ the services of the same investment advisors and managers despite their unusually poor results from 1998-2000, thereby causing a significant loss of assets to the plans, further jeopardizing the funding of the DB Plan and diminishing the values of the individual accounts of plaintiffs and the members of the Class in the RIP 87 Plan itself and as transferred into the reformulated DB Plan.

(Am. Compl. P 64(g).) As explained below, we find that Plaintiffs have adequately alleged a breach of fiduciary duty claim.

Specifically, Plaintiffs assert that the DB Plan and RIP 87 Plan performed [\*42] poorly because of mismanagement of plan assets by the Trustee appointed investment managers. During this same period, however, other similar multi-employer pension funds experienced a rapid growth in the values of assets held and invested. (Am. Compl. P 41.) Although "this sub-par performance and mismanagement was either known to the Trustees and Fund Administrator, or would have been discovered by them had they made prudent and proper efforts to monitor and supervise the performance of the managers who had been engaged to invest plan assets," (Id.), De-

fendants "did not investigate, consider pursuing, or pursue a legal cause of action or other remedies either against the plans' investment advisors or managers ... or against the current and former Trustees who failed to take prudent action. ..." (Am. Compl. P 42.) Defendants' Motion to Dismiss challenges whether Plaintiffs have met the liberal pleading requirements of *Fed. R. Civ. P. 8(a)(2)*, which requires "a short and plain statement of the claim showing that the pleader is entitled to relief." A complaint that "contains only conclusory allegations and lacks any factual assertions for support [\*43] fails even the liberal standard of *Federal Rule of Civil Procedure 12(b)(6)*." *Crowley v. Corning, Inc.*, 234 F. Supp. 2d 222, 230 (W.D.N.Y. 2002).

Few cases discuss the adequacy of pleading a breach of fiduciary duty claim in this specific context. Indisputably, Defendants' investment conduct is governed by ERISA's fiduciary provisions. See 29 U.S.C. §§ 1104(a)(1)(B)-(C).<sup>13</sup> With respect to the Defendants' fiduciary duties when they retain outside professional assistance, the Third Circuit has stated:

While we would encourage fiduciaries to retain the services of consultants when they need outside assistance to make prudent investments and do not expect fiduciaries to duplicate their advisers' investigative efforts, we believe that ERISA's duty to investigate requires fiduciaries to review the data a consultant gathers, to assess its significance and to supplement it where necessary.

*Meinhardt v. Unisys Corp. (In re Unisys Sav. Plan Litig.)*, 74 F.3d 420, 435 (3d Cir. 1996).

13 29 U.S.C. §§ 1104(a)(1)(B)-(C) provide in pertinent part:

(1) [A] fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and -

(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(C) by diversifying the investments of the plan so as to

minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

[\*44] We find that Plaintiffs' breach of fiduciary duty claim, as alleged in the Amended Complaint, satisfies the pleading requirements of *Fed. R. Civ. P. 8*. The essential elements of the claim are alleged. In addition to alleging the fiduciary status of Defendants, the Amended Complaint sets forth Defendants' fiduciary duties and specifies the Defendants' involvement in breaching those duties. (See Am. Compl. PP 41-42, 64(g).) As summarized above, the Amended Complaint rests on more than mere conclusory allegations. Defendants' reliance on *Crowley* is inapposite. Unlike the situation confronting the district court in *Crowley*, the crux of Plaintiffs' claim here is that if Defendants were actually unaware of the Fund's poor investment performance, they would have been aware had they done the type of investigation and oversight that the Third Circuit demands of fiduciaries who employ outside consultants. If, on the other hand, Defendants did possess knowledge of the Fund's inadequate performance, and yet failed to take any remedial measures, this too constitutes a breach of fiduciary duty. Because Plaintiffs set forth sufficient facts under [\*45] which relief could be granted, Defendants' Motion to Dismiss this claim of Count II is denied.<sup>14</sup>

14 Defendants further argue that, as a matter of law, a breach of fiduciary duty claim cannot arise from a fund's poor investment performance over a short period of time. Defendants' Reply Memorandum references two cases in support of this proposition. (See Defs.' Reply Mem. at 23 (citing *Lalonde v. Textron, Inc.*, 270 F. Supp. 2d 272, 280 (D.R.I. 2003); *Wright v. Or. Metallurgical Corp.*, 222 F. Supp. 2d 1224, 1234 (D.Or. 2002)).) Defendants, however, fail to note that both decisions adjudicated the validity of plaintiffs' breach of fiduciary duty claims in the context of an ESOP plan. These plans, unlike other ERISA benefit plans, involve unique considerations. Indeed, "ESOPs are unlike other benefit plans, because they have competing purposes which, at times, can be in tension with one another. Any allegation of breach of a fiduciary duty must be considered in light of the special natures of ESOPs." *Textron*, 270 F. Supp. 2d at 278.

[\*46] Accordingly, we find with respect to Count II that Plaintiffs (1) have failed to state a claim for breach of fiduciary duty for Defendants' alleged inappropriate amendments to the 1999 Trust Agreement; and (2) have successfully stated a claim for breach of fiduciary duty

for (a) Defendants' alleged improper issuance of the "thirteenth check," and (b) Defendants' alleged failure to prudently and effectively monitor the performance of investment advisors and managers responsible for the investment of plan assets.

### C. Count III

Count III of Plaintiffs' Amended Complaint alleges that Defendants unlawfully reduced accrued benefits in the RIP 87 Plan through their amendment of the 1999 Trust Agreement. For this claim, Plaintiffs rely on § 204(g)(1) of the ERISA statute, which prohibits the reduction of accrued benefits by amendment of an employee pension plan. See 29 U.S.C. § 1054(g)(1). Defendants counter that while the amendments to the RIP 87 Plan impact future employer contributions, they do not in any way affect accrued benefits. Thus the issue before us in Count III is whether the amendments to the plan constituted a reduction in "accrued [\*47] benefits."

ERISA defines "accrued benefit" in an individual account plan as "the balance of the individual's account." 29 U.S.C. § 1002(23)(B). Neither party here has identified cases that are particularly helpful in establishing how the term "accrued benefit" has been interpreted in practice. However, we believe the Third Circuit's discussion of an "accrued benefit" in *Hoover v. Cumberland, Maryland Area Teamsters Pension Fund*, 756 F.2d 977 (3d Cir. 1985), though written in the context of a defined benefit plan dispute, is instructive. Hoover contains an extensive discussion of ERISA's legislative history. Of particular note is the court's citation of language in the Congressional Report accompanying the ERISA bill, which highlights the purpose behind its accrued benefit and vesting protections. The Report states:

Unless an employee's rights to his accrued pension benefits are nonforfeitable, he has no assurance that he will ultimately receive a pension. Thus, pension rights which have slowly been stockpiled over many years may suddenly be lost if the employee leaves or loses his job prior to retirement. Quite apart from the [\*48] resulting hardships, . . . such losses of pension rights are inequitable, since the pension contributions previously made on behalf of the employee may have been made in lieu of additional compensation or some other benefit which he would have received.

*Hoover* at 985, citing S.Rep. No. 383, 93d Cong., 2d Sess., reprinted in 1974 U.S. Code Cong. & Ad. News 4890, 4930.

This language indicates that when Congress included § 204(g)(1) in ERISA, it intended to ensure that employees would receive the funds that employers had already set aside for their retirement, not to guarantee a certain amount of future employer contributions. Such a provision reflects the balance Congress undoubtedly sought to achieve between protecting employees' retirement funds and maintaining private pension plans as an attractive option for employers. That ERISA was meant to protect contributions that had already been made on behalf of employees is further substantiated in the Act's "Congressional findings and declaration of policy." See 29 U.S.C. § 1001. This Section establishes the means by which Congress intended to protect employees' retirement income. Specifically, [\*49] it sought to do so

by requiring the disclosure and reporting to participants and beneficiaries of financial and other information with respect thereto, by establishing standards of conduct, responsibility, and obligation for fiduciaries of employee benefit plans, and by providing for appropriate remedies, sanctions, and ready access to the Federal courts.

29 U.S.C. § 1001(b).

Nowhere in this section or in subsequent portions does the Act *require* employers to make contributions on behalf of employees. Rather, it simply seeks to make employee benefit plans more transparent and predictable and to preserve their integrity and financial well-being when employers *choose* to contribute to them. This goal has been realized through the decisions of courts which have focused on enforcing the terms of pension plan documents, as can be seen from the cases discussed below.

Hoover illustrates how ERISA's protections work in practice when applied to a defined benefit pension plan, where the employer agrees to make regular payments to participants of a fixed amount upon reaching retirement. In Hoover, the court held that the employer reduced [\*50] employees' accrued benefits when it lowered the "unit multiplier" it used to calculate the amount of benefits that employees accrued each year. *Id.* at 980. Under the Internal Revenue Code, 26 U.S.C. § 411(a), an employer is required to state the formula by which accrued benefits are calculated in a defined benefit plan each year. *Id.* Since this formula "represents the interest in a retirement benefit that a participant earns each year," it "enables a



worker to mark his or her progress toward the full pension benefit due at retirement." *Id.* Thus when the employer in Hoover lowered the multiplier from \$ 25.00 to \$ 6.00, it diminished by seventy-five percent the amount of funds that had already been theoretically set aside by the employer under the formula it created. *Id.* at 986. By finding the employer in violation of ERISA, the court held it liable for the level of funds it had voluntarily agreed to set aside for employees. In keeping with the purposes and principles of ERISA, the court's decision turned on the terms of the Plan documents, which obligated the employer to utilize a certain formula for calculating the [\*51] benefits accrued thus far. In so doing, it effectively defined "accrued benefits" as the product of the formula set out by the employer in Plan documents, which is dependant on the amount of time *thus* served by employees. Courts have offered a comparable analysis when protecting accrued benefits in defined contribution plans by similarly focusing on the terms of Plan documents. In *Izzarelli v. Rexene Products Corp.*, 24 F.3d 1506 (5th Cir. 1994), the plaintiffs argued that their accrued benefits were unlawfully reduced when their employer initially contributed 101,794 shares of stock to the Plan one year, but, after amending the Plan, ultimately allocated a much smaller amount to the individual accounts of Plan participants. *Izzarelli*, 24 F.3d at 1509-16. While the district court held that the act of contributing the shares to the Plan created an accrued benefit, the Fifth Circuit reversed, drawing a distinction between contributions to the Plan and allocations to individual accounts. *Id.* at 1515. The court drew this distinction from the Plan document itself, which stated that "contributions initially are held in the 'Unprorated [\*52] Fund,' i.e. 'that portion of the assets or property in the [Plan] . . . which at any particular time, has not been allocated to a particular Member's Account.'" *Id.* at 1516. Additionally, the court noted that the Plan gave the employer "'complete discretion' to control the 'time and manner of allocating Stock among [participants'] Accounts.'" *Id.* Thus the court held that the district court had clearly erred in finding the 101,794 share contribution an accrued benefit because the Plan specified that contributions were not the same as allocations. *Id.* at 1518. In so doing, the court declined to protect what it deemed were *expected* contributions to the individual accounts.

The First Circuit's approach to defining "accrued benefits" comports with those of the Third and Fifth Circuits. In *Campbell v. BankBoston*, 327 F.3d 1 (1st Cir. 2003), the plaintiff sued his former employer for making amendments that converted its defined benefit plan to a cash balance system because they ultimately resulted in a reduction in his retirement benefits. *Campbell*, 326 F.3d at 2. In implementing the amendments, the employer placed [\*53] participants' accrued benefits, in other words, the amount that had been earned up until the

conversion, into an account which was guaranteed a certain level of interest under the new cash balance plan. *Id.* at 4-5. In exchange for the guaranteed level of interest under the cash balance plan, the accounts ceased to accrue benefits under the old defined benefit plan. *Id.* Had the plaintiff been able to continue accruing benefits under the old plan, he would have eventually been entitled to an annual retirement benefit of \$ 31,882.12. *Id.* However, as a result of the conversion, his benefits were reduced by approximately \$ 3,000 per year. *Id.* The court held that this was not a reduction in the plaintiff's *accrued* benefits, but a reduction in his *expected* benefits. *Id.* at 8-9. The employer had not reduced the amount of benefits accrued by the employee, it simply chose to guarantee a certain interest rate, in lieu of future accruals. The court concluded that the employer was within its rights under the Plan and the law to modify or eliminate future benefits, since ERISA does not offer protection for "expected benefits." *Id.*

Plaintiffs' [\*54] reliance on *John Blair Communications, Inc. v. Telemundo Group, Inc.*, 26 F.3d 360, 367 (2d Cir. 1994), is not particularly helpful to this discussion or even applicable when determining when an accrued benefit has been reduced. We discuss it merely to explain why we do not rely on it here. The case concerned an alleged violation of ERISA § 208, which states that assets cannot be transferred to a new plan unless participants are entitled to receive a benefit that is equal to or greater to what they were entitled to under the old plan. 29 U.S.C. § 1058. The plaintiff argued that it received decreased benefits under the new plan because there was a three and a half month delay between the valuation of benefits under the old plan and when the benefits were actually transferred to the new plan. *John Blair*, 26 F.3d at 363-64. In spite of the fact that the funds under the old plan were appreciating and earning interest during the three and a half month period before they were actually transferred, the plaintiff's account was never credited for this increase in value. *Id.* The court held that the trustee had violated § 208 because [\*55] the individuals' accounts post-transfer of plan assets "did not reflect the gains occurring during the interim period before the actual transfer." *Id.* at 366.

As stated above, we believe that the holding in this case is too abstract to be applied to the instant case, particularly since it concerns an unrelated section of ERISA. However, even if we were to attempt to apply it to this analysis, it would not be inconsistent with our discussion of accrued benefits thus far. *John Blair* stands for the proposition that trustees must acknowledge and credit appreciation and interest earned in defined contribution accounts. As in Hoover, Izzarelli, and Campbell, the court interpreted ERISA to protect benefits as they existed prior to any alteration of the plan. Thus the participants

in the plan in John Blair were entitled to any gains (and losses) that occurred up until the point of the actual transfer. We fail to see then how the holding in John Blair can be interpreted as offering protection for anything beyond the appreciation and interest earned on funds in a defined contribution plan. Since this case does not concern appreciation and interest earned [\*56] in a defined contribution plan, we do not find it is an appropriate precedent.

Applying the foregoing discussion to the case at hand, we find that the Defendants did not reduce accrued benefits in the RIP 87 Plan. Accepting Plaintiffs' facts as true, Defendants made several amendments to the RIP 87 Plan which adversely affected its future growth. The first amendment, effective January 1, 2000, caused a portion of employer contributions intended for the RIP 87, in the amount of forfeitures incurred by employees in that fund year, to be invested into the DB Plan. The second amendment resulted in an additional portion of the funds intended for the RIP 87 Plan by employers to be diverted to the DB Plan, according to a formula based on the number of hours worked by participants after March 1, 2002. The final amendment, Amendment No. 6, caused all contributions intended for the RIP 87 to be made to the DB Plan, of which all RIP 87 Plan participants became members.

Although these amendments undeniably reduced and eventually stopped future employer contributions to the RIP 87 Plan, they did not reduce the existing balances of members' individual accounts. Plaintiffs' own brief supports this [\*57] conclusion. Plaintiffs described the initial reduction in contributions as a "derogation of the *expectation* [emphasis added] and agreement that contributions on their behalf would be made to the defined contribution RIP Plan and used to earn income to increase their individual account balances." (Pls' Br. at 11.) As to the final amendment, in Plaintiffs' own words, it "froze the RIP 87 Plan for all future accruals of benefits after January 1, 2003 (other than those gains or losses from future investment performance), and directed all employer contributions made on behalf of all RIP 87 Plan participants on and after January 1, 2003 into the DB Plan." (Id. at 12.) These characterizations of the amendments strongly support Defendants' claim that Plaintiffs have failed to state a claim upon which relief can be granted. However, even if Plaintiffs had not made these apparent admissions, the foregoing discussion of relevant case law leads us to the same conclusion. In each of the cases discussed above, the court looked to see if the alterations or amendments to the employers' pension plans impacted benefits retroactively or just future benefits. In *Hoover*, the application of [\*58] a new formula to benefits already earned by employees was considered a reduction of accrued benefits. In *Izzarelli*,

however, a decision not to allocate the full amount of stock contributed to a plan was not considered a reduction in accrued benefits because the stock had not actually been applied to members' accounts and thus there was no deduction of benefits from participants' existing balances. Nor did the court in *Campbell* consider it a reduction in benefits when the employer decided to stop benefits from continuing to accrue, and instead replaced accruals with a guaranteed interest rate. In each of these cases, the court determined whether the amendments impacted benefits retroactively or prospectively. Only where the amendments were considered retroactive did the court find them in violation of ERISA because, as the court found in *Campbell*, ERISA does not protect *expected* benefits.

The Defendants here made a decision to reduce employer contributions to the RIP 87 Plan and eventually eliminate them altogether. However, it did not in any way alter the balances of the individual accounts that had accrued in the RIP 87 Plan. Plaintiffs' facts do not dispute this. [\*59] Nor did the Defendants act inconsistently with Plan documents by diverting employer contributions to the DB plan, which Plaintiffs allege, had already accrued to the RIP 87 Plan. Plaintiffs argue that since Plan documents mandate direct contribution to the RIP 87 Plan, any diversion of contributions to the DB Plan is a reduction in accrued benefit. However, as correctly quoted in Plaintiffs' own brief, the Second Amended and Restated Central Pennsylvania Teamsters Pension Trust Agreement counters the notion that RIP 87 Employers contributions are deposited directly and fully to the RIP 87 Plan. Specifically, it states that "Contributions paid to the Fund by RIP 1987 Employers shall be paid to RIP 1987, **except as otherwise provided in Section 2.4, herein** [emphasis added]." (See Art. II, Sec. 2.3.) In other words, contributions made by RIP 87 employers to the Fund are to be paid to the RIP 87 Plan, but only in accordance with the terms of Section 2.4, which initially reduced contributions to RIP 87 and then, as amended, stopped them altogether.

Other portions of the Second Amended Trust Agreement controvert Plaintiffs' contention that RIP 87 employer contributions directly [\*60] accrued to the RIP 87 Plan, rather than the Fund. For example, the preamble to the Second Amended Trust Agreement makes it clear that employers make contributions to the "Fund," not to individual pension plans or individual accounts. It notes that employers "pay contributions to the Fund on behalf of their employees who were participants of the Fund." Furthermore, Section 7.1 of Article VII states that "No Employer, Employee, Union, Local Union or other party shall have any right, title or interest in or to the Fund or any part thereof." The relevant collective bargaining agreements conform to this principal

by stating that employers obligate themselves to contribute to the Fund and not specific plans under the Fund. (See Art. 65 of the National Master United Parcel Service Agreement and Art. 50 of the National Master Freight Agreement.) Thus we find as a matter of law that employer contributions were to the Fund and not directly to the RIP 87 Plan. As such, the diversion of employer contributions to the DB Plan prior to their allocation to the RIP 87 Plan cannot be considered a reduction of accrued benefits in the RIP 87 Plan.

The only way in which we could conceive of Plaintiffs [\*61] making a claim upon which relief could be granted here is if Plaintiffs had alleged that the balances in participants' accounts were reduced so that they no longer reflected the rate of accrual set out in Plan documents as of the time they were amended. For example, if the balance at the time of amendment was recalculated using a monthly contribution amount for the year 1997 that was less than the amount promised under the case of the National Master United Parcel Service Agreement (\$ 737.52), that would seem to constitute a reduction in accrued benefits. However, Plaintiffs have not made such an allegation. As such, we must conclude that with regard to Count III, Plaintiffs have failed to state a claim upon which relief can be granted and the Motion to Dismiss Count III must therefore be granted. Plaintiffs' Count III claim is dismissed with prejudice.

#### D. Count IV

Plaintiffs' Count IV claim appears to be a variation of Count III, though we confess we had some difficulty understanding the basis for the claim. It relies on section § 203(a) of ERISA, which states that "each pension plan shall provide that an employee's right to his normal retirement benefit is nonforfeitable [\*62] upon the attainment of normal retirement age." 29 U.S.C. § 1053(a). Plaintiffs appear to argue from this, and their collective bargaining agreements, that they are entitled to "a nonforfeitable right to accrue and to ultimately receive payment of the pension benefits purchased by these employer contributions on their behalf."

We do not believe that Plaintiffs have stated a claim upon which relief can be granted in Count IV. A claim under § 203(a) of ERISA is only valid if accrued benefits have been withdrawn from participants' accounts. See *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 441, 119 S. Ct. 755, 142 L. Ed. 2d 881 (1999). It is not a guarantee that employers will make future contributions to pension plans. Since we have already found in Count III that Defendants' amendments to the pension plan did not reduce Plaintiffs' accrued benefits, we find that none of Plaintiffs' accrued benefits have been forfeited under § 203(a). Therefore Count IV must be dismissed with prejudice.

#### E. Count V

Count V of the Amended Complaint, asserted against Defendant Trustees and Defendant Fund Administrator, alleges illegal transfers of plan [\*63] assets in violation of ERISA § 4231, 29 U.S.C. § 1411(a).<sup>15</sup> Specifically, Plaintiffs claim that the following five transactions constituted unlawful transfers of assets:

Defendant Trustees and Defendant Fund Administrator did not comply with the notice requirements of *Section 4231(b)(1)* or the valuation requirements of *Section 4231(b)(4)* when they (a) diverted employer contributions to and plan assets of the RIP 87 Plan to the DB Plan; (b) diverted participant forfeitures and plan assets of the RIP 87 Plan to the DB Plan; (c) transferred the RIP 2000 participants and associated assets out of the RIP 87 Plan; (d) diverted assets of the RIP 87 Plan into the DB Plan in March 2002 under Option 2; or (e) transferred all RIP 87 Plan participants and associated assets into the DB Plan in January 2003.

(Am. Compl. P 79.) As a result, "the accrued benefits of RIP 87 Plan participants were lower immediately following each of these transfers and diversions of plan assets, in violation of *Section 4231(b)(2)*." (Am. Compl. P 80.) Significantly, all of Plaintiffs' contentions arise out of transfers from a defined contribution plan into either a defined benefit [\*64] or a second defined contribution plan. Because we determine that § 4231 of ERISA does not apply to transfers of assets to or from a defined contribution plan, Plaintiffs cannot prove any set of facts warranting relief.

15 29 U.S.C. § 1411 is part of the Multiemployer Pension Plan Amendments Act of 1980 ("MPPAA"), 29 U.S.C. §§ 1381-1461. The MPPAA was enacted as an amendment to ERISA, and is referenced as "Subtitle E-Special Provisions for Multiemployer Plans."

29 U.S.C. § 1411(a) provides that:

Unless otherwise provided in regulations prescribed by the corporation, a plan sponsor may not cause a multiemployer plan to merge with one or more multiemployer plans, or engage in a transfer of assets and liabilities to or from another multiemployer plan, unless such merger or transfer sat-

isfies the requirements of subsection (b) of this section.

plan, as defined in *paragraph (34) of section 1002* of this title...."

29 U.S.C. § 1411(b) provides in pertinent part:

A merger or transfer satisfies the requirements of this section if-

(1) in accordance with the regulations of the corporation, the plan sponsor of a multiemployer plan notifies the corporation of a merger with or transfer of plan assets or liabilities to another multiemployer plan at least 120 days before the effective date of the merger or transfer;

(2) no participant's or beneficiary's accrued benefit will be lower immediately after the effective date of the merger or transfer than the benefit immediately before that date;

(4) an actuarial valuation of the assets and liabilities of each of the affected plans has been performed during the plan year preceding the effective date of the merger or transfer, based upon the most recent data available as of the day before the start of that plan year, or other valuation of such assets and liabilities performed under such standards and procedures as the corporation may prescribe by regulation.

[\*65] Section 4231 of ERISA is contained within title IV of the statute, 29 U.S.C. § 1301 *et seq.* 29 U.S.C. § 1321(a), located in title IV, subchapter III, subtitle B, enumerates the specific plan types that title IV does and does not encompass:

"(a) Plans covered

Except as provided in subsection (b) of this section, this subchapter applies to any plan...."

Subsection (b) of § 1321 then states:

"This section does not apply to any plan (1) which is an individual account

Plaintiffs do not dispute that the RIP 87 and RIP 2000 Plans are defined contribution plans, as that term is delineated by § 1002(34):

The term, "individual account plan" or "defined contribution plan" means a pension plan which provides for an individual account for each participant and for benefits based solely upon the amount contributed to the participants's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account.

Defendants correctly posit that these definitions [\*66] govern 29 U.S.C. § 1411, because this section is set forth in title IV, subchapter III, subtitle E of ERISA. Consequently, as title IV expressly excludes defined contribution plans from its domain, § 1411 does not regulate transfers of assets and liabilities between defined contribution plans, or between a defined contribution and a defined benefit plan. Bolstering this interpretation is a regulation promulgated by the Pension Benefit Guarantee Corporation ("PBGC"), an administrative agency within the United States Department of Labor charged with interpreting the MPPAA. The following regulation is applicable to part 2 of subsection E of ERISA, which includes 29 U.S.C. §§ 1411-1415.

(a) Purpose. The purpose of this part is to prescribe notice requirements under section 4231 of ERISA for mergers and transfers of assets or liabilities among multiemployer pension plans....

(b) Scope. This part applies to mergers and transfers among multiemployer plans where **all** of the plans immediately before and immediately after the transaction are multiemployer plans covered by title IV of ERISA.

29 C.F.R. § 4231.1 [\*67] (emphasis added). The PBGC's interpretations of MPPAA provisions, while not binding, are entitled to substantial deference. *Bd. of Trs. v. Foodtown, Inc.*, 296 F.3d 164, 169 (3d Cir. 2002). We believe that the PBGC's reading of these interrelated statutory provisions represents sound statutory interpretation. See *Local 1115 Pension Fund v. Local 144 Hosp.*

*Pension Fund*, 876 F. Supp. 39, 40-41 (S.D.N.Y. 1994) (deferring to analogous PBGC regulation in holding that subtitle E of title IV of ERISA does not apply to multiemployer plans that are defined contribution plans). Accordingly, we defer to it. Plaintiffs do not allege that unlawful transfers of assets occurred between defined benefit plans. Instead, they allege unlawful asset transfers from a defined contribution plan into either a defined benefit or second defined contribution plan. *Section 4231* is simply not implicated in the latter scenario because, "all of the plans immediately before and immediately after the transaction" are not "multiemployer plans covered by title IV of ERISA." 29 C.F.R. § 4231.1. Plaintiffs can adduce no set [\*68] of facts to substantiate a claim under § 4231 of ERISA. Defendants' Motion to Dismiss this claim is thus granted, and Plaintiffs' Count V claim is dismissed with prejudice.

#### F. Prohibited Transaction Claims

In Counts II, V, and VII of the Amended Complaint, Plaintiffs have alleged that Defendant Trustees and Defendant Fund Administrator engaged in various transactions in violation of ERISA § 406(a)(1)(D), 29 U.S.C. § 1106(a)(1)(D).<sup>16</sup> Congress enacted this section "to bar categorically a transaction that [is] likely to injure the pension plan." *Comm'r v. Keystone Consol. Indus., Inc.*, 508 U.S. 152, 160, 113 S. Ct. 2006, 124 L. Ed. 2d 71 (1993). To effectuate this purpose, § 406(a)(1) "places certain transactions outside the scope of their [plan fiduciaries] lawful authority." *Lockheed v. Spink*, 517 U.S. 882, 888, 116 S. Ct. 1783, 135 L. Ed. 2d 153 (1996).

16 29 U.S.C. § 1106(a)(1)(D) states in pertinent part that:

(a) Transactions between plan and party in interest

(1) A fiduciary with respect to a plan shall not cause the plan to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect-

(D) transfer to, or use by or for the benefit of a party in interest, of any assets of the plan.

[\*69] To sustain an alleged transgression of § 406(a)(1)(D),<sup>17</sup> the Third Circuit requires that five elements be satisfied:

(1) the person or entity is "[a] fiduciary with respect to [the] plan"; (2) the fi-

duciary "causes" the plan to engage in the transaction at issue; (3) the transaction "uses" plan assets; (4) the transaction's use of the assets is "for the benefit of" a party in interest; and (5) the fiduciary "knows or should know" that elements three and four are satisfied.

*Reich v. Compton*, 57 F.3d 270, 278 (3d Cir. 1995) (quoting 29 U.S.C. § 1106(a)(1)(D)). When a fiduciary runs afoul of the rules promulgated in § 406(a)(1), ERISA § 409, 29 U.S.C. § 1109(a)<sup>18</sup> renders him/her personally liable for, *inter alia*, any losses the plan incurred as a result of the breach.

17 ERISA § 408 lists specific exceptions to the per se prohibitions in § 406. See 29 U.S.C. § 1108(b). Plaintiffs do not allege that any of these exceptions apply.

18 Section 409(a) provides:

Any person who is a fiduciary with respect to a plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this subchapter shall be personally liable to make good to such plan any losses to the plan resulting from each such breach, and to restore to such plan any profits of such fiduciary which has been made through use of assets of the plan by the fiduciary, and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary.

[\*70] Specifically, Count II of the Amended Complaint states that the Defendants:

Entered into, or enabled or allowed, a series of per se prohibited transactions using plan assets, as more fully specified in this Complaint, including paying to the DB Plan retirees a "thirteenth check" in violation of the established minimum funding requirements for such payments and the terms of the Plan, and diverting contributions which had been allocated to and/or received by the RIP 87 Plan and hence were assets of that plan into the separate DB Plan.

(Am. Compl. P 64(d).)

Although we found that Plaintiffs have successfully alleged a breach of fiduciary duty claim stemming from Defendants' issuance of the "thirteenth check," see discussion *infra* Part V.B., we find that they have failed to adequately plead a claim for breach of § 406(a)(1)(D). The Amended Complaint does allege elements one, two and three of the § 406(a)(1)(D) claim—namely that Defendants acted in a fiduciary capacity when they issued the thirteenth check, that Defendants, as fiduciaries, caused the challenged transaction to occur, and that the transaction used plan assets. (Am. Compl. PP 37, 38, 62, 64(a). [\*71] ) As noted above, however, element four of the five element test requires that the challenged transaction employ plan assets "for the benefit of" a party in interest. The Third Circuit has held that this factor requires manifestation of a subjective intent to benefit a party in interest. *Compton*, 57 F.3d at 279. In other words, it encompasses more than merely having "the effect of benefitting" a party in interest. *Id.* (emphasis added). Plaintiffs do assert that the Trustees

on a continuing basis encouraged and allowed the Fund actuaries to improperly use outdated 1951 mortality tables ... to calculate the unfunded vested liability of the DB Plan in order to justify their conclusion that the DB Plan was 'fully funded,' that it required no additional employer contributions to satisfy its benefits obligations to participants and their beneficiaries, and that the continued payment of the 'thirteenth check' to retirees of the DB Plan was permissible under the terms of the DB Plan.

(Am. Compl. P 38.) We fail to recognize how this allegation can be construed as identifying the party in interest that was benefitted by the Defendants' issuance of the [\*72] thirteenth check—a benefit paid to DB Plan participants. Certainly the allegation suggests that the employers benefitted as a result of Defendants' actions in ensuring that the Fund appeared to be fully funded. It does not allege or even insinuate, however, that a party in interest benefitted through the Defendants' decision to continue to pay bonus benefits to the DB Plan participants. Plaintiffs' failure to allege this element of a § 406(a)(1)(D) renders their claim fatal. As such, this prohibited transaction claim of Count II is dismissed without prejudice to Plaintiffs' right to file a Second Amended Complaint.

The second portion of the above quoted Amended Complaint also fails to state a claim warranting relief. (See Am. Compl. P 64(d).) Plaintiffs contend that the 2002 amendments to the 1999 Trust Agreement, that "diverted contributions which had been allocated to and/or received by the RIP 87 Plan ... into the separate DB Plan," (*Id.*), constituted a prohibited transaction under ERISA § 406(a)(1)(D). 29 U.S.C. § 1106(a)(1)(D) mandates that fiduciary status must exist for a transaction to constitute a prohibited one. See 29 U.S.C. § 1106(a)(1)(D) [\*73] . As explicated in Part V.B.2. of this opinion, the 2002 amendments to the 1999 Trust Agreement were instituted by Defendants in their settlor capacity. See discussion *infra* Part V.B.2. Thus, § 406(a)(1)'s requirement of fiduciary status is not met. See *Lockheed*, 517 U.S. at 891, 116 S. Ct. 1783, 135 L. Ed. 2d 153. As a matter of law then, Plaintiffs cannot prove any set of facts with respect to the challenged plan amendments that would justify relief under § 406(a)(1)(D). This prohibited transaction claim of Count II is thus dismissed with prejudice.

Next, Count V of the Amended Complaint alleges that:

Inasmuch as defendant Trustees and defendant Fund Administrator did not comply with the requirements of *Section 4231(a) and (b)*, the transfers constitute prohibited transactions under ERISA Section 406(a), 29 U.S.C. § 1106(a), pursuant to *Section 4231(c)*.

(Am. Compl. P 81.) As Part V.E. of this opinion explains, ERISA § 4231 is not applicable to the circumstances presently confronting this Court. Moreover, as described above, the purported transfers were the product of Trust Amendments that we found the Defendants [\*74] to have instituted in their settlor capacity. In addition, we found as a matter of law in Part V.C. of this opinion that the Trust documents provide for employer contributions into the Fund, as opposed to any of the individual plans that comprise the Fund. The Fund then distributes these employer contributions—plan assets—among the participating plans pursuant to the allocation formula set forth in the Trust Agreement. The various amendments to this Agreement reallocated a percentage of *future* RIP 87 employer contributions into the Fund to the DB Plan. Consequently, we determined that the existing assets of the RIP 87 Plan, a defined contribution plan, were never transferred to another plan. As discussed above, a prohibited transaction claim under § 406(a)(1)(D) requires there to be a transfer of plan assets. The unambiguous language of the plan documents precludes a finding that, by virtue of the Trust Amendments, plan assets were



transferred out of the RIP 87 Plan. Accordingly, Plaintiffs have failed to state a prohibited transaction claim with respect to the supposed illegal transfer of plan assets. As such, this prohibited transaction claim of Count V is dismissed with prejudice.

[\*75] Finally, Plaintiffs allege in Count VII of the Amended Complaint that:

Defendant Trustees and defendant Fund Administrator engaged in a series of prohibited transactions by, inter alia, paying the DB retirees a "thirteenth check" in violation of the established minimum funding requirements for such benefit.

(Am. Compl. P 87.) For the reasons set forth in the above discussion regarding the "thirteenth check," we find that Plaintiffs have failed to successfully state a claim for violation of *ERISA* § 406(a)(1)(D). Count VII continues:

In addition, defendant Trustees' and defendant Fund Administrator's agreement to accept, and their acceptance of, employer contributions made on behalf of RIP 87 Plan participants but then to divert those plan assets into the different DB Plan, for the benefit of the DB Plan, violates ... *ERISA* Section 406, because such payments are not for the sole and exclusive benefit of the employees for whom such contributions were made and received.... Such payments and diversions are also prohibited transactions under *ERISA* Section 406(a)(1)(D), 29 U.S.C. § 1106(a)(1)(D), because they constitute a direct or indirect [\*76] use and transfer of assets of one plan (the RIP 87 Plan) to benefit employers who are parties in interest to that plan by reducing their independent funding obligations to another plan (the DB Plan).

(Am. Compl. P 88.) Once again, for the reasons reiterated above, this claim must be dismissed with prejudice.

For the foregoing reasons, Plaintiffs' prohibited transaction claims are dismissed.

#### G. Count VI

Count VI of Plaintiffs' Amended Complaint advances the claim that Defendant Trustees and Defendant Fund Administrator breached relevant Collective Bargaining Agreements by amending the Trust Agreement so as to

reallocate employer contributions from the RIP 87 Plan to the DB Plan. Specifically, Plaintiffs aver that:

Plaintiffs and other similarly situated Class members have contractual rights under their respective CBA's to employer contributions, which are made on their behalf in consideration of their current services to the employers, to be directed into their RIP 87 Plan accounts. Insofar as the CBA's define the employees' rights to pension benefits and contributions with respect to the RIP 87 Plan, the CBA's constitute documents and instruments governing [\*77] the RIP 87 Plan. In violation of those rights under the Plan, defendant Trustees have purported to amend the Trust Agreement, and defendant Trustees and defendant Fund Administrator have acted, so as to divert all employer contributions from the RIP 87 Plan to the DB Plan without obtaining the necessary and corollary amendments of the relevant CBA's. In so doing, these defendants have violated the CBA instruments governing the RIP 87 Plan and breached their strict fiduciary duty to act in accordance with the CBA's.

(Am. Compl. P 83.) The CBAs relevant to the named Plaintiffs' participation in the Fund include the National Master Freight and Central Pennsylvania Supplemental Agreement, and the 1997 and 2002 National Master United Parcel Service agreement and Central Pennsylvania Supplemental Agreement. (See Defs.' Mem. at 29.) These CBAs unequivocally provide that employer contributions be made to the Central Pennsylvania Teamsters Pension Fund in accordance with the terms of the Trust Agreement and Pension Plan.<sup>19</sup> Although it thus appears that the relevant CBAs do not require that participating employers' contributions be allocated specifically to the RIP 87 Plan, nonetheless [\*78] we accept as true at this stage of litigation Plaintiffs' assertion that "at all times following 1989, the CBA's pursuant to which employer contributions are owed to the Fund and the plan have directed that these employer contributions in varying amounts must be made into plaintiffs' and other Class members' accounts in the RIP 87 Plan." (Am. Compl. P 54.) We hesitate to construe the CBAs as a matter of law despite the unambiguous language of the above-referenced CBAs only because Plaintiffs allude to other possibly relevant CBAs and employer participation agreements that they claim support their allegation, but which they have not yet received through discovery.

19 Article 50(a) of the National Master Freight Agreement provides in relevant part:

"The Employer agrees to make the following contributions to the Central Pennsylvania Teamsters Pension Fund for each eligible employee, probationary and casual covered by this Agreement, *in accordance with the terms of the Trust Agreement.*"

(emphasis added).

In addition, Article 50(c) states that "all contributions shall be made at such a time and in such a manner as the Trustees require..."

Similarly, Article 65(1)(a) of the relevant UPS Agreements provided:

The Employer hereby agrees to contribute to the Central Pennsylvania Teamsters Pension Fund the following monthly contributions, in accordance with the terms of the Trust Agreement and Pension Plan executed by the Employer, subject to the qualifications hereinafter specified: ... In addition, allocations between the Defined Benefit Plan and the Retirement Income Plan shall be made by the Joint Supplemental Area Committee in the manner determined by the Settlers [sic] of the Central Pennsylvania Teamster Pension Fund, or, to the extent lawful, the Trustees of the Central Pennsylvania Teamsters Pension Fund.

[\*79] Significantly, Plaintiffs' claim rests on the presupposition that the Trust Agreement does not conflict with the provisions in the CBAs that allegedly require employer contributions to be routed directly into the RIP 87 Plan. (See Pls.' Br. at 54 ("nothing in the provisions of the CBA's *in this case*, which expressly require that the employer contributions be paid to the RIP '87 or to the RIP 2000, in any way conflicts with the

terms of the Trust Agreement.... In total, they require direction of employer contributions into particular plans and the Trustees do not have the discretion to do otherwise").) We found as a matter of law, however, that the Trust Agreement has at all times explicitly mandated that employer contributions be paid to the Fund, and then allocated to the various sub-plans comprising the Fund as provided by the Trust Agreement's allocation formula. See discussion *infra* Part V.C. Thus, contrary to Plaintiffs' assumption, there exists an apparent conflict between the Trust Agreement and the CBAs, as interpreted by Plaintiffs.

This conflict is pertinent because, in the absence of any provision in the Trust Agreement to the contrary, the Trust Agreement [\*80] term will prevail over the conflicting CBA term. See *Sinai Hosp. of Balt. v. Nat'l Benefit Fund for Hosp. & Health Care Employees*, 697 F.2d 562, 567 (4th Cir. 1982) (holding that "labor-management contracting parties ... cannot control expenditures from funds already vested in a trust entity where the trust instrument reposes that authority solely with the trustees. Likewise, neither an employer nor a union, singly or together, can alter the terms of a trust instrument such as the one involved in this case unless the power to do so was reserved when the trust was created or properly amended"); see also *Hale v. Trustees of United Mine Workers Health & Ret. Funds*, 23 F.3d 899, 902 (4th Cir. 1994) (holding that collective bargaining agreement is not enforceable against trustees of pension fund); *Cent. States, Southeast and Southwest Areas Pension Fund v. Tank Transport, Inc.*, 779 F. Supp. 947, 951 (N.D.Ill. 1991) (noting that trustees of multiemployer pension fund are not bound to arbitration provision in a collective bargaining agreement of a participating employer and its union). In short, the Trustees are bound only by the terms of [\*81] the Trust Agreement. Consequently, they cannot be held liable for breaching a conflicting term in a CBA.

Nothing in the 1999 Trust Agreement indicates that the provisions of any CBA prevail over the terms of the Trust. As this Court has previously noted, "the provisions of the trust agreement provide the framework with which a court should analyze an employer's obligation to a ... fund." *Cent. Pa. Teamsters Pension Fund v. W&L Sales, Inc.*, 778 F. Supp. 820, 829 (E.D.Pa. 1991) (quoting *Ind. State Council of Roofers v. Adams Roofing*, 753 F.2d 561, 564 (7th Cir. 1985)). The Trust Agreement itself belies Plaintiffs' argument that the Trust Agreement obligates the Trustees to comply with the terms of the CBAs insofar as the employers' contribution obligations are concerned. Indeed, the Trust Agreement sets forth the exact opposite proposition:

Each Employer shall make prompt contributions or payments to the Fund in such amount and pursuant to the terms and conditions set forth in this Agreement and the Collective Bargaining Agreement in effect from time to time between the Employer or his bargaining representative and the Local Union.... A Collective [\*82] Bargaining Agreement or other written document that provides for Contributions to the Fund in an amount or in a manner that is not in accord with or does not comply with the Trust Agreement or with any rules promulgated by the Trustees ... is null and void to the extent of such inconsistency.

(1999 Trust Agreement, Art IV, Sec. 4.1(A).) This Court employed a similar analysis in *W&L Sales* to reach the same conclusion that the trust agreement, rather than the conflicting CBA, controlled determination of pension eligibility. 778 F. Supp. at 829-30.

Unless the Trust Agreement expresses otherwise, and we find that it does not, Defendants cannot be held liable for breaching a CBA term that conflicts with the unambiguous provisions of Trust Agreement. Accordingly, Count VI which contains Plaintiffs' claim for violation of collective bargaining documents must be dismissed with prejudice.

#### H. Count VII

Defendants move to dismiss Plaintiffs' claim for violation of § 302 of the Labor Management Relations Act ("LMRA"), 29 U.S.C. § 186. <sup>20</sup> Specifically, Plaintiffs contend that the Fund provisions providing for the allocation of contributions [\*83] from participating RIP 87 Plan employers into the DB Plan violated §§ 302(b) and (c)(5) of the LMRA because such payments were not undertaken for the "sole and exclusive benefit of the [RIP 87 Plan] employees for whom such contributions were made and received." (Am. Compl. P 88.) In response, Defendants assert that § 302(e) of the LMRA does not create a private cause of action for purported violations of §§ 302(b) and (c)(5). <sup>21</sup> Additionally, Defendants argue that even if this Court had jurisdiction, no such transgression occurred because employer contributions to a multi-employer pension plan need only be used to benefit the Fund's beneficiaries, as opposed to the particular employee on whose behalf the employer contributed. (See Defs.' Mem. at 41-42.)

20 § 302(a) prohibits an employer, or association of employers, from, *inter alia*, rendering

payments to any representative of its employees. This provision provides in part:

"(a) ... It shall be unlawful for any employer or association of employers ... to pay, lend, or deliver ... any money or other thing of value-

(1) to any representative of any of his employees, who are employed in an industry affecting commerce; or

(2) to any labor organization, or any officer or employee thereof, which represents, seeks to represent, or would admit to membership, any of the employees of such employer ...;"

§ 302(b)(1) prohibits employee representatives from receiving the payments proscribed by subsection (a). This provision provides:

"(b) ... (1) It shall be unlawful for any person to request, demand, receive, or accept, or agree to receive or accept, any payment, loan, or delivery of any money or other thing of value prohibited by subsection (a) of this section."

§ 302 (c) then enumerates exceptions to the broad prohibitions contained in subsections (a) and (b). This provision provides in pertinent part:

"(c) ... The provisions of this section shall not be applicable ... (5) with respect to money or other thing of value paid to a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments, and their families and dependents): *Provided*, That (A) such payments are held in trust for the purpose of paying, either from principal or

income or both, for the benefit of employees, their families and dependents, for medical or hospital care, pensions on retirement or death of employees, ...; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer, and employees and employers are equally represented in the administration of such fund ...; and (c) such payments as are intended to be used for the purpose of providing pensions or annuities for employees are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities; ... "

[\*84]

21 § 302(e) states:

"(e) The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, and subject to the provisions of section 381 of title 28 (relating to notice to opposing party) to restrain violations of this section, without regard to the provisions of section 17 of title 15 and section 52 of this title, and the provisions of chapter 6 of this title."

Plaintiffs failed to adequately reply to this part of Defendants' Motion to Dismiss.<sup>22</sup> Therefore, we dismiss Plaintiffs' LMRA claim against Defendants pursuant to *Local Rule of Civil Procedure 7.1(c)*. See *Toth v. Bristol Township*, 215 F. Supp. 2d 595, 598 (E.D.Pa. 2002) (dismissing plaintiff's claim on Motion to Dismiss under *Local Rule 7.1* because plaintiff did not respond to portion of defendants' motion discussing claim); *Smith v. Nat'l Flood Ins. Program*, 156 F. Supp. 2d 520, 522 (E.D.Pa. 2001) ("Because plaintiffs failed to address defendants' motion to dismiss with respect to defendants' argument that [\*85] costs, interest, and attorneys' fees are not recoverable under the *National Flood Insurance Act*, the court will grant this aspect of the defendants' motion to dismiss as unopposed"). We suppose that,

given their lack of response, Plaintiffs do not challenge this dismissal.

22 Plaintiffs' Brief In Opposition discusses the prohibited transaction claims comprising Count VII, but fails to assert any arguments in support of Count VII's LMRA claims. Plaintiffs merely state that, "this [prohibited transaction claim] is true whether or not LMRA Section 302(b), 29 U.S.C. § 186(b), confers an independent basis of jurisdiction." (Pls.' Br. at 58.)

Even if we were to undertake a cursory examination of the claim, however, we would find that we do not have jurisdiction to adjudicate it. Plaintiffs' claim contests Defendant Trustees and Defendant Fund Administrator's administration of the Fund's assets. (See Am. Compl. P 88.) Such a claim is permissibly brought, and indeed has been brought, under, [\*86] *inter alia*, the fiduciary duty provisions of ERISA. (See generally Am. Compl.) The Supreme Court has made clear that an attack on the actual administration of trust funds cannot be properly brought under §§ 302(b) and (c)(5) of the LMRA, because these provisions are directed towards policing the *purposes* for which a trust fund is established.

We hold today that § 302(e) does not provide authority for a federal court to issue an injunction against a trust fund or its trustees requiring the trust funds to be administered in the manner described in § 302(c)(5). By its unmistakable language, § 302(e) provides district courts with jurisdiction "to restrain violations of this section." A "violation" of § 302 occurs when the substantive restrictions in §§ 302(a) and (b) are disobeyed, which happens, not when funds are administered by the trust fund, but when they are "paid, lent, or delivered" to the trust fund, § 302(a), or when they are "received, or accepted" by the trust fund, or "requested, [or] demanded" for the trust fund, § 302(b)(1). And the exception to violation set forth in *paragraph (c)(5)* relates, not to the purpose for which the trust fund is in [\*87] fact used (an unrestricted fund that happens to be used "for the sole and exclusive benefit of the employees" does not qualify); but rather to the purpose for which the trust fund is "established," § 302(c)(5), and for which the payments are "held in trust," § 302(c)(5)(A). The trustees' failure to *comply* with these latter purposes may be a breach of their con-

tractual or fiduciary obligations and may subject them to suit for such breach; but it is no violation of § 302.

*Local 144 Nursing Home Pension Fund v. Demisay*, 508 U.S. 581, 587-89, 113 S. Ct. 2252, 124 L. Ed. 2d 522 (1993). Accordingly, Count VII which contains Plaintiffs' allegation under the LMRA would be dismissed

with prejudice pursuant to *Fed. R. Civ. P. 12(b)(6)* had we not already dismissed this claim under *Local Rule of Civil Procedure 7.1(c)*.

## VI. Conclusion

For the foregoing reasons, Defendants' Motion to Dismiss is granted in part and denied in part. An appropriate order follows.

## **EXHIBIT B**



**The New York Times**

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# Case in Detroit Highlights Costs of 'Extra' Pension Payments

By Mary Williams Walsh

October 22, 2013 7:49 pm

The constitutions of some states, including Michigan, explicitly bar the cutting of public pensions. But what about extra payments promised to Detroit's workers and retirees?

The city's pension system made extra payments for decades to thousands of people, on the thinking that the base pensions were too small. The pension board thought it found the money for the extra payments by skimming off "the excess" when returns on investments exceeded the plan's target — 7.9 percent in Detroit.

But the pension fund also had years when its investments fell short of the target. And with millions of dollars being paid out each year in the extras, the fund missed out on all the investment income that money would have brought in. So the extra payments fundamentally undercut the health of the pension plan.

Nor is Detroit alone in making the extra payments — known variously as "the 13th check," "the skim fund," "the bump up," "the waterfall" and so on. New York City; Phoenix; San Jose, Calif.; and Tampa, Fla., along with some of the public plans in Illinois, Indiana, Texas and Mississippi also have the add-ons.

The problems with the extra payments have long been known. San Diego ran into a financial quagmire in the early 2000s after years of removing "excess earnings" from its pension fund to sweeten benefits. The city finally had to bring in a forensic team led by Arthur Levitt Jr., a former chairman of the Securities and Exchange Commission, to sort out the mess. Mr. Levitt found "not mere negligence, but deliberate disregard for the law" in San Diego's pension practices.

Unlike company pension plans, which are tightly regulated by the federal government, public plans are largely governed by their boards of trustees. And officials outside San Diego seem not to have thought that Mr. Levitt's message applied to them.

The federal judge dealing with the Detroit bankruptcy is left, then, with a conundrum: The pension extras have cost Detroit billions of dollars over the years, hastening the city's downfall, yet state laws say the extra payments must continue.

Earlier this month, a state labor judge ruled that Detroit illegally interfered with its pension system two years ago, when it stopped the extra payments in a last-ditch effort to save money and avoid bankruptcy. (The base pensions are still being paid.)

"The city's conduct was unlawful and constitutes a refusal to bargain in good faith," wrote Doyle O'Connor, a state administrative law judge. Unions are likely to cite his finding in bankruptcy court this week to bolster their arguments that Detroit should not even be in federal bankruptcy court. Bankruptcy law requires that Detroit show that it bargained in good faith with its creditors, to no avail, before seeking relief in federal bankruptcy court.

Judge O'Connor said he was not ruling on the wisdom of the add-ons, only on whether the City Council could unilaterally stop them. He ordered that the add-ons for 2011 and 2012 be paid retroactively. But, given Detroit's bankruptcy, he likened his order to a ticket refund for passengers on the deck of the Titanic.

If Detroit does qualify for protection under Chapter 9 of the bankruptcy code, the presiding federal judge, Steven Rhodes, may override Michigan's constitution and cut the pensions.

Cities and states around the country are watching Detroit's case closely. Many of them are struggling with pension plans that are overwhelming their finances, and a surprising number also make the extra payments.

Detroit's pension trustees distributed the extra payments not only to retirees and active workers, but also effectively gave some to the city in the form of reduced annual pension contributions.

"We were saving the city money," said Tina Bassett, a spokeswoman for Detroit's pension trustees.

But a study in 2011 by an outside actuary showed that the extra payouts were actually costing Detroit billions of dollars, although it was hard to see because the city's disclosures were sketchy. Actuaries model pension costs over the long term, and when trustees find "excess" money year by year and spend it, they defeat the fundamental premise of the plan — that investment gains, not local taxpayers, will pay most of the cost.

"This sounds like San Diego," Mr. Levitt said when told about Detroit's program. "It appears to lack transparency, and it appears deceptive, in terms of not defining the true cost of the pension."

In San Diego, officials also decided that the "excess earnings" of the pension fund allowed the city to reduce its required annual contributions. In fact, that worsened the damage because after making all the extra payments, the pension fund needed more money from the city, not less.

The San Diego pension fund seemed to doing fine for a while, but under the surface it grew shakier and shakier, and finally broke down after the technology stock crash in 2001. The resulting scandal led to a shake-up of the city government, indictments, civil lawsuits and a federal charge of securities fraud — the first against an American city for pension malfeasance.

Auditors called the notion of excess earnings "the snake in the garden," and San Diego lost vital access to the municipal bond market for a time. Its pension fund was found to have a huge shortfall, and officials openly discussed declaring bankruptcy.

For all that, San Diego's retirees still receive their extra checks — about \$4.7 million worth last year. The add-ons remain contentious, though. Last year, city

residents voted overwhelmingly to close the existing pension plan to new hires. Savings from that change will take many years to appear.

The actuary advising San Diego's pension trustees at the time, Rick Roeder, said the disaster was caused by faulty thinking about pension math.

"There is no actuarial justification for 13th checks," he said in a telephone interview from his home in La Mesa, Calif. "A 7-year-old child could understand this. It's laughable that this could happen, but it did."

Mr. Roeder and his firm, Gabriel Roeder Smith & Company, were both sued by San Diego's city attorney during the pension scandal there, but he was soon dropped as an individual defendant. When his contract with the San Diego pension board expired, he did not seek to have it renewed. Gabriel Roeder Smith settled with San Diego for undisclosed terms.

The firm has also advised Detroit's pension trustees and has been subpoenaed in that city's bankruptcy case, but the documents it provided are not in the public record. The firm said in a statement that its role was limited, that it did not determine the payment of benefits, that decisions were made by the trustees and that it was not a fiduciary, with the associated higher duties to the plan and its members.

"Gabriel Roeder Smith & Company has consistently performed its work for the Retirement Systems professionally and in keeping with industry standards," the firm said.

In San Diego, Mr. Levitt wrote: "Of all of the board's advisers, Mr. Roeder was most qualified to understand, and explain to the board, the basic conceptual mistake" it was making in removing "excess earnings" from the pension fund. By failing to do so, and giving the pension fund "sound" annual valuations, "Mr. Roeder facilitated the perpetuation of the underfunding scheme and breached his professional obligations."

Mr. Roeder said in the interview that he thought "the actuarial community, in general," had not been "as explicit as we could have been" about unsustainable

pension costs. He said many places in California had granted rich benefits, then sought relief when they found they could not afford the contributions. When he tried to warn clients, they dismissed him, he said. He is now semiretired.

“Many entities in California are watching the Detroit situation like a hawk,” he said. “There will be a number of entities, in my opinion not a small number, that will be willing to put up with the expense and stigma of bankruptcy if the judge says, ‘Look, federal bankruptcy law supersedes the state law protections of pensions.’ ”

A version of this article appears in print on 10/23/2013, on page B1 of the New York edition with the headline: Pensions' 'Extra' Payouts.

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## **EXHIBIT C**



# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
DEPUTY DIRECTOR  
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley Jr., Director *ICJ*

DATE: November 21, 2011

RE: Proposed Pension Ordinance Amendment – Codifying the Distribution of Investment Earnings for the Detroit General Retirement System

In connection with the pension ordinance amendment introduced by Council Member Jenkins and under consideration by your Honorable Body I am submitting as Attachment I the preliminary report from Mr. Joseph Esuchanko, MAAA, ASA, MSPA, FCA, EA of Actuary Services Company. His services were utilized by the Pension Reform Working Group to present an independent analysis on the past practice of the Detroit General Retirement System (DGRS) concerning the distribution of earnings. I believe each member has received this preliminary report through your representative on the Pension Reform Working Group.

Adoption of the pension ordinance amendment will result in reduced pension contribution requirements from the city because contributions from the city for pensions and the accumulated interest on these contributions, or assets in the funds of the retirement system for pension payments will be protected from being used for other purposes. The reduction or savings will not be immediate, that is cannot address the current cash crisis, but will begin next fiscal year when the percentage of payroll pension contribution rate is determined by the next annual valuation report.

#### **Actuary Services Company information and Mr. Esuchanko's credentials include:**

"Since 1984, Actuarial Service Company, P.C. has provided actuarial consulting and full-service retirement plan administration to clients ranging from small, closely held companies to large corporations and government entities.

The company is owned and managed by Joseph Esuchanko, an Enrolled Actuary with more than 35 years of experience in the actuarial profession. Mr. Esuchanko is an associate of the Society of Actuaries and a member of the American Academy of Actuaries and the American Society of Pension Actuaries. His professional expertise has been cited in articles published by *The Houston Chronicle*, *New York Times*, *Christian Science Monitor*, and *Fortune*."

#### **Accumulated Cost to the City:**

Mr. Esuchanko's report provides a comprehensive discussion on the information and methods he used to determine "The approximate accumulated cost to the City, due to excess earnings being distributed

to DGRS members, rather than being applied to the contractual DGRS benefits, is \$1.9212 billion." This statement is found at the bottom of page 9 of the attached report.

The excess earnings include bonus interest payments to active employees' annuity accounts and "13<sup>th</sup> checks to retirees. For active employees the bonus interest represents interest above the amount declared by the trustees which has generally matched the actuarial assumed interest rate as set by the trustees.

#### **Intent of Proposed Ordinance Amendment**

In the past the trustees of the DGRS have exercised total discretion on how investment earnings are distributed within the retirement system. The trustees have granted bonus interest to active employee annuity accounts and additional pension payments to retirees commonly known as 13<sup>th</sup> checks. The decision by the trustees on distribution of investment earnings has substantially increased the cost to the city of funding the pension system as shown by Mr. Esuchanko's analysis.

The proposed pension ordinance will codify how investment earnings will be distributed within the system. As such this ordinance amendment does not change pension benefits and does not require an actuarial study. The amendment requires that active employees' annuity accounts will be credited with the actual rate of return that the investments of the system earn for the year, with a cap of the actuarial assumed investment rate of return, currently 7.9% per the last retirement system valuation for June 30, 2010, and a floor of zero that protects the employees' annuity from losses.

In any year that the system experiences a loss, since the employees' accounts will not be reduced, the city will incur increased funding requirements. However to offset this, in years when investment earnings exceed the actuarially assumed rate of return the city will incur a reduction in funding requirements, as the employees' annuity accounts will be capped. In theory the assumed actuarial rate of return should approach the actual performance of the system over time.

#### **Simplified Example of Past Practice**

In reality the DGRS has five funds, excluding funds required for pension obligation certificates. For this discussion I will limit the example to two funds as this reduces the complexity and highlights the way the city has lost in the past. The two funds are the pension fund and the annuity fund. The balance in the pension fund consists of the contributions from the city to fund pensions and the interest the contributions have accumulated. The annuity fund consists of voluntary employee payroll deductions, a savings account of sorts, and the interest the account has accumulated. The annuity fund is maintained by individual employee.

For this example each fund will have a beginning balance of \$1.0 million. For investment purposes the funds are combined for a total investment of \$2.0 million. The board of trustees establishes the assumed rate of return and sets a percentage that the annuity fund is "guaranteed" and for the following examples will be 5% in both cases.

For the first case the actual earnings on the invested pool of pension and annuity funds will be 0%, the funds will neither make or loss money on the investments. Since the annuity fund has a "guaranteed" return of 5%, the annuity fund must be increased by \$50,000 (\$1.0 million times 5% equals \$50,000). The only place the \$50,000 to increase the annuity fund can come from is the pension fund. So the pension fund is reduced by \$50,000 and the annuity fund is increased by \$50,000. Or the pension fund

now has a balance of \$950,000, and the annuity fund has a balance of \$1,050,000. This results in the creation of an unfunded actuarial accrued liability (UAAL) in the pension fund which causes future contributions by the city for pensions to increase.

For the second case let's assume the \$2.0 million earns exactly 5%, or \$100,000. If the \$100,000 was split evenly between the pension fund and the annuity fund there would not be a problem. Each fund would increase by \$50,000, to \$1,050,000 each. A UAAL would not be created and the city's contributions for pensions have increased by the exact amount of the assumption.

For the third case the assumption for earnings will be 7%, or \$140,000. If the \$140,000 is split equally again there would not be a problem. In fact, since the earnings exceed the assumed rate of return the pension system would be slightly over funded. The overfunding could reduce future contributions required by the city to fund pensions. However, since the split of the investment earnings has been at the sole discretion of the trustees, an equal split has not always taken place. If the split of the earnings is made so that the pension fund does not receive at least \$50,000, again a UAAL would be created and future city pension contributions would have to increase.

In order to show how easily it is for the pension fund not to get credit for at least the \$50,000 required to match the assumed rate of return and not create a UAAL, let's bring in the retirees 13<sup>th</sup> check. So now there are three funds/groups involved and the decision is made to split the earnings three ways, or take the \$140,000 divide by 3 equals \$46,666. Since the pension fund would not receive the \$50,000 required to meet the assumed rate of return a UAAL is created, increasing future funding required from the city.

Unfortunately over time the third case or variations of it have taken place leading to the city having to make additional contributions to the retirement system.

### Summary

The proposed ordinance amendment will address most of the situations where pension fund balances or assets can be diverted to the annuity fund or used to pay 13<sup>th</sup> checks to retirees increasing future contributions to pension by the city. The only situation where this will happen in the future if the amendment is adopted will be in years when the system loses money on investments. Since the ordinance contains a floor of zero for the annuity fund to prevent losses to the annuity fund, the losses of both the pension and annuity funds will have to be fully absorbed by the pension fund, similar to case one above. To offset this, in years when investment earnings exceed the actuarially assumed rate, the pension fund will gain, reducing pension contribution requirements. Hopefully over time will the two will balance out for the city.

### Attachment

cc: Council Divisions  
Auditor General Office  
Chris Brown, Chief Operating Officer  
Cheryl Johnson, Finance Director  
Pamela Scales, Budget Director  
Walter Stampor, Executive Secretary  
Denise Gardner, Mayor's Office

**Contributions That Should Have Been Paid by the City of Detroit  
To the General Retirement System  
Assuming No Distribution of "Excess" Earnings**

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**Objective**

I have prepared an analysis of the City of Detroit (City) contributions to the City of Detroit General Retirement System (DGRS) from July 1, 1987 through June 30, 2008. My review included determination of the following values for all periods between July 1, 1985 and June 30, 2008:

- A. The contributions that were paid by the City to the DGRS retirement fund.
- B. The total contribution that would have been paid by the City to the DGRS retirement fund if the excess earnings had not been distributed.
- C. The difference between A and B, which I will refer to as the overage.
- D. The accumulation of C, including the investment returns that would have been earned on that difference.

The contributions paid by the City during this period were higher than the contributions determined using the increased assets which would have resulted if the distributed excess earnings had been applied to the funding of contractual retirement benefits. This is the result of a reduction in the unfunded actuarial accrued liability (UAAL) and a corresponding decrease in the annual amortization payments.<sup>1</sup>

**Information Used**

This section summarizes the information I used to assist me in determining the amount that the City would have contributed. The fiscal years run from July 1 to the next June 30. Thus, I show, for example, the fiscal year from July 1, 2003 through June 30, 2004 as the 2003/2004 fiscal year.

I received a list of distributed excess contributions from July 1, 1985 through June 30, 2008. The list of the distributed excess earnings is in Table 1. The City makes contributions annually to fund the liabilities of the DGRS retirement fund. I have assumed that such contributions are made in equal monthly installments throughout the fiscal year. The actuarial valuations showed total contributions, including both City contributions and Employee contributions. The City share of contributions was accounted for separately from the Employee share. The list of City contributions is in Table 2.

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<sup>1</sup> Excess earnings distribution amounts for the July 1, 2008 through June 30, 2010 fiscal year were not provided to me.

**Table 1**  
**Amount of Distributed Excess Earnings**

<b>Fiscal Year</b>	<b>Amount of Distributed Excess Earnings (In Millions)</b>
1985/1986	\$ 19.4
1986/1987	\$ 36.3
1987/1988	\$ 41.3
1988/1999	\$ 51.5
1989/1990	\$ 34.7
1990/1991	\$ 34.4
1991/1992	\$ 2.9
1992/1993	\$ 33.5
1993/1994	\$ 20.5
1994/1995	\$ 11.6
1995/1996	\$ 0.0
1996/1997	\$ 57.3
1997/1998	\$ 101.3
1998/1999	\$ 120.4
1999/2000	\$ 92.1
2000/2001	\$ 55.6
2001/2002	\$ 0.0
2002/2003	\$ 0.0
2003/2004	\$ 0.0
2004/2005	\$ 0.0
2005/2006	\$ 16.3
2006/2007	\$ 101.0
2007/2008	\$ 121.1

**Table 2**  
**Amount of City Contributions**

<b>Fiscal Year</b>	<b>Amount of Contribution (In Millions)</b>
1987/1988	\$ 64.2
1988/1989	\$ 53.5
1989/1990	\$ 54.5
1990/1991	\$ 52.1
1991/1992	\$ 54.2
1992/1993	\$ 33.5
1993/1994	\$ 35.8
1994/1995	\$ 36.6
1995/1996	\$ 42.5
1996/1997	\$ 54.7

**Table 2 (continued)**  
**Amount of City Contributions**

<b>Fiscal Year</b>	<b>Amount of Contribution (In Millions)</b>
<b>1997/1998</b>	<b>\$ 52.7</b>
<b>1998/1999</b>	<b>\$ 55.7</b>
<b>1999/2000</b>	<b>\$ 66.7</b>
<b>2000/2001</b>	<b>\$ 68.1</b>
<b>2001/2002</b>	<b>\$ 67.8</b>
<b>2002/2003</b>	<b>\$ 72.9</b>
<b>2003/2004</b>	<b>\$ 95.9</b>
<b>2004/2005</b>	<b>\$ 41.7</b>
<b>2005/2006</b>	<b>\$ 58.2</b>
<b>2006/2007</b>	<b>\$ 41.4</b>
<b>2007/2008</b>	<b>\$ 43.5</b>

The investment return rates which I used (listed in Table 3) were gotten from three different sources, as follows:

1. Fiscal years 1987/1988 through 1993/1994 from the actuarial assumed rates in the annual actuarial valuations<sup>2</sup>
2. Fiscal years 1994/1995 through 1997/1998 from the July 13, 2010 report of Edward G. Rago
3. Fiscal years 1998/1999 through 2007/2008 from the calculated rates in the annual actuarial valuations<sup>3</sup>

**Table 3**  
**Annual Investment Return on the DGRS  
Retirement Fund**

<b>Fiscal Year</b>	<b>Investment Return</b>
<b>1987/1988</b>	<b>6.00%</b>
<b>1988/1989</b>	<b>6.00%</b>
<b>1989/1990</b>	<b>6.00%</b>
<b>1990/1991</b>	<b>6.00%</b>
<b>1991/1992</b>	<b>7.50%</b>
<b>1992/1993</b>	<b>7.50%</b>
<b>1993/1994</b>	<b>7.50%</b>
<b>1994/1995</b>	<b>8.86%</b>

<sup>2</sup> Annual actuarial valuations did not show rates of investment return for fiscal years 1987/1988 through 1997/1998

<sup>3</sup> Rates in the annual actuarial valuations differed from those shown in Mr. Rago's report



**Table 3 (continued)**  
**Annual Investment Return on the DGRS**  
**Retirement Fund**

1995/1996	5.81%
1996/1997	11.44%
1997/1998	12.51%
1998/1999	9.20%
1999/2000	9.20%
2000/2001	-4.50%
2001/2002	-6.10%
2002/2003	3.40%
2003/2004	14.80%
2004/2005	9.80%
2005/2006	11.60%
2006/2007	18.10%
2007/2008	-5.80%

### **The Actuarially Redetermined Contributions**

The contributions made by the City prior to July 1, 1987 were determined using asset amounts exclusive of the distribution of any excess earnings. Beginning with the City contribution for 1987/1988<sup>4</sup>, the City actuarially redetermined contributions were determined using assets increased by the hypothetical inclusion of distributed excess earnings. The actual City contributions were greater than would have been required using the hypothetically increased assets.

The actuarially determined contributions, as reported by the DGRS actuary in each fiscal year, were calculated through the following procedure:

1. Calculate the normal cost, which is the cost associated with the current fiscal year of additional service covered by DGRS.
2. Calculate the actuarial accrued liability (AAL), which is the present value of costs associated with all prior fiscal years of service covered by DGRS.
3. Obtain the value of plan assets.
4. Determine the unfunded actuarial accrued liability (UAAL), which is line 2 decreased by line 3.
5. Amortize the UAAL from line 4.

<sup>4</sup> June 30, 1988 actuarial valuation.

6. The contribution is the sum of the normal cost (line 1) and the amortization of the UAAL (line 5).

The process used to determine the overage for fiscal years after June 30, 1987 is different from the process above. If the distributed excess earnings had instead been included in the actuarial value of assets, the actuarially redetermined contribution amounts, beginning with the 1987/1988 fiscal year, would have been smaller after June 30, 1987. The inclusion of the distributed excess earnings, combined with the smaller City contributions, would have increased the fund value used in the actuarial reports beginning with the June 30, 1986 report. Therefore, I had to take into account the increase in the fund value in the determination of contribution rates applied to fiscal years beginning on or after July 1, 1987.

Beginning with the June 30, 1986 actuarial valuation, the normal cost from line 1 above and the AAL from line 2 above would have been unchanged, because there was no change in actuarial assumptions. However, the actuarial value of assets would have been higher. These higher amounts would first increase contributions in the 1987/1988 fiscal year, since contribution rates are determined two fiscal years in advance. Therefore, I had to take into account the increase in the contribution rate in the determination of contribution rates applied to fiscal years beginning on or after July 1, 1987.

For June 30, 1986 and later valuations, I replaced the reported assets in the above equation (item 3) with the sum of (1) the reported assets and (2) the increase in fund value which would have resulted if the distributed excess earnings had been allocated instead for contractual DGRS benefits. The increased fund is the accumulated shortfall in assets, with investment return. I assumed that the full investment return would be included in the actuarial value of assets. In fact, the assets were valued at cost in the early years of this study and after that the investment gains and losses were smoothed over a period of years and added to the prior year's actuarial value of assets. My approach generally results in a slightly lower redetermined contribution amount than would have actually occurred.

The 1986/1987 contribution was based on the June 30, 1985 actuarial valuation and, therefore, it would not have been affected by the 1985 distribution of excess earnings. The 1987/1988 contribution was based on the June 30, 1986 actuarial valuation. Since the June 30, 1986 actuarial valuation would have included the 1985 distribution of excess earnings, it, and all subsequent actuarial valuations, would have produced lower City contributions.

In redetermining the contribution rates for the June 30, 1986 and later actuarial valuations, I replaced the reported assets in the above equation (item 3) with the sum of (a) the reported assets and (b) the increase in the fund value which would have resulted if the City had contributed the actuarially redetermined contribution. The increased fund is the accumulated shortfall in assets, with investment return.

The accumulated shortfall, with investment return, at the end of each fiscal year beginning with June 30, 1986 was determined using the following method:

1. Obtain the shortfall at the beginning of the fiscal year.
2. Calculate the additional shortfall in the City contribution during the fiscal year.
3. Determine the additional investment return that would have been earned by the increased fund during the fiscal year.
4. The shortfall at the end of the fiscal year is then the sum of the three amounts.

The investment return was composed of two parts. The first part was the investment return on the shortfall at the beginning of the fiscal year. This is the investment return during the fiscal year as shown in Table 3 times the fund at the beginning of the fiscal year. The second part was the investment return on the lower contributions. For this, I assumed that the lower contributions would have been made in equal monthly installments throughout the fiscal year.

Table 4 shows the overage in contributions for each fiscal year and the accumulation of the overage, using the earnings rates from Table 3, through June 30, 2008.

**Table 4**  
**Determination of Lower City Contributions**  
**If the Distributed Excess Earnings Had Been Allocated to DGRS Contractual Benefits**  
*(Amounts in Millions)<sup>6</sup>*

Fiscal Year	Actual Contributions	Contributions that Should have been made	Excess Contributions	Accumulated Excess Contributions
1987/1988	\$ 64.2	\$ 62.1	\$ 2.1	\$ 2.1
1988/1989	\$ 53.5	\$ 48.5	\$ 5.0	\$ 7.2
1989/1990	\$ 54.5	\$ 45.4	\$ 9.0	\$ 16.6
1990/1991	\$ 52.1	\$ 37.7	\$ 14.5	\$ 32.1
1991/1992	\$ 54.2	\$ 36.6	\$ 17.7	\$ 52.2
1992/1993	\$ 33.5	\$ 19.9	\$ 13.6	\$ 69.7
1993/1994	\$ 35.8	\$ 21.9	\$ 13.9	\$ 88.8
1994/1995	\$ 36.6	\$ 21.3	\$ 15.2	\$ 111.9
1995/1996	\$ 42.5	\$ 21.8	\$ 20.7	\$ 139.0
1996/1997	\$ 54.7	\$ 27.3	\$ 27.4	\$ 182.3
1997/1998	\$ 52.7	\$ 27.2	\$ 25.5	\$ 230.6
1998/1999	\$ 55.7	\$ 20.1	\$ 35.6	\$ 287.5
1999/2000	\$ 66.7	\$ 20.0	\$ 46.7	\$ 360.6

<sup>6</sup> Numbers may not add due to rounding.

**Table 4 (continued)**  
**Determination of Lower City Contributions**  
**If the Distributed Excess Earnings Had Been Allocated to DGRS Contractual Benefits**  
*(Amounts in Millions)*

Fiscal Year	Actual Contributions	Contributions that Should have been made	Excess Contributions	Accumulated Excess Contributions
2000/2001	\$ 68.1	\$ 0.0	\$ 68.1	\$ 412.5
2001/2002	\$ 67.8	\$ 0.0	\$ 67.8	\$ 455.1
2002/2003	\$ 72.9	\$ 5.5	\$ 67.4	\$ 538.0
2003/2004	\$ 95.9	\$ 36.2	\$ 59.7	\$ 677.3
2004/2005	\$ 41.7	\$ 22.8	\$ 18.9	\$ 762.6
2005/2006	\$ 58.2	\$ 38.5	\$ 19.6	\$ 870.7
2006/2007	\$ 41.4	\$ 9.4	\$ 32.0	\$ 1,060.3
2008/2008	\$ 43.5	\$ 0.0	\$ 43.5	\$ 1,042.3
Total	\$ 1,146.1	\$ 522.2	\$ 623.9	\$ 1,042.3

Table 5 shows the Increase in assets if the distributed excess earnings had been allocated to DGRS contractual benefits, using earnings rates from Table 3, through June 30, 2008. In fiscal year 1989/1990, for instance, the amount that should have been contributed was \$46.8 million compared to the \$56.1 million actually contributed. Thus there was a preliminary annual decrease in assets of \$9.3 million. Then, \$35.7 million was added to that, since distributed excess earnings were assumed to be allocated to contractual DGRS benefits. Therefore, the total annual increase in assets was \$26.4 million. The accumulated increase in assets through June 30, 1989 was \$156.6 million and the accumulated increase in assets as of June 30, 1990 was \$192.4 million.

**Table 5**  
**Determination of Increase in Assets**  
**If the Distributed Excess Earnings Had Been Allocated to DGRS Contractual Benefits**  
**(Amounts in Millions)<sup>a</sup>**

Fiscal Year	Value of Distributed Excess Earnings at the End of the Fiscal Year	Value of Amount That Should Have Been Contributed at the End of the Fiscal Year	Value of Amount That Was Contributed at the End of the Fiscal Year	Annual Increase in Assets	Accumulated Increase in Assets
1985/1986	\$ 20.0	\$ 66.0	\$ 66.0	\$ 20.0	\$ 20.0
1986/1987	\$ 37.4	\$ 65.7	\$ 65.7	\$ 37.4	\$ 58.6
1987/1988	\$ 42.5	\$ 64.0	\$ 66.1	\$ 40.4	\$ 102.5
1988/1989	\$ 53.0	\$ 50.0	\$ 55.1	\$ 47.9	\$ 156.6
1989/1990	\$ 35.7	\$ 46.8	\$ 56.1	\$ 26.4	\$ 192.4
1990/1991	\$ 35.4	\$ 38.8	\$ 53.7	\$ 20.5	\$ 224.5
1991/1992	\$ 3.0	\$ 37.9	\$ 56.2	\$ -15.3	\$ 226.0
1992/1993	\$ 34.8	\$ 20.6	\$ 34.8	\$ 20.6	\$ 263.6
1993/1994	\$ 21.3	\$ 22.7	\$ 37.1	\$ 6.9	\$ 290.2
1994/1995	\$ 12.1	\$ 22.3	\$ 38.2	\$ -3.8	\$ 312.1
1995/1996	\$ 0.0	\$ 22.4	\$ 43.7	\$ -21.3	\$ 309.0
1996/1997	\$ 60.6	\$ 28.9	\$ 57.8	\$ 31.6	\$ 376.0
1997/1998	\$ 107.6	\$ 28.9	\$ 56.0	\$ 80.5	\$ 503.6
1998/1999	\$ 125.9	\$ 21.0	\$ 58.2	\$ 88.7	\$ 638.6
1999/2000	\$ 96.3	\$ 20.9	\$ 69.7	\$ 47.5	\$ 744.8
2000/2001	\$ 54.3	\$ 0.0	\$ 66.6	\$ -12.3	\$ 699.1
2001/2002	\$ 0.0	\$ 0.0	\$ 65.7	\$ -65.7	\$ 590.7
2002/2003	\$ 0.0	\$ 5.6	\$ 74.1	\$ -68.5	\$ 542.2
2003/2004	\$ 0.0	\$ 38.9	\$ 103.0	\$ -64.1	\$ 558.4
2004/2005	\$ 0.0	\$ 23.9	\$ 43.7	\$ -19.8	\$ 593.3
2005/2006	\$ 17.2	\$ 40.8	\$ 61.5	\$ -3.5	\$ 658.6
2006/2007	\$ 110.1	\$ 10.3	\$ 45.2	\$ 75.2	\$ 853.0
2008/2008	\$ 117.6	\$ 0.0	\$ 42.3	\$ 75.3	\$ 878.9
Total	\$ 985.1	\$ 740.4	\$1,380.7	\$ 344.7	\$ 878.9

<sup>a</sup> Numbers may not add due to rounding.

Table 5 summarizes the sources of the contribution overage. Item (1) is the sum of the contributions that should have been made, which is objective B stated at the beginning of my report. Item (2) is the contributions which were made, which is objective A. Item (3) is the total overage which is objective C. Item (4) is the total investment return that would have been earned on the shortfall. Item (5) is the total accumulated shortfall including the investment return, which is objective D.

**Table 5**  
**Source of Contribution Overage as of June 30, 2008**  
*(Amounts in Millions)<sup>7</sup>*

	Amount
(1) Contributions that should have been	\$ 522.2
(2) Contributions that were made	\$1,146.1
(3) Overage [(2) minus (1)]	\$ 623.9
(4) Investment return on overage	\$ 418.4
(5) Total accumulated overage plus investment return [(3) plus (4)]	\$1,042.3

Table 5 summarizes the sources of the asset shortfall.

**Table 6**  
**Source of Asset Shortfall as of June 30, 2008**  
*(Amounts in Millions)<sup>8</sup>*

	Amount
(1) Value of contributions that should have	\$ 740.4
(2) Value of contributions that were made	\$1,380.7
(3) Value of distributed excess earnings	\$ 985.1
(4) Shortfall [(1) minus (2) plus (3)]	\$ 344.7
(5) Investment return on shortfall	\$ 534.2
(6) Total accumulated shortfall plus investment return [(4) plus (5)]	\$ 878.9

The approximate accumulated cost to the City, due to excess earnings being distributed to DGRS members, rather than being applied to contractual DGRS benefits, is \$1.9212 billion<sup>9</sup>

The work done in developing the above conclusions was performed directly by me. I have based this statement on information available to me as of March 8, 2011. I reserve the

<sup>7</sup> Numbers may not add due to rounding.

<sup>8</sup> Numbers may not add due to rounding.

<sup>9</sup> Sum of Table 5, Line (5) plus Table 6, Line (6)



right to revise and extend my report if and when additional information becomes available that would affect my opinion.



Joseph Esuchanko, MAAA, ASA, MSPA, FCA, EA  
March 8, 2011

## **CERTIFICATE OF SERVICE**

I, Heather Lennox, hereby certify that the foregoing Supplemental Brief of the City of Detroit in Support of Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and Its Affiliated Detroit Locals was filed and served via the Court's electronic case filing and noticing system on this 16th day of October, 2014.

/s/ Heather Lennox

## **ITEM 10**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

IN RE: CITY OF DETROIT, . Docket No. 13-53846  
MICHIGAN, .  
. Detroit, Michigan  
. October 17, 2014  
Debtor. . 9:00 a.m.  
. . . . .

HEARING RE. (#4876) OBJECTION TO CLAIM NUMBER OF CLAIMANT  
MICHIGAN AFSCME COUNCIL 25 AND ITS AFFILIATED DETROIT  
LOCAL/OBJECTION OF THE CITY OF DETROIT PURSUANT TO  
SECTIONS 105 AND 502(b) OF THE BANKRUPTCY CODE,  
BANKRUPTCY RULE 3007 AND LOCAL RULE 3007-1, TO  
PROOF OF CLAIM NUMBER 2958 FILED BY THE MICHIGAN  
AFSCME COUNCIL 25 AND ITS AFFILIATED DETROIT LOCALS  
FILED BY DEBTOR IN POSSESSION CITY OF DETROIT, MICHIGAN  
BEFORE THE HONORABLE STEVEN W. RHODES  
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor: Jones Day  
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For AFSCME: Miller Cohen, PLC  
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Leslie, MI 49251  
(517) 676-5092

Proceedings recorded by electronic sound recording,  
transcript produced by transcription service.

1           THE CLERK: All rise. Court is in session. You may  
2 be seated. Calling the matter of City of Detroit, Michigan,  
3 13-53846.

4           MS. LENNOX: Good morning, your Honor. For the  
5 record, Heather Lennox of the city on behalf -- or Heather  
6 Lennox of Jones Day on behalf of the city. We're here before  
7 your Honor this morning on an objection to two parts of the  
8 omnibus claim that AFSCME filed against the city in this  
9 case. That's Claim Number 2958. Specifically, we are here  
10 on the first issue, which is line 7 in the description of  
11 claims filed by AFSCME, and that relates to a proceeding -- a  
12 grievance that the -- that AFSCME had filed with respect to  
13 the 2011 change to the city ordinances that prohibited the  
14 payment of 13th checks and also limited the amount of  
15 interest that could be credited to a participant's annuity  
16 savings fund account. That would be the line 7 claim.

17           The line 17 claim is a claim for -- it's an unfair  
18 labor practice with respect to changes in retiree healthcare  
19 benefits that the city implemented back in 2006.

20           I should say that with respect to the line 7 claim,  
21 the 13th check claim, AFSCME is asking for damages related to  
22 the years 2011 and 2012, but what we're doing here  
23 fundamentally today, your Honor, is objecting to these  
24 portions of the claim, and I say this because, although it  
25 seems obvious, after reading AFSCME's brief, I got the

1 impression that they were a bit confused about what a  
2 bankruptcy claim is and what effect bankruptcy has on those  
3 claims, so while I know the Court understands this, I want to  
4 make a few things clear for the claimant. The definition of  
5 the claim that will be treated by the plan of adjustment, we  
6 define that in the plan, and we define that as a claim as  
7 defined in Section 1015 of the Bankruptcy Code against the  
8 city. The definition of claim under Section 1015 of the  
9 Bankruptcy Code is, "any right to payment, whether or not  
10 such right is reduced to judgment, liquidated, unliquidated,  
11 fixed, contingent, matured, unmatured, disputed, undisputed,  
12 legal, equitable, secured or unsecured," or it is, "any right  
13 to an equitable remedy for breach of performance if such  
14 breach gives rise to a right to payment, whether or not such  
15 right to an equitable remedy is reduced to judgment, fixed,  
16 contingent, matured, unmatured, disputed, undisputed,  
17 secured, or unsecured." It's an exceedingly broad definition  
18 and deliberately so, as your Honor found in the In re. Lipa  
19 case. I hope I pronounced that name correctly. But this  
20 includes both claims for past due amounts and for future or  
21 prospective payments on account of any liability or  
22 obligation of a debtor that accrued or arose prior to the  
23 petition date. That's what a claim is. It encompasses all  
24 rights to payment or any payments that were due whether they  
25 were due pre-petition or whether they come due post-petition



1 or in the future as long as it's related to a liability or an  
2 obligation that arose prior to the petition date.

3           So here -- and I'll take the two claims separately.  
4 I'll start with Item 7, which is the 13th check claim. Here  
5 AFSCME's claim for damages in Item Number 7, which, if  
6 granted, would be increased pension payments for the years  
7 2011 and 2012, that claim is a claim that has to be addressed  
8 in the plan of adjustment. I think AFSCME seemed to indicate  
9 in the brief that the plan of adjustment only deals with  
10 future pension payments, and, again, that really  
11 misapprehends the nature of what a claim in bankruptcy is,  
12 and, in fact, it is a claim that is addressed already in the  
13 plan of adjustment. And, of course, everything I say, your  
14 Honor, assumes that the plan of adjustment will eventually be  
15 confirmed by your Honor and its terms become operative, but  
16 that claim in the plan of adjustment is called a GRS pension  
17 claim. And, again, in keeping with the concept of a claim,  
18 the GRS pension claim definition is exceedingly broad and  
19 deliberately so, so it would capture all aspects of pension  
20 payments or other pension obligations and leave nothing out.  
21 In fact -- and we cited the definition in our papers -- but  
22 the operative language is that it's a claim based upon,  
23 arising under or related to any agreement, commitment, or  
24 other obligation, whether evidenced by contract, agreement,  
25 rule, regulation, ordinance, statute, or law for (a) any

1 pension, disability or other post-retirement payment or  
2 distribution in respect to the employment of current or  
3 former employees or (b) the payment by the GRS to persons who  
4 at any time participated in, were beneficiaries of or accrued  
5 post-retirement pension or financial benefits under the GRS.  
6 That is all-encompassing. And this definition, which is  
7 embodied in the plan, which, as you know, your Honor, for --  
8 at least with respect to the global pension settlement and  
9 the grand bargain, that arose from the global pension  
10 settlement. And the agreement that arose from it is embodied  
11 in the language in the plan. That settlement was negotiated  
12 with all of the union and retiree representatives in the  
13 case, including GRS and including AFSCME. AFSCME has never  
14 objected to this definition in the plan. AFSCME, in fact,  
15 supported the plan and encouraged its members to vote in  
16 favor of the plan, and, in fact, AFSCME has signed up to a  
17 new CBA with the city that is faithful to the terms of the  
18 plan and, in fact, makes no mention whatsoever of ASF or 13th  
19 check payments or references the applicable ordinance.

20           However, now AFSCME wants to claim that somehow its  
21 claim for the 2001 and 2012 13 check pension payment survives  
22 and somehow morphs into a Class 14 general unsecured claim,  
23 and that argument has to fail for several reasons. The  
24 first -- and in its brief AFSCME asserts this. It asserts  
25 that it filed its proof of claim and they filed it as a Class

1 14 claim, but when a claimant files a claim, all it is is a  
2 filed claim. It is the plan that classifies the claims as  
3 they are filed, and just as a creditor files an omnibus proof  
4 of claim that can encompass many different kinds of claims --  
5 in fact, in this case, we've had the insurers for various  
6 bond debt issuances that filed one claim, and they filed  
7 claims for UTGOs and LTGOs and COPs, and all of those claims,  
8 although they were contained in one piece of paper, are  
9 classified in separate classes under the plan of adjustment.  
10 So too here AFSCME filed several claims. Some are for  
11 ordinary grievances under the labor agreements. Some are for  
12 OPEB benefits. Some are for pension benefits. And they are,  
13 likewise, separately classified in the plan. So our position  
14 is that any pension-related claims or claims where increased  
15 pension benefits would be a remedy go into Class 11, at least  
16 for GRS, because of the broad definition of GRS pension  
17 claim, and claims for enhanced pension benefits under a 13th  
18 check practice are included in the definition that I went  
19 through before. AFSCME suggests that, quote, crediting of an  
20 account with excess interest doesn't count as a payment I  
21 believe is an unavailing argument for a couple of reasons.  
22 First, 13th checks are more than just crediting. They're  
23 actual payments. People get an actual check. That's why  
24 it's called a 13th check. Secondly, even if it were just  
25 crediting, this is simply an unmatured claim for a payment in

1 the future, which is within the definition of claim under  
2 Section 1015 of the Bankruptcy Code. Secondly, whether a  
3 claim for the 13th checks would be due in payment today or in  
4 the future, the fact that the alleged liability for this  
5 cause of action arose prior to the city's petition date --  
6 specifically, it would have accrued in 2011 when the  
7 ordinance was changed, and that makes these types of claims  
8 pre-petition claims that can be and are treated in the plan  
9 and can be discharged in this bankruptcy case. I think, your  
10 Honor, that that's all the analysis that's really needed with  
11 respect --

12 THE COURT: Well, let's pause here and ask do you  
13 actually object to the claims, or do you object to the  
14 treatment that the proof of claim asks for --

15 MS. LENNOX: Well, that's --

16 THE COURT: -- as being applicable instead of the  
17 treatment that you say the plan would provide?

18 MS. LENNOX: So I think we object to both, your  
19 Honor. In the brief we focused on -- although the reason for  
20 no liability is also in there as well, but in the brief we  
21 focused on that these are really subsumed in Class 11 of the  
22 plan and should not be independently Class 14 claims. Our  
23 brief, as you may know about, the full claim is due tomorrow,  
24 and your Honor has a hearing scheduled on November 5th on  
25 account of it, but we also believe that there's no liability

1 for this claim because we believe --

2 THE COURT: Well, but what difference does it make  
3 if there's no liability or not -- if there is liability or  
4 not if you are correct that the plan will treat whatever the  
5 liability is in the way that the plan proposes to treat it?

6 MS. LENNOX: You're correct, your Honor. If your  
7 Honor would find, as we believe is appropriate, that this is  
8 subsumed within Class 11, that treatment is already  
9 specified, and so the actual liability on it would never have  
10 to be determined because that was settled and was in there.

11 THE COURT: Because neither the pension claimants  
12 nor the OPEB claimants were required to file claims; right?

13 MS. LENNOX: That is correct because they were going  
14 to be treated in the plan, and they had multiple  
15 representatives negotiating for them.

16 THE COURT: Right.

17 MS. LENNOX: Now, that did not prohibit some of  
18 their representatives from filing a claim, but they were not  
19 required to.

20 THE COURT: Okay.

21 MS. LENNOX: That's correct. If, however, your  
22 Honor would disagree with me today and find that this really  
23 is a Class 14 claim, we would absolutely assert before your  
24 Honor --

25 THE COURT: Okay.

1 MS. LENNOX: -- that there's no liability. So I  
2 can, if you'd like, your Honor -- we set forth in our brief  
3 why we think these were illegal and why there's no liability,  
4 but for purposes of today about -- which is the issue about  
5 whether they're subsumed in Class 11, I can either rest on  
6 the papers if your Honor has questions or I can certainly go  
7 through it. I'm prepared to do it.

8 THE COURT: Well, AFSCME asserts that under Michigan  
9 law --

10 MS. LENNOX: Um-hmm.

11 THE COURT: -- a plan sponsor like the city here --

12 MS. LENNOX: Um-hmm.

13 THE COURT: -- doesn't have standing to assert a  
14 breach of fiduciary obligation claim against the  
15 administrators of the plan and that under that law only plan  
16 beneficiaries can assert a breach of fiduciary obligation.

17 MS. LENNOX: Yeah.

18 THE COURT: How do you deal with that?

19 MS. LENNOX: I would refer to the section of the  
20 ordinance, which actually provides standing to the financial  
21 officer of the City of Detroit, and I'm looking for that cite  
22 right now, your Honor. Yes. It would be Detroit Municipal  
23 Code 47-4-3, Enforcement Civil Action Number 4. The finance  
24 director on behalf of the city, as plan sponsor, may maintain  
25 a civil action for relief. Now, in the case -- in the Estes



1 case that was cited by Mr. Mack, those were individual  
2 plaintiffs who were asserting standing, and in some cases,  
3 not all cases, the Court in that case found that they didn't  
4 have standing, notwithstanding what this Code section said,  
5 because of governmental immunity. Here if the city, as a  
6 governmental agent, is asserting that, it is unclear to me  
7 whether a governmental immunity defense would arise with  
8 respect to that, so I do think the city very clearly has  
9 standing by virtue of the ordinance that's out there.

10 THE COURT: Well, what is the financial impact on  
11 the city if the trustees of the GRS pension plan do breach  
12 their fiduciary obligation and overpay beneficiaries?

13 MS. LENNOX: I would say -- I will answer the  
14 question, but I'd also say it's not just a breach of  
15 fiduciary obligation. It's a violation of the Code. It's an  
16 ultra vires act because there is no authority in the Code --  
17 in Article -- in Chapter 47, which is the Retirement System  
18 Code, for them to increase, augment benefits at all or  
19 otherwise distribute investment income to participants, so  
20 putting aside --

21 THE COURT: Okay. Well, no. Let's not put it  
22 aside. Let's assume that this 13th check is a violation of  
23 that --

24 MS. LENNOX: Um-hmm.

25 THE COURT: -- and a breach of fiduciary obligation.

1 MS. LENNOX: Breach of fiduciary duty, um-hmm.

2 THE COURT: The question that I want to address  
3 isn't the merits of that.

4 MS. LENNOX: Correct.

5 THE COURT: It's the standing question. What is the  
6 financial impact on the city --

7 MS. LENNOX: Um-hmm.

8 THE COURT: -- if the Code is violated by means of  
9 this 13th check and/or if there's a breach of fiduciary duty  
10 that arises from the issuance of these 13th checks?

11 MS. LENNOX: So the financial impact to the city,  
12 your Honor, as the plan sponsor who has to contribute to this  
13 plan was actually laid out -- and we attached this as Exhibit  
14 C to our brief. When the city council went to amend the  
15 ordinance to try to curtail and prohibit some of these  
16 practices in 2011, they retained an actuary to do an analysis  
17 of just exactly what effect that would have had on the city.  
18 And as of -- he evaluated the impact through 2008, and so  
19 obviously this would continue after 2008, but Mr. Esuchanko  
20 found that as of 2008, as a result of these practices, it  
21 cost the city about \$1.9 billion in the form of increased  
22 contributions that it had to make and in sort of lost asset  
23 value, you know. Assets, had they been in the plan, would  
24 have appreciated, so he valued that, and that is attached to  
25 our exhibit. That was a report that was presented to city

1 council that as of 2008 it had already cost the city almost  
2 \$2 billion, and that would have continued, so there's great  
3 harm in these practices, and we allege -- and we believe it's  
4 very true that they're illegal practices. Part of the reason  
5 that we are cleaning this all up in bankruptcy is to help  
6 curtail these practices once and for all.

7 THE COURT: So the city's position is that benefits  
8 payable to GRS beneficiaries are fixed as a matter of city  
9 ordinance.

10 MS. LENNOX: They are fixed as a matter of city  
11 ordinance and obviously the terms of the pension accruals  
12 that are negotiated with the unions in their collective  
13 bargaining agreements, but once those payments and those  
14 accruals are determined by both of those sources, the GRS  
15 pension board -- remember, they're not part of the city.  
16 They're the board of a trust, which is separate from the  
17 city. They have no authority to augment them, which is  
18 essentially what's been happening, and so they -- you know,  
19 they would be violating, in our view, city law, and they  
20 would be acting contrary to the collective bargaining  
21 agreements. So that's our position obviously with respect to  
22 the 13th check matter.

23 I can turn now to Item Number 17, which is Claim 4,  
24 retiree healthcare benefits from changes which happened in  
25 2006, and the analysis, again, is very similar. All claims

1 related to any obligations or liabilities associated with the  
2 city's obligations to provide retiree healthcare are entirely  
3 subsumed within the definitions that make up the Class 12  
4 OPEB claim class. The plan defines OPEB claims as any  
5 claim -- again, that very broad definition of claim -- any  
6 claim against the city for OPEB benefits, which is a defined  
7 term, held by a retiree who retired on or before December  
8 31st, 2014, and is otherwise eligible for OPEB benefits and  
9 any eligible surviving beneficiaries of such retiree. In  
10 turn, the plan defines OPEB benefits as follows. Post-  
11 retirement health, vision, dental, life, and death benefits  
12 provided to retired employees of the city and their surviving  
13 beneficiaries pursuant to the employee health and life  
14 insurance benefit plan and the employee's death benefit plan,  
15 including the members of the certified class in the action  
16 captioned Weiler et al. versus City of Detroit, case number,  
17 pursuant to the, quote, consent judgment and order of  
18 dismissal, end quote, entered in that action on August 26,  
19 2009, again, a comprehensive definition for any kind of post-  
20 retirement welfare benefit as opposed to pension benefit,  
21 and, again, claim includes a right to payment of these  
22 benefits whether it was due in the past or is due in the  
23 future. So based on everything that AFSCME has described in  
24 its proof of claim with respect to this Item 17, we can only  
25 conclude that the OPEB modifications that included -- that

1 occurred in 2006 for which AFSCME seeks redress are included  
2 in the definition of OPEB claim and, again, are subsumed in  
3 Class 12. Again, we don't need to worry about whether there  
4 is or is not liability for this if your Honor agrees with me  
5 that they are subsumed in this class, and if your Honor  
6 doesn't, we would certainly assert later on that there's no  
7 liability for this.

8 I would also state at this point because this is  
9 clearly a claim on behalf of the retirees -- and I only say  
10 this as a footnote, but it may be relevant. It is not clear  
11 to us whether AFSCME has established its standing to  
12 represent these retirees. As your Honor may recall, prior to  
13 the petition date AFSCME had sent the city a letter  
14 specifically disavowing its ability to or desire to represent  
15 retirees in this case, which is one of the reasons we have  
16 the Retiree Committee that's been appointed, and the Retiree  
17 Committee did negotiate OPEB benefits and the treatment of  
18 OPEB benefits under the plan, so I raise that standing issue  
19 for your Honor's consideration. So the argument on this one,  
20 your Honor, is the same. We believe these are Class 12  
21 claims. They are treated under the plan that way. They  
22 shouldn't be deemed to be Class 14 claims, and even if they  
23 were, we would further object to their liability.

24 THE COURT: Thank you.

25 MR. MACK: Good morning, your Honor. Richard Mack

1 on behalf of AFSCME. I'll start off, your Honor, by saying,  
2 as I started in our brief, we, AFSCME, has gone to great  
3 lengths to work with the city in an effort to help with its  
4 financial situations. We've been doing that since the 1980s,  
5 frankly. We did it in 2011 and 2012. We did it in 2014 in  
6 the effort to resolve the plan of adjustment that's now  
7 before your Honor, which calls for very significant cuts to  
8 pension and retiree healthcare, so -- and I bring that up  
9 because obviously this particular issue is something that  
10 concerns a claim that we have against the City of Detroit,  
11 but that does not detract from our efforts to seek to work  
12 with the city to resolve it with its financial problems.  
13 Matter of fact, your Honor, I started off -- I really feel  
14 like this is deja vu. In 2011 when the city asked for the  
15 assistance of the unions, AFSCME led and pulled the coalition  
16 together, and we put together hundreds of millions of dollars  
17 in savings only to learn that this 13th check benefit had  
18 been surreptitiously taken without being put on the  
19 bargaining table. And we're here today, your Honor, after  
20 having gone through great lengths to, as Ms. Lennox  
21 indicated, send out letters, encourage -- and I myself  
22 personally, all of us working to have this plan approved only  
23 to learn now that there's a brand new argument that was never  
24 raised before, never brought up in any context that somehow  
25 what had been filed is no longer valid but is now subsumed in



1 the definitions of the plan. We just think that's an  
2 unfortunate development. It's what leads us here today.

3 With respect to the definitions themselves, I think  
4 it's important, your Honor, to look at the context of the  
5 definition even -- we cited the --

6 THE COURT: I'd rather look at the words.

7 MR. MACK: Yes. You can look at the words, your  
8 Honor, but even in looking at the words, it's important, as  
9 your Honor knows, interpreting contracts you look at the  
10 words and how the words are being used. And in this --

11 THE COURT: What is it about the words that suggests  
12 that the claims you assert here are not included?

13 MR. MACK: About the words themselves, first of all,  
14 in the GRS pension claim definition, as we mentioned --  
15 Ms. Lennox is right. A 13th check is a check, but an annuity  
16 savings fund credit is a credit. It's not a, quote, payment  
17 or distribution that takes place at present time. It's a  
18 credit for when that person retires or hits their 25th year  
19 and you're able to draw it down. You will have that money --  
20 you will have access to that money. It's not something that  
21 you have access to at the present time. So at the very  
22 least, your Honor, there is an ambiguity with respect to  
23 whether or not a future credit is a, quote, payment or  
24 distribution that's within the definition of GRS claim.

25 THE COURT: And what's the relationship between ASF

1 or this ASF credit that you talk about and the 13th check?

2 MR. MACK: Well, the two -- the 13th check -- we're  
3 using that as the nomenclature. That really involved three  
4 buckets that this money was placed into, an ASF credit that  
5 was given to active employees for them to access in the  
6 future, a 13th check that was a check cut for retirees, and  
7 then a reduction in the City of Detroit's contribution to the  
8 plan. So the claim is obviously not over the city's  
9 contribution, but it's over --

10 THE COURT: How does the 13th check result in a  
11 reduction in the city's contribution?

12 MR. MACK: Well, no, no. I'm using the whole notion  
13 of what happened with the excess earnings. Whenever there  
14 was an investment return in the market beyond 7.9 percent,  
15 they would call it excess earnings under the prior practice.

16 THE COURT: But, of course, they weren't excess  
17 earnings.

18 MR. MACK: Under the prior practice, that's exactly  
19 what they were considered, and the board was given  
20 specific --

21 THE COURT: But they weren't excess earnings.

22 MR. MACK: Well, your Honor, I'm not here to defend  
23 the wisdom of what took place, and as Judge O'Connor laid out  
24 in his pleading -- in his opinion, rather, the plan was what  
25 it was, and it was something that was negotiated. As a

1 matter of fact, your Honor, importantly, on that point the  
2 motion --

3 THE COURT: The 13th check was negotiated?

4 MR. MACK: The 13th check practice absolutely was  
5 put into the bargaining agreement where it says whatever is  
6 taking place within the present ordinance system shall remain  
7 in place. That was the language in the bargaining agreement  
8 that was -- and that's what Judge O'Connor found. It was, in  
9 fact -- it was a negotiated benefit. More importantly,  
10 though, Judge, the last contract term was imposed by the  
11 city. And in labor law when you have union and employee  
12 negotiating, when you get to an impasse, the employer puts in  
13 place what it wants. The employer put the 13th check in  
14 place in 2010. It was the employer's doing that of the last  
15 contract we have to put the 13th check program in place, so  
16 to suggest that, well, now, we're supposed to, you know, look  
17 back retrospectively and say how wise was that, the blame  
18 lays at least as much on the city.

19 THE COURT: You say the city did it or wasn't it the  
20 reality that the pension board did it?

21 MR. MACK: No. The city put in place a contract  
22 provision which called for the continuation of the board  
23 having discretion to issue 13th checks. That's absolutely  
24 what happened on September 28, 2010.

25 THE COURT: Where is that language?

1 MR. MACK: The language is -- we've attached it to  
2 our pleadings, your Honor. It is -- no. That's the wrong  
3 one. If you look at Exhibit B to our pleadings, it is the  
4 Article 47, coincidentally, retirement article, and the very  
5 last paragraph, T, which reads, quote, "All retirement and  
6 pension plan provisions provided for by the City Charter and  
7 Municipal Code are incorporated herein by reference unless  
8 otherwise specifically modified by this Agreement and  
9 Ordinance 2-93-J.C.C. page 133," so it references the --

10 THE COURT: I don't see 13th check in there.

11 MR. MACK: Well, your Honor, in labor law you place  
12 a provision of an existing ordinance, of an existing law into  
13 the contract by reference.

14 THE COURT: All right. Then let's look at the code.  
15 What in the code authorizes 13th check?

16 MR. MACK: What in the code at the time authorized  
17 the 13th check was --

18 THE COURT: Right, at the time.

19 MR. MACK: -- the board having the discretion to do  
20 what it had been doing.

21 THE COURT: What's the language? Let's look at the  
22 language because that's what we lawyers do.

23 MR. MACK: Okay. If you'll give me a second, your  
24 Honor, I will find it. It is in -- Judge O'Connor actually  
25 laid out very thoroughly the specific language in his -- give

1 me one second. I apologize, your Honor. Of course it would  
2 be the last one.

3 THE COURT: That's all right. Take your time.

4 MR. MACK: One second.

5 THE COURT: Yeah.

6 MR. MACK: I'll get some assistance here.

7 THE COURT: Yeah. Take your time.

8 MR. MACK: Your Honor, in all candor, I'm not  
9 finding where the judge specifically quoted --

10 THE COURT: Okay.

11 MR. MACK: -- the section of the ordinance, but we  
12 absolutely can provide the essential -- well, hang on. In  
13 Exhibit C we attached the cover letter to the change of the  
14 ordinance. Because the issue was addressed by Judge  
15 O'Connor, albeit apparently without citing the specific -- or  
16 quoting the specific section, it does -- Section 41-1-18 and  
17 41-1-21, and then again it amends Section 42- -- 47-2-18 of  
18 the code, and we are absolutely able to provide that to your  
19 Honor. It was just because we were addressing a narrow issue  
20 and the issue as to the precise language was not raised by  
21 the city's pleading, we felt it necessary only to attach ALJ  
22 O'Connor's opinion, but I don't think there's any dispute,  
23 though, your Honor, that the board at the time under the old  
24 ordinance --

25 THE COURT: Oh, I think the city very definitely

1 disputes that. In fact, I think the city's brief did quote  
2 from the language of the ordinance and argued that it did not  
3 give the discretion that you suggested it did.

4 MR. MACK: As I recall it, it quoted from the --  
5 they quoted language in the ordinance with respect to the  
6 board of trustees vested with the general administration  
7 management responsibility for the operation of the system.

8 THE COURT: All right. Well, we've wandered --

9 MR. MACK: But I have --

10 THE COURT: We've wandered off into whether the  
11 payments were legal or not. I want to focus back on the  
12 issue of whether the two claims that are at issue here this  
13 morning are within the language of Classes 11 and 12 here.

14 MR. MACK: Yes. And with respect to, as I  
15 indicated, the pension or the ASF credits are -- at the least  
16 there's an ambiguity with respect to payment or distribution.  
17 As to the -- again, as to the OPEB claim or even the ASF or  
18 the 13th check claim, if you look at the context of how those  
19 terms were used throughout the code, throughout Classes 11  
20 and 12, they deal with impairment of benefits that are owed  
21 in the future. They don't deal with prior contingent  
22 liability claims for things that have been filed, and I think  
23 it's --

24 THE COURT: Well, but you're talking about -- you're  
25 talking about how they're treated, how these claims are



1 treated.

2 MR. MACK: They're modified.

3 THE COURT: That's a separate question from defining  
4 the class that is to be treated.

5 MR. MACK: Well, they're modified, but there is no  
6 modification of a 13th check program in the plan. There is  
7 no modification of a prior --

8 THE COURT: Right, but the city says --

9 MR. MACK: -- liability for a --

10 THE COURT: The city says here's the claim, which  
11 includes what you're asserting here, and that's set forth in  
12 the definition of the class. Separate from that is the  
13 treatment of that class. Now, it is true that that treatment  
14 may not provide any payment on the 13th check for the OPEB  
15 that you assert here, but that doesn't mean it isn't being  
16 treated.

17 MR. MACK: Well, but if it's not addressed, how is  
18 it treated?

19 THE COURT: It's treated by not being paid anything.  
20 That's how.

21 MR. MACK: It doesn't say that. There's nothing in  
22 the plan which says that if their prior --

23 THE COURT: It says here's how we're treating these  
24 claims. We're giving them these benefits. That's how we're  
25 treating all these claims. Plans do that all the time.

1 That's bankruptcy.

2 MR. MACK: In order to take that logic, your Honor,  
3 the next step would necessarily be that the 95-1/2 percent of  
4 the pension check of an individual aside from the ASF  
5 recoupment -- or the ASF impairment, so forth, is also  
6 somehow treated by that and, therefore, subsumed within the  
7 \$1.8 billion.

8 THE COURT: I'm sorry. Could you repeat that?

9 MR. MACK: Sure. There's no language addressing  
10 prior payments that were due for 13th check or annuity  
11 savings fund credits. The only thing that it addresses is  
12 pension payments which are due in the future are going to be  
13 impaired by 4-1/2 percent, so under the logic to say, well,  
14 we've had this broad definition, and even though we don't  
15 address it with respect to the treatment, you have to assume  
16 that that means that it's treated by being eliminated, well,  
17 if that logic were true, your Honor, that would be the same  
18 logic for the rest of the pension check that's not treated  
19 also, that's not impaired because if that's not specifically  
20 addressed, you get 4-1/2 percent cut, oh, by the way, 95-1/2  
21 percent you still get to keep --

22 THE COURT: Well, but here's how bankruptcy works.  
23 Every single claim of any kind against a debtor is discharged  
24 upon plan confirmation. It's gone. It's just no longer  
25 legally enforceable. Those obligations are replaced by the

1 obligations that the debtor includes in the plan and that the  
2 Court confirms. Why isn't that the answer to this argument  
3 you make?

4 MR. MACK: Well, it's not because, your Honor, if  
5 you look at the city's own pleadings, it suggests that the  
6 city itself concurred with AFSCME's opinion in this matter  
7 when it filed its initial objection on May the 15th. This  
8 is, at the very least, an ambiguity. In fact, it was so  
9 ambiguous that the city took a different position when it  
10 filed its first objection from the position that they're  
11 taking now.

12 THE COURT: I guess you need to show that to me  
13 because I don't -- I didn't see that at all.

14 MR. MACK: Okay. Here's the timeline.

15 THE COURT: I'm not even -- I'm not sure it makes a  
16 difference, but show me anyway.

17 MR. MACK: Sure. Well, it makes a difference  
18 because it demonstrates that, at the very least, there's an  
19 ambiguity with respect to how this is defined and the  
20 assumption that has --

21 THE COURT: Well, but it's for the Court to  
22 determine whether there's an ambiguity. I mean even if the  
23 parties agree that there's an ambiguity, that isn't binding  
24 on the Court.

25 MR. MACK: Well, let me walk through the factual

1 history.

2 THE COURT: Okay.

3 MR. MACK: February 21st you have the plan of  
4 adjustment, their first plan of adjustment filed, which has  
5 this very language, by the way, with respect to GRS pension  
6 claim. There was a --

7 THE COURT: Has the same claim definition?

8 MR. MACK: Yes, same claim definition. There was a  
9 modification from OPEB claim from February 21st until a later  
10 claim, but it was inconsequential with respect to what we're  
11 dealing with today.

12 THE COURT: Okay.

13 MR. MACK: There was robust negotiation between  
14 AFSCME and the City of Detroit and all of the creditor  
15 interest groups, and obviously I can't disclose all of the  
16 particulars of that because of the confidentiality order. We  
17 do believe, though, that it is important for your Honor in  
18 ruling on this issue to have some factual revelation  
19 regarding the details, but --

20 THE COURT: The argument you raised is in a pleading  
21 filed by the city --

22 MR. MACK: Yes.

23 THE COURT: -- it agreed with your position.

24 MR. MACK: Yes.

25 THE COURT: Where is that? What is that?

1           MR. MACK: On May -- the deal was reached. AFSCME,  
2 in fact, was the first employee creditor group to agree to  
3 the plan. May 5th the city files its fourth amended plan of  
4 adjustment, the very plan of adjustment that the retiree  
5 groups voted on, along with the fourth amended disclosure  
6 statement, has the same plan definition. Ten days later on  
7 May the 15th the city files its objection to AFSCME's proof  
8 of claim which had also been filed back on February 21st, so  
9 the February 21st proof of claim that AFSCME filed,  
10 appropriately timely filed, preserved this 13th check issue,  
11 the retiree healthcare grievance issue, preserved that and  
12 laid out specifically the nature of the claim. The first  
13 objection came from the city ten days after it filed its own  
14 proof of claim.

15           THE COURT: Right. Got that.

16           MR. MACK: Nowhere in the objection of May the 15th  
17 did the city say, "Hey, the reason we're objecting to the  
18 13th check proof of claim is because it's already subsumed in  
19 the deal we just cut with AFSCME, and it's already subsumed  
20 in the plan of adjustment that we just sent out to retirees  
21 to vote on," but as a matter of fact, they did in one portion  
22 of the proof of claim, your Honor, say that the matter was  
23 subsumed --

24           THE COURT: You mean objection, objection to the  
25 claim.

1           MR. MACK: I'm sorry. Yes. Forgive me. They did  
2 say, your Honor, in one portion of their objection that part  
3 of AFSCME's proof of claim was subsumed within the plan of  
4 adjustment, but that wasn't the 13th check. The portion of  
5 the plan of -- of the proof of claim that the city felt was  
6 subsumed within the plan of adjustment was the overarching  
7 line one of the proof of claim, which AFSCME filed, again,  
8 back on February 21st asking for \$8.1 billion for all pension  
9 and all retiree benefits. And that was a catch-all claim  
10 that was filed. Obviously at that time there had been no  
11 arrangements or agreements as to how the pension and  
12 healthcare benefits were going to be impaired, so it was  
13 filed at the time just to represent the impairment that the  
14 city had been speaking of in the present before the Court.  
15 The city made the argument there's no need for this line one  
16 proof of claim which deals with general individual pension  
17 and healthcare impairments because we've already got a plan  
18 of adjustment which now addresses that, and it cited the very  
19 sections that it's now relying on in line one. Line seven,  
20 as Ms. Lennox indicated, addresses the 13th check claim. The  
21 only thing that the city said with respect to why it was  
22 objecting to the 13th check claim was not that it was  
23 subsumed within the plan of adjustment but that there had not  
24 yet been a ruling from MERC. It gathered all of the claims.  
25 It made a mention in -- I'll give you the specific paragraph.



1 One second. In paragraph 18, your Honor, of the city's May  
2 15th objection to AFSCME's proof of claim, it says, quote,  
3 "In a similar vein, the Claim identifies several alleged  
4 liabilities related to various other proceedings identified  
5 in Exhibit 1 to the Claim," which is our outline of the  
6 various claim elements, "including a number of proceedings  
7 before the Michigan Employment Relations Commission," this  
8 being the 13th check, which was, in fact, a dispute before  
9 MERC. "To the extent any such proceedings have not been  
10 adjudicated on a full and final basis before the applicable  
11 tribunal, the City disputes its liability to the Claimant or  
12 the individuals it represents on account of such  
13 liabilities," so it's saying we don't yet have a final ruling  
14 from MERC on the 13th check, and that was the position that  
15 the city took May the 15th, not that it was subsumed within  
16 the plan agreement that we just filed ten days earlier. I  
17 can tell your Honor is reading, so --

18 THE COURT: Well, I'm reading the paragraph just  
19 before that, 17.

20 MR. MACK: Yes.

21 THE COURT: "AFSCME and the city have reached a  
22 tentative agreement on all outstanding prepetition grievances  
23 asserted on behalf of individual employees for which AFSCME  
24 seeks monetary relief. As a part of the settlement, City  
25 expects AFSCME to withdraw its bankruptcy claims related to

1 these settled matters."

2 MR. MACK: Yes. That reference, your Honor, is with  
3 respect to -- you have to go up to actually paragraph 16 to  
4 see what that's talking about. That references to -- there  
5 was an Exhibit 2 to the proof of claim which listed over 700  
6 grievances that had been outstanding, and the parties had  
7 been for months prior actually working through those and  
8 resolving those, and many of them had been resolved at the  
9 time. So, again -- oh, I'm sorry -- your Honor, I can tell  
10 you're reading, so I'll --

11 THE COURT: No, no. Go ahead.

12 MR. MACK: Well, I was just going to say that that  
13 is -- again, the city's position here is new, and, again,  
14 there are other documents which were produced in confidential  
15 mediations which, in our position, would indicate that,  
16 again, as late as September the city did not take the  
17 position that it now takes, but this is a new creation where  
18 once the attention was shifted to the proof of claim, the  
19 city said, "Wait a minute. We can argue. We can get rid of  
20 this 13th check liability by simply arguing that it's  
21 subsumed within the claim," but prior to that, the city did  
22 not take that position. When the parties bargained, they did  
23 not take that position, and, again, that would involve  
24 factual development with respect to the understanding between  
25 the parties on that score.

1           Allow me to shift to the PERSIA argument that the  
2 city raises as to why it's -- whether or not it's illegal.  
3 The city -- oh, I'm sorry. Your Honor was right. We do  
4 argue that there is a standing question. The Wayne County  
5 case, the Court of Appeals case that we cited in our brief,  
6 specifically addressed that. That was a case where there  
7 actually was a 13th check that was being paid out by the  
8 Wayne County Retirement System, and the county  
9 counterclaimed. After the Retirement System sued the county,  
10 the county counterclaimed and said it's a breach of duty to  
11 pay out this 13th check. They had a little different  
12 situation where they would put money in a reserve account and  
13 then pay out of that reserve, but other than that, it was  
14 very similar facts. And the Court found there's no standing  
15 for Wayne County to raise that claim, but beyond that, your  
16 Honor, the Court found that there's no evidence that the  
17 system breached its fiduciary duty because it relied on the  
18 same notion that's commonly relied on with respect to 13th  
19 checks, that 13th checks are used as a way for retirement  
20 systems to avoid a more hefty inflationary factor in order to  
21 pay up a little bump when the investments come in, so --

22           THE COURT: Well, "A," how can there be no standing  
23 when every dollar that the pension plan pays out either in  
24 violation of the Code or in breach of its fiduciary duty is a  
25 dollar more that the city has to pay into the plan?

1 MR. MACK: Well, "A," there'd be no standing because  
2 the courts have said so, and I would suggest --

3 THE COURT: Well, but how can that be?

4 MR. MACK: Because as the Court did an analysis with  
5 respect to the treatment of this inflationary EIF account,  
6 they looked at the fact that the Retirement System actually  
7 was quite prudent and quite --

8 THE COURT: But that mixes up the merits of the  
9 claim with the standing to pursue it. When you examine  
10 standing, you assume the merit of the claim. You have to.  
11 Otherwise no one would ever have standing.

12 MR. MACK: Well, the Court quoted specifically the  
13 statute with respect to a duty that is to the beneficiaries  
14 of the benefits under the system due to those individuals,  
15 and that's what the Court relied on with respect to the  
16 standing question.

17 THE COURT: So this Court would say that the law  
18 would rely upon those very individuals who are getting the  
19 benefit of the breach of fiduciary duty to bring a claim for  
20 breach of fiduciary duty? What?

21 MR. MACK: Your Honor --

22 THE COURT: Seriously?

23 MR. MACK: No. Your Honor, the point is that this  
24 brand new argument would have to be addressed and ferreted  
25 out not only with respect to the standing question but with

1 respect to the merits on the issue, and if we're going to  
2 entertain that notion, then we do need a more full-blown  
3 hearing to address it more specifically, but as to that  
4 particular standing question, again, the Court didn't write  
5 the law. The legislature wrote the law.

6 THE COURT: Why isn't the --

7 MR. MACK: The law was written with respect to the  
8 duty to run to those beneficiaries, and when courts have  
9 addressed that, they addressed it with respect to who has the  
10 standing to bring the claim. The city has not presented any  
11 case to counter the notion that somehow the sponsor would  
12 have the ability to have standing nor has the city addressed  
13 the point about whether or not the three-year statute of  
14 limitations that applies in the State of Michigan could  
15 apply. I mean certainly they've known about this for much  
16 longer than three years. So all of these issues had not been  
17 yet addressed by the city, and it would have to be --

18 THE COURT: So here's a party who is harmed to the  
19 extent of \$1.9 billion and has no remedy?

20 MR. MACK: Well, in essence. Again, the courts are  
21 interpreting --

22 THE COURT: Am I right; sir?

23 MR. MACK: Under the way that the courts have  
24 interpreted the statute, they would not be able to bring the  
25 claim under PERSIA, under that particular provision of the

1 statute that they cite.

2 THE COURT: What claim would they have?

3 MR. MACK: Ask the city. I'm not their lawyer. I  
4 mean they'd have to find appropriate -- a proper claim to  
5 bring under the proper statute, but certainly the way that  
6 the Michigan courts have interpreted that statute, which  
7 would have precedent, I believe, in this situation, they  
8 would not have the right to bring that claim.

9 THE COURT: Do they have standing to assert a  
10 violation of their own ordinance?

11 MR. MACK: Well, you know, what's interesting about  
12 the ordinance is I --

13 THE COURT: I want an answer to my question.

14 MR. MACK: Under the --

15 THE COURT: I'm not asking about the merits. I'm  
16 asking about standing.

17 MR. MACK: Could the city sue?

18 THE COURT: Does the city have standing to assert  
19 that the 13th check violates its own ordinance --

20 MR. MACK: Potentially.

21 THE COURT: -- separate from the breach of fiduciary  
22 duty issue?

23 MR. MACK: Potentially. I'd have to look into the  
24 specifics of it. Potentially.

25 THE COURT: Okay. You haven't objected to that.



1 MR. MACK: Well, but what's interesting --

2 THE COURT: Have you objected to that?

3 MR. MACK: Have I objected to the city's notion that  
4 there was a breach of the --

5 THE COURT: To the city's standing to assert a claim  
6 arising from a breach of -- a violation of its ordinance.

7 MR. MACK: Under the old ordinance? It's important  
8 to --

9 THE COURT: Answer my question, Mr. Mack. Come on.

10 MR. MACK: Your Honor, the reason that I say that --

11 THE COURT: Please answer my question.

12 MR. MACK: We do not assert that the city would have  
13 a standing issue to raise a problem under its old ordinance.  
14 The problem comes in when you try to take a new ordinance and  
15 apply it to a collective bargaining unit which --

16 THE COURT: Oh, I understand you dispute the merits  
17 of the claim.

18 MR. MACK: Yes.

19 THE COURT: That's a separate question.

20 MR. MACK: Yes. No. We do not have any reason to  
21 dispute at this time --

22 THE COURT: Okay.

23 MR. MACK: -- that the city could not flag a concern  
24 of its old ordinance. I will point out that under the old  
25 ordinance the city not only felt that it could not raise the

1 claim but felt that it took the vote of the citizens of the  
2 City of Detroit in order to change the practice, and that was  
3 the 1996 AFSCME versus City of Detroit matter that's cited by  
4 Judge O'Connor where the city acknowledged that we have this  
5 issue. We don't believe that this is a proper practice. And  
6 they felt that they couldn't just simply change the  
7 ordinance. They couldn't just simply flag a -- they couldn't  
8 just simply sue under the ordinance, but they had to get a  
9 change of the charter in order to stop the practice, so I  
10 guess in that --

11 THE COURT: Why isn't the record before the Court  
12 adequate for it to determine that this concept of excess  
13 earnings is a fiction because the concept of assumed rate of  
14 return assumes that in some years the actual returns will be  
15 higher than projected and in some years the returns will be  
16 lower than projected, and you need the higher returns to save  
17 the assets of the system -- or to protect the assets of the  
18 system against the years in which there will be lower than --  
19 lower returns than assumed?

20 MR. MACK: The reason is because, your Honor, in  
21 doing so -- excuse me -- respectfully, you would be ruling  
22 counter to published Michigan Court of Appeals opinion, the  
23 Wayne County case. In that case specifically they addressed  
24 this issue. They looked at evidence. They went through the  
25 specifics of what the board considered, what the board did

1 not consider, the distributions that were made into this  
2 inflation equity fund. They looked at specifically the  
3 interest earnings each year that came in. They looked at a  
4 lot of facts concerning whether or not the 13th check should  
5 have been paid out or whether or not it breached the  
6 fiduciary duty of the system in order to do so, and they  
7 ultimately came to the conclusion after looking at all those  
8 facts that, in fact, it wasn't appropriate.

9 THE COURT: What case is that or cases?

10 MR. MACK: The case, your Honor, is Wayne County  
11 Employees' Retirement System versus Wayne County, 301 Mich.  
12 App. 1. That's a 2013 case. And, again --

13 THE COURT: You say they decided it was not a breach  
14 of fiduciary duty?

15 MR. MACK: They decided -- they went through and  
16 looked at the 13th check and decided it was not -- there was  
17 not enough to find a breach of fiduciary duty.

18 THE COURT: And they found that even though they  
19 found that the county didn't have standing?

20 MR. MACK: They answered the question, and then they  
21 went on to address the merits of the issue.

22 THE COURT: Okay.

23 MR. MACK: I'll turn to the --

24 THE COURT: So which holding is dicta?

25 MR. MACK: Pardon?

1 THE COURT: Which holding is dicta?

2 MR. MACK: It's not dicta.

3 THE COURT: Well, if there's no standing, then  
4 there's no reason to address the merits, so I ask which  
5 holding is dicta?

6 MR. MACK: There was standing on -- one moment, your  
7 Honor. Let me --

8 THE COURT: Sure.

9 MR. MACK: Let me pull the opinion for you.

10 THE COURT: Okay.

11 MR. MACK: We actually give a fairly thorough  
12 analysis of the case in our pleadings, your Honor, on page --

13 THE COURT: Right. I read that. I'm just asking  
14 you beyond what you stated in your brief whether either of  
15 those holdings is dicta because the Court didn't need both to  
16 get to the --

17 MR. MACK: Well, here's --

18 THE COURT: -- ultimate result that it reached.

19 MR. MACK: There were a number of issues concerning  
20 the inflation equity fund, and with respect to the issue of  
21 the actual payment of the monies into the 13th -- into the  
22 EIF, there was a standing issue. There was a problem with  
23 standing with respect to the System. With respect to the  
24 setting of the rates of return for purposes of funding the  
25 EIF during the unfunded years, they assumed that their System

1 had standing and went on to find that the practice was  
2 proper.

3 THE COURT: Okay.

4 MR. MACK: So there are three -- there were three --  
5 there are three issues that the Court addressed with respect  
6 to the inflation equity fund in that score -- in that part of  
7 the opinion, and on one of them, with respect to the payment  
8 of the 13th check, they found that the System didn't have  
9 standing.

10 THE COURT: Okay.

11 MR. MACK: They went through other two, and then on  
12 those they found that there was no breach of the duty that  
13 was found, so I think it's an important opinion, your Honor,  
14 because it deals with both of the issues, the standing  
15 question and what is necessary for your Honor in order to  
16 make a finding with respect to whether the excess earnings  
17 was proper. We have absolutely no facts on the record. We  
18 don't know what they've reviewed. We don't know what they  
19 haven't reviewed. And with respect to the filing of an  
20 objection, your Honor, if it's going to be based on  
21 substantive grounds, the city should have included some sort  
22 of declaration, some sort of facts, something for your Honor  
23 to rely upon in order to make a determination that the excess  
24 earnings was improper, and we have none of that in this  
25 record, your Honor, at this time.

1 THE COURT: Well, we have a statement from Mr.  
2 Roeder --

3 MR. MACK: Well, we have a letter from Mr. Roeder.

4 THE COURT: -- who says it is laughably plain that  
5 this was improper.

6 MR. MACK: We have a letter. We have a letter from  
7 Mr. Roeder, which may very well be considered hearsay. We  
8 don't have evidence on the record.

9 THE COURT: It is hearsay. I agree with you.

10 MR. MACK: Thank you. On the issue of the OPEB  
11 claim, again, there's no question that the definition is  
12 broad, but, again, if you look at the context of the  
13 treatment, on the OPEB claim the treatment specifically says  
14 that there's a VEBA set up, and then it specifically says  
15 that there will be no further responsibility in the future of  
16 the city for retiree healthcare, so it couldn't be more clear  
17 that in reading those definitions -- and you have to read.  
18 You don't just read that paragraph. Even without considering  
19 parol evidence, in interpreting the contract you read the  
20 contract for it as a whole because you can't read one section  
21 of a contract to be adverse to another section of a contract.  
22 You have to read them in harmony to the best extent possible  
23 if we're even assuming that this is a contract, but you have  
24 to read them together. In looking at the context of the use  
25 of those terms, it's crystal clear that it's talking about



1 future liabilities, not with respect to what has been owed  
2 and already filed again as a contingent claim under Class 14.  
3 And, your Honor, there was some discussion of the merits  
4 of -- second time -- some discussion of the merits of whether  
5 or not there was a violation of the Public Employment  
6 Relations Act in the city's pleadings, and so, very briefly,  
7 what we have here is the state labor board, the Michigan  
8 Employment Relations Commission, by action of a recommended  
9 decision by an appointed ALJ, administrative law judge,  
10 making a finding of fact on the law and on the facts of that  
11 issue. It is clear that the city cannot hide behind an  
12 ordinance and ignore its collective bargaining rights. It is  
13 clear that the MERC actually has the jurisdiction to  
14 interpret the Public Employment Relations Act, and if the  
15 city is going to ask this Court again to delve into the  
16 specifics of whether or not that statute was violated by what  
17 the city did, it's going to take a whole lot more than a  
18 simple oral argument and some pleadings on the issue. Your  
19 Honor will have to be -- well, one of two things could happen  
20 obviously. Obviously your Honor could send the matter back  
21 to MERC to have the issue finalized, and then the city could  
22 contest liability, and we can have the hearing or, you know,  
23 the pleading and go forth from that, but if your Honor is  
24 going to address this issue, it's going to take a lot more to  
25 deal with. And I don't think -- the city doesn't have any

1 credible argument with respect to the fact that the city  
2 couldn't -- the city could simply eliminate the ordinance.  
3 As a matter of fact, the city's only argument on that score  
4 was that the elimination -- the ordinance was now the new law  
5 and, therefore, they had the right to follow the new law, and  
6 they could ignore their collective bargaining rights. And  
7 quite frankly, Judge O'Connor found that argument to be  
8 frivolous. It was frivolous because the city took the exact  
9 opposite position in a published Court of Appeals case in  
10 1996, and in that case, AFSCME versus City of Detroit -- we  
11 cited it in our pleadings -- in that case, the city put this  
12 13th check issue on the ballot because it said in order for  
13 us to make this change in the 13th check practice, it's now  
14 on the ballot, which, your Honor, leads me to, I guess,  
15 question the whole standing notion because obviously at that  
16 point in time the city lawyers, you know, good lawyers,  
17 didn't feel that they had the ability to challenge the  
18 practice by simply filing a lawsuit. Okay. So, you know, in  
19 answer to that question, obviously that needs more briefing  
20 as to whether or not they have standing under the ordinance,  
21 but what they argued in that position -- in that case, your  
22 Honor, after the unions went into court and they said you  
23 cannot put this issue in front of the voters because it  
24 involves our collective bargaining rights and we have a right  
25 to pass on that at the bargaining table first, the position

1 the city took was there's no need for an injunction. We know  
2 that if this charter amendment passes, we still have to go to  
3 the union to bargain. They took that position, and the Court  
4 of Appeals said because the city acknowledges that they could  
5 not simply make the change of the law and have that apply to  
6 the union represented employees without bargaining, we're not  
7 going to issue the injunction. And so what we argued before  
8 Judge O'Connor was that the city is bound by judicial  
9 estoppel where you can't make an argument and win in a case  
10 and then come back and make an opposite argument in a later  
11 proceeding, and he found that there was, in fact, judicial  
12 estoppel in that case.

13           Your Honor, again, we've -- and I've been saying I  
14 think it's appropriate for -- if this matter before your  
15 Honor conclusively resolves the matter to have a hearing on  
16 this issue, to permit -- whether it be discovery, whether it  
17 be, you know, all of what the rules entail us to have to get  
18 to the bottom of how this 13th check and these OPEB claims  
19 should be treated. I know that when we spoke, we were going  
20 to have some discussion concerning what we would have and  
21 what we would ask for. Well, we're asking for the full gamut  
22 of it with respect to discovery, with respect to an  
23 evidentiary hearing. We believe that that's appropriate and  
24 not to have this matter ruled on without any evidence in the  
25 record whatsoever when the only thing that's in the record is

1 hearsay.

2 THE COURT: Thank you, sir.

3 MR. MACK: Thank you, your Honor.

4 MS. LENNOX: I'll be brief, your Honor. I only want  
5 to address a couple of technical points that Mr. Mack raised.  
6 The first is with respect to your Honor's questions of Mr.  
7 Mack about where in the collective bargaining agreements or  
8 where in the ordinance did it say that you could have annuity  
9 savings fund credits and 13th checks, and the answer is  
10 nowhere, and they've never said it anywhere. Mr. Mack is  
11 correct. What the old collective bargaining agreements used  
12 to say is that the ordinance, Chapter 7 of the Detroit  
13 Municipal Code, is encompassed within the collective  
14 bargaining agreement, so your Honor asked the next logical  
15 question. Well, then what did the code say? The code only  
16 said before the amendments in 2011 two things. One is the  
17 provision that we quoted in our brief, 47-103, that says the  
18 board of trustees of the General Retirement System is hereby  
19 created. The board is vested with the general  
20 administration, management and responsibility for the proper  
21 operation of the System and for making effective the  
22 provisions of this chapter. Didn't say anything about  
23 increasing benefits, augmenting benefits or anything of the  
24 sort. Section 47-1-11 of the code says something similar,  
25 that they have to set up rules for the administration of the

1 pension plan. That's it. There was never any discussion  
2 anywhere in the ordinance of these practices. Where these  
3 practices came from was the board of trustees, who is not  
4 AFSCME's employer and who is not the city. The board of  
5 trustees of this trust decided that this might be a nifty  
6 thing to do. They have no authority to do it statutorily or  
7 otherwise, yet they did it anyway, and in 2011 the city woke  
8 up, and now the concept of 13th checks and annuity savings  
9 fund credits do appear in the code. They were added to  
10 Section 47-118 of the Detroit Municipal Code as prohibitions.  
11 That is the ordinance of which Mr. Mack and his client  
12 complain. Before the addition of the last section of 47-118-  
13 A -- and they added Sections B and C, which are the  
14 prohibitions -- all 47-118 consisted of prior to this  
15 amendment was a statement that said the board shall adopt  
16 such mortality and other tables of experience and a rate or  
17 rates of regular interest as shall be necessary for the  
18 operation of the System on an actuarial basis, period. There  
19 was nothing ever in the statutes that authorized these  
20 practices.

21           Secondly, we were talking about our initial  
22 objection filed on May 15th. If your Honor looks at that  
23 objection, it is very clearly kind of a cursory objection  
24 that was designed to -- and we specifically requested it in  
25 this motion -- or in this objection. We gave the Court a

1 flavor of the breadth and the magnitude of the claim and  
2 said, "Your Honor, we kind of need a process that's not a  
3 court process to try to resolve this." We've engaged in that  
4 to large measure. So far it's proven unsuccessful. And then  
5 your Honor set a briefing schedule that said, well, this is  
6 all very nice, but I need to see what your real objections  
7 are. And, in fact, our brief on that is due today, and your  
8 Honor set a hearing on that.

9 I would also point out that in Section -- or  
10 paragraph 18 of the claim, we did reference that there were  
11 MERC disputes that needed to be addressed. The ALJ opinion  
12 is a MERC dispute. We also said in paragraph 21 of that that  
13 we requested an initial hearing as a status conference to  
14 report on progress and to set up further process, and in  
15 paragraph 23 we specifically reserve the right to amend or  
16 supplement our objection as necessary, so I don't think any  
17 of this is or at least should have been a surprise to Mr.  
18 Mack and his client.

19 THE COURT: Well, he doesn't argue surprise. What  
20 he argues is that in your original objection that you're  
21 referring to here, you agree that either the claims that are  
22 at issue here are not within the plan definition of claim --

23 MS. LENNOX: Um-hmm.

24 THE COURT: -- or you admit it's ambiguous.

25 MS. LENNOX: Well, your Honor, I looked through this

1 objection while Mr. Mack was speaking, and I don't see  
2 anywhere in this objection where we agreed to any of that or  
3 asserted any ambiguity. I don't see that anywhere in it. In  
4 fact, I categorically deny we ever did it or do it today. I  
5 don't think there's been a gotcha here particularly because,  
6 as your Honor knows, in the claims process, claims are  
7 routinely addressed usually post-confirmation, and so what  
8 matters is what does the plan of adjustment say about the  
9 treatment of these claims and how are they classified, as  
10 your Honor went through with Mr. Mack before, so this is the  
11 normal claims process. We have proceeded as would be  
12 normally expected. We don't think there's any ambiguity. We  
13 think the plain language of the plan will control.

14           Finally, with respect to the Wayne County case, it  
15 was an interesting colloquy, but I'd like to point out a  
16 couple of important points with respect to that. First of  
17 all, I believe this decision is on appeal at Michigan Supreme  
18 Court. Secondly, whatever statute existed in Wayne County  
19 are not the statutes that exist in Detroit, and I already  
20 pointed out that the Detroit city statute gives the city  
21 finance director standing if they ever wanted to bring a  
22 claim, but, importantly, we aren't bringing a claim. What is  
23 before your Honor today is an objection to a claim that has  
24 been filed by another party, and we are arguing two things  
25 with respect to that. One is that it's already subsumed in



1 Class 11 treatment, and, two, if your Honor were to tell me  
2 that I'm wrong, there is no liability.

3 So, finally, I also think that AFSCME is precluded  
4 from arguing the merits of this claim because it has agreed  
5 to the treatment of this claim in the plan. Thank you.

6 THE COURT: All right. The Court will take this  
7 under advisement, and I will give you a decision in open  
8 court Monday morning at nine o'clock.

9 MS. LENNOX: Thank you, your Honor.

10 MR. MACK: Your Honor --

11 THE COURT: Sir.

12 MR. MACK: -- may I ask if -- the question that you  
13 had asked concerning the provisions of the ordinance -- of  
14 the old ordinance with respect to allowing the board of  
15 trustees to issue these 13th checks and to treat the excess  
16 earnings, I would like to -- if your Honor was okay with  
17 that, to provide that to you whether it be in a supplement  
18 or --

19 THE COURT: You mean a copy of the ordinance?

20 MR. MACK: Provide a section of that -- of the  
21 ordinance --

22 THE COURT: Oh, no. We can track that down. That's  
23 all right. Thank you.

24 MR. MACK: -- because I believe it's in -- I believe  
25 I found it. I believe it's in 42-2- -- it's in the

1 definition section of accrued liability -- one second --  
2 accrued liability fund, paragraph 10.

3 THE COURT: So what's the section number you want us  
4 to look at?

5 MR. MACK: The definition of accrued liability fund,  
6 Section 10, and it addresses any such remaining monies.

7 THE COURT: What's the section number, sir? Detroit  
8 city ordinance --

9 MR. MACK: The definitional section.

10 THE COURT: What's the number? I need a number.

11 MR. MACK: I'm looking for the number here.

12 THE COURT: Okay.

13 MR. MACK: Let's see. The document that I'm looking  
14 at has actually been component two of the sixth amended plan  
15 of adjustment. Of course, they don't have the number listed.

16 THE COURT: Oh, you're not looking at the Detroit  
17 City Code. You're looking at the plan.

18 MR. MACK: They quote -- they copy the Detroit City  
19 Code on component two of the plan of adjustment. That's what  
20 I'm looking at.

21 THE COURT: Do you know what he's talking about?

22 MS. LENNOX: No, I don't, but I do have my plan with  
23 me. If you want to point out the section, we can read it to  
24 the Judge.

25 MR. MACK: Actually, because it doesn't -- it looks

1     like page 632.

2             MS. LENNOX: Your Honor, I believe what Mr. Mack --  
3     oh, sorry. Your Honor, I believe what Mr. Mack is looking at  
4     is an exhibit to the plan that we filed that purports to  
5     implement the new provisions of the charter -- or of the Code  
6     that needed to be amended by virtue of the amendments we're  
7     making in the plan.

8             MR. MACK: Well, there's also -- we quote the old  
9     provisions of it as well, and that was the quickest way for  
10    me to --

11            THE COURT: Okay.

12            MR. MACK: -- find the code without --

13            THE COURT: All right. So what exhibit is it that  
14    you're looking at?

15            MR. MACK: I think, your Honor, what would be  
16    better, if I could provide it to your Honor, is to provide  
17    the specific --

18            THE COURT: If you can do it today, that's fine.

19            MR. MACK: I can do it this morning, yes.

20            THE COURT: All right. And copy Ms. Lennox on that.

21            MR. MACK: Absolutely.

22            THE COURT: All right. Thank you.

23            MR. MACK: Thank you.

24            MS. LENNOX: Thank you, your Honor.

25            THE CLERK: All rise. Court is adjourned.

1 (Proceedings concluded at 10:16 a.m.)

2 \* \* \*

INDEX

WITNESSES:

None

EXHIBITS:

None

I certify that the foregoing is a correct transcript  
from the sound recording of the proceedings in the above-  
entitled matter.

/s/ Lois Garrett

November 19, 2014

\_\_\_\_\_  
Lois Garrett

## **ITEM 11**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

	X		
	:		
In re	:		Chapter 9
	:		
CITY OF DETROIT, MICHIGAN,	:		Case No. 13-53846
	:		
Debtor.	:		Hon. Steven W. Rhodes
	:		
	:		
	X		

**CORRECTED REPLY IN SUPPORT OF OBJECTION TO PROOF  
OF CLAIM NUMBER 2958 FILED BY MICHIGAN  
AFSCME COUNCIL 25 AND ITS AFFILIATED DETROIT LOCALS**

The City of Detroit (the "City") hereby files this reply (the "Reply") in support of the *Objection of the City of Detroit, Pursuant to Sections 105 and 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2958 Filed by Michigan Council 25 and Its Affiliated Locals* (Docket No. 4876) (the "Claim Objection").<sup>1</sup> In support of this Reply, the City respectfully represents as follows:

1. By the Claim Objection, the City seeks the disallowance and expungement of proof of claim number 2958 (the "Proof of Claim") filed by the American Federation of State, County and Municipal Employees ("AFSCME")

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings given to them in the Claim Objection.



Council 25 and its affiliated locals (together, the "Claimant"). The Proof of Claim is comprised of 20 separate claims asserting aggregate liabilities in the amount of \$8,718,697,854.82. See Claim Objection Ex. 1.

2. On September 2, 2014, the Claimant filed a response to the Claim Objection (Docket No. 7235) (the "Response").

3. By agreement between the parties, the Proof of Claim was referred to facilitative mediation before the Honorable Victoria A. Roberts. See Order (I) Referring to Facilitative Mediation Objections to Certain Claims Filed by Michigan AFSCME Council 25 and its Affiliated Detroit Locals and the Coalition of Detroit Unions, (II) Continuing Hearing on Related Claim Objections and (III) Modifying Briefing Schedule (Docket No. 7663), at ¶ 2. The facilitative mediation was conducted and has been concluded, but did not lead to a resolution.

4. Since the filing of the Claim Objection and the Response, the Claimant withdrew certain of the claims contained in the Proof of Claim, as more fully discussed below. Of the remaining claims, one overriding theme is the Claimant's attempt to recover alleged damages arising from the necessary cost-savings mechanisms that the City established through the City Employment Terms implemented on July 18, 2012. As discussed below, the City Employment Terms (or "CETs") were implemented lawfully, and AFSCME's claims for damages relating to the CETs therefore fail under applicable law. Certain claims relating to



pension and benefit issues – including claims relating to the so-called "13 Check" program – were addressed by the City separately in the *Supplemental Brief of the City of Detroit, Pursuant to Sections 105 and 502(B) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and Its Affiliated Locals* (Docket No. 7981) ("Supplemental Brief"), a supplement to the Claim Objection filed on October 16, 2014 (Docket No. 7981), which is incorporated herein by reference. The majority of the remaining claims fail because they are too vague and general to state a legitimate and allowable claim.

5. Each separate claim contained in the Proof of Claim (in the order set forth on the chart attached to the Proof of Claim as Exhibit 1) is addressed below. These claims are referred to by number below.

### **Reply**

#### ***Claim 1: Underfunded Pension and Post Employment Benefit Obligations:***

6. The Claimant has agreed to withdraw Claim 1. See Order Dismissing Claims from Mediation (Docket No. 7877) (the "Dismissal Order").<sup>2</sup>

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<sup>2</sup> Claims for GRS pension and other post-employment benefits ("OPEB") are subject to treatment in Class 11 and Class 12 of the Plan, respectively. Moreover, consistent with the bar date order in this case, no proof of claim is required to preserve a claim in Class 11 or Class 12. See Bar Date Order, at ¶ 8 (providing that the holders of claims relating to pension liabilities and OPEB liabilities are not required to file proofs of claim on account of such claims). Because Claim 1 of the Proof of Claim – asserted in an amount not

***Claim 2: Violations of Local, State or Federal Law***

7. The Claimant has agreed to withdraw Claim 2. A copy of the *Order Dismissing Claim 2 From Mediation* issued by Judge Roberts is attached hereto as Exhibit 1.<sup>3</sup>

***Claim 3: Refusal to Bargain AFSCME Local 1023 – MERC Case Number D13 C-0331.***

8. Through Claim 3, AFSCME asks the Court to ignore a 2013 decision of the State of Michigan Employment Relations Commission ("MERC"), a copy of which is attached hereto as Exhibit 2 (the "Act 312 Decision"). In particular, the Act 312 Decision holds that, as a result of the passage of the Local Financial Stability and Choice Act, 2012 PA 436, MCL § 141.1541, *et seq.* ("PA 436"), the City was not obligated to engage in binding arbitration under 1969 PA 312, MCL § 423.231, *et seq.* ("Act 312") and therefore had a right to unilaterally impose employment terms on various City unions (i.e., through the City Employment Terms).

9. Act 312 compels arbitration of labor disputes in municipal police and fire departments under certain circumstances, including disputes over

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less than \$8.1 billion – relates to GRS pension and OPEB liabilities, any valid liabilities will be addressed consistent with Class 11 and Class 12 of the Plan.

<sup>3</sup> In any event, even if not withdrawn, this claim is too vague to be allowed and is subsumed by the other portions of the Proof of Claim. To the extent applicable, those matters are addressed below.

the negotiation of collective bargaining agreements. Similarly, the Michigan Public Employment Relations Act ("PERA"), MCL 423.201, *et seq.*, imposes a duty to bargain on the City, which was expressly suspended pursuant to PA 436. MCL 141.1567(3) ("A local government placed in receivership under this act is not subject to section 15(1) of 1947 PA 336, MCL 423.215, for a period of 5 years from the date the local government is placed in receivership or until the time the receivership is terminated, whichever occurs first."). AFSCME nevertheless asserts that the City was required to arbitrate instead of imposing unilateral terms on AFSCME Local 1023 (the Emergency Service Operators). AFSCME therefore seeks unspecified relief as a result of the imposed terms contained in the CETs. The imposed terms included wage and other concessions effective August 2013, consistent with concessions imposed Citywide. AFSCME cannot meet the standard to set aside MERC's Act 312 Award.

10. Specifically, the Police Officers Association of Michigan (Emergency Medical Technician Unit), the Detroit Police Command Officers Association, and the Detroit Police Lieutenants & Sergeants Association (collectively, the "Act 312 Unions") alleged before MERC that the City was obligated to engage in mediation under PERA and compulsory arbitration under Act 312. Ex. 2 at 2, 11. MERC ruled that the City has no obligation to arbitrate

under Act 312 while its PERA duty to bargain is suspended under Section 27(3) of PA 436 and dismissed the Act 312 Unions' petitions for arbitration. Ex. 2 at 14.

11. AFSCME Local 1023 (the Emergency Service Operators) did not join the Act 312 Unions in the challenges addressed by the Act 312 Decision. Instead, AFSCME Local 1023 filed a separate demand for Act 312 arbitration with MERC on June 3, 2013. See Response Ex. 3. MERC dismissed the demand based on the Act 312 Decision. See Response Ex. 4.

12. Through its claim, AFSCME asserts that (a) the Act 312 Decision is in error, (b) the City should have been compelled to arbitrate with AFSCME Local 1023 over the terms of a new collective bargaining agreement and (c) the unilateral imposition of City Employment Terms was unlawful. See Claim Objection Ex. 1 at 6.

13. Contrary to AFSCME's assertions, the Act 312 Decision is sound and not in error (and remains in effect). The City's duty to bargain is derived from Section 15(1) of PERA. MCL § 423.15(1). It is undisputed that this duty was suspended by the express terms of PA 436. MCL 141.1567(3) Act 312 does not confer a duty to bargain on the City, it merely provides a method of dispute resolution premised on the duty to bargain found in PERA. MCL § 423.231, *et seq.* Yet the Claimant asserts in the Response that Section 423.243 of Act 312 creates a duty to bargain apart from PERA because it provides that "during

the pendency of proceedings before the arbitration panel, existing wages, hours and other conditions of employment shall not be changed by action of either party without the consent of the other but a party." See Response at 6. However, this alleged duty would only be triggered "during the pendency of proceedings before the arbitration panel." MCL § 423.243. Absent a PERA duty to bargain, (a) the City has no obligation to participate in "proceedings before the arbitration panel;" and (b) it also has no duty to participate in mediation under PERA, which is a prerequisite to compulsory arbitration under Act 312. Ex. 2 at 12.

14. As MERC noted in the Act 312 Decision:

[t]he mediation process is a condition precedent to initiation of Act 312 arbitration. A public employer that has no duty to bargain has no duty to participate in mediation. Only a public employer not in receivership under PA 436 or a labor organization may be required by this Commission under § 10 of PERA to participate in mediation. Therefore, the duty to bargain must be present before a party can be compelled to involuntarily participate in mediation. If parties have no duty to participate in mediation, they cannot be required to participate in Act 312 arbitration.

Moreover, § 7a of Act 312 gives the arbitration panel chair the authority to remand the matter to mediation. Mediation is a function of bargaining pursuant to PERA. If there is no duty to bargain, there is also no duty to engage in mediation. Therefore, § 7a of Act 312 presupposes the presence of a duty to bargain. In the absence of a duty to bargain, there is no obligation to participate in Act 312 arbitration.

Ex. 2 at 12.

15. It also bears noting that a failure to abide by the terms of an Act 312 arbitration award is not a violation of Act 312, but rather is a violation of the duty to bargain under PERA. *City of Jackson*, 1979 MERC Lab. Op. 1146, 1151-1154 (1979); *see also City of Hamtramck*, 1984 MERC Lab. Op. 520, 524 (1984). Therefore, a requirement that the City engage in Act 312 arbitration while its duty to bargain is suspended would be futile – the City cannot breach a duty where no duty exists.

16. The Act 312 Decision also addresses the issue of a potential unilateral implementation of terms and conditions of employment:

In the light of the language of PA 436, we cannot find that the Legislature intended to impose the aforesaid "extraordinary restrictions" of Act 312 on an emergency manager. Inasmuch as an Act 312 award serves as the parties' collective bargaining agreement, it appears that pursuant to § 15(8) of PERA and § 12(1)(j) of PA 436 that the Emergency Manager could reject, modify, or terminate terms of an Act 312 award. If that is the case, it seems doubtful that the Legislature would have intended an employer in receivership, with no duty to bargain and with an emergency manager in place, to be subject to Act 312 arbitration proceedings.

Ex. 2 at 11.

17. The Michigan Supreme Court summarized the standard of review of MERC decisions in *Grandville Municipal Executive Ass'n v. City of Grandville*, 453 Mich. 428, 436 (1996), stating:

The decisions of the MERC are reviewed on appeal pursuant to Const. 1963, art. 6, § 28, and M.C.L. § 423.216(e); MSA 17.455(16)(e). The commission's findings of fact are conclusive if they are supported by competent, material, and substantial evidence on the record considered as a whole. *Port Huron Ed. Ass'n v. Port Huron Area School Dist.*, 452 Mich. 309, 322, 550 N.W.2d 228 (1996). The MERC's legal determinations may not be disturbed unless they violate a constitutional or statutory provision or they are based on a substantial and material error of law. MCL 24.306(1)(a), (f); MSA 3.560(206)(1)(a), (f).

*Id.* at 323. Applying this standard, there is no basis to overturn the Act 312

Decision even if such relief were sought by AFSCME. The Act 312 Decision

(a) does not violate a constitutional or statutory provision and (b) is not based on a substantial and material error of law.

18. In addition, the Court of Appeals has held that in applying this standard "an administrative agency's findings and conclusions are entitled to a considerable degree of deference due to the expertise of the agency with respect to the subjects under its jurisdiction." *Central State Bank v. Commissioner of Financial Institutions Bureau*, 136 Mich. App. 368, 372 (Mich. Ct. App. 1984); *see also, e.g., Neal v. Light Corp.*, 1998 Mich. App. LEXIS 858, \*16-\*17 (Mich. Ct. App. Dec. 1, 1998) ("[W]here there is sufficient evidence to support the agency's findings, a reviewing court must not substitute its discretion for that of the agency, even if the court would have reached a different result. Indeed, it is irrelevant



whether alternative findings could have been supported by the evidence, because deference must be afforded to the agency's findings of fact.").

19. Pursuant to section 101 of the Bankruptcy Code, a creditor holds a claim against a debtor only to the extent that it has a "right to payment" for the asserted liability. See 11 U.S.C. §§ 101(5), 101(10). By contrast, there is no right to payment — and therefore no claim — to the extent that the asserted liability is not due and owing by a debtor. MERC properly found that there is no liability due and owing. Claim 3 has no valid basis and should be disallowed and expunged in its entirety.

***Claim 4: Local 207, 2394 and 2920 DWSD Refusal to Bargain – Case Number C13 D-069.***

20. Claim 4 asserts that the City violated PERA by unilaterally imposing City Employment Terms on AFSCME Locals 207, 2394, and 2920. See Claim Objection Ex. 1. Like Claim 3, this is another attempt by AFSCME to pursue liability for the necessary cost-savings achieved through the City Employment Terms.

21. Employees represented by AFSCME Locals 207, 2394 and 2920 (the "DWSD Locals") work for the Detroit Water and Sewerage Department ("DWSD"). The imposed City Employment Terms took effect throughout the City on July 18, 2012. See, e.g., the AFSCME Master Non-Supervisory City

Employment Terms applicable to AFSCME non-supervisory employees both within and without DWSD, which is attached as Exhibit 3.

22. Prior to that time, in April 2012, the City entered into a Financial Stability Agreement with the State of Michigan (the "Financial Stability Agreement"), which served as a consent agreement under Public Act 4 of 2011, MCL § 141.1501, *et seq.* ("PA 4"), and suspended the City's duty to bargain under PERA (similar to its successor PA 436). PA 4, at § 10 ("Unless the state treasurer determines otherwise, beginning 30 days after the date a local government enters into a consent agreement under this act, that local government is not subject to section 15(1) of 1947 PA 336, MCL 423.215, for the remaining term of the consent agreement."). A copy of the Financial Stability Agreement is attached hereto as Exhibit 4.

23. Thus, during the relevant timeframe, the City had no obligation to bargain with these locals (or any other local) and had the right to unilaterally impose terms and conditions of employment.

24. AFSCME asserts generally that the City engaged in "bad faith" bargaining but gives no specific basis for this allegation other than implementation of the City Employment Terms. There can be no bad faith bargaining under PERA when the duty to bargain has been suspended.

25. As such, Claim 4 should be disallowed and expunged in its entirety because AFSCME cannot show that the City has any debt due and owing as a result of the lawful imposition of the City Employment Terms on the DWSD Locals.

***Claim 5: Imposition of Furlough Days in February 2013.***

26. Claim 5 asserts that the City violated PERA by unilaterally imposing furlough days. See Claim Objection Ex. 1. Like Claims 3 and 4, AFSCME again seeks relief for the lawful unilateral implementation of employment terms by the City.

27. In March 2013, the City implemented furlough days for certain of its employees as a cost saving mechanism. This practice involved each employee taking an unpaid day off – a furlough day – once every two weeks, thereby reducing hours by 10%.

28. Section 4.1 of the Financial Stability Agreement, then in effect, provided the Mayor of the City with "the authority to ... amend, modify, reject or terminate collective bargaining agreements to the fullest extent authorized by law and subject to the terms of [the] Agreement." Id. § 4.1. Section 4.4 of the Financial Stability Agreement stated that "beginning 30 days after the effective date of this Agreement the City is not subject to Sec. 15(1) of Act 336, Public Acts

of Michigan, 1947, as amended MCL, 423.215 [which provides the duty to bargain], for the remaining term of [the] Agreement." Id. § 4.1.

29. Because the City entered into the Financial Stability Agreement with the State while PA 4 was in effect, the Financial Stability Agreement, and the suspension of the duty to bargain contained therein, continued in effect even after PA 4 was rejected by referendum in November 2012.<sup>4</sup> Thus, at the time the City imposed furlough days, it was empowered to do so under the Financial Stability Agreement.

30. As a result, the Claimant cannot show that there is any debt due and owing based on Claim 5, therefore it should be disallowed and expunged in its entirety. This claim also should be disallowed because it is duplicative of Claim 8 (City of Detroit 2012 Negotiations and Implementation With Coalition: MERC Case No. C12 D-065, C12 F-125, C13 G-129), which also seeks to recover for the cost-savings provisions imposed by the City Employment Terms (including furlough days).

***Claim 6: Detroit Refusal to Bargain Concerning Transportation Locals – Case Number C12 H-157.***

31. Claim 6 again challenges the implementation of the City Employment Terms. It appears to allege that, because the City has opted to

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<sup>4</sup> Subsequently, PA 436 was enacted by the State and went into effect as of March 28, 2013.

bargain with AFSCME Locals 214 and 312, the City had an obligation to bargain with all AFSCME locals, and that the imposition of City Employment Terms on all other AFSCME locals was therefore unlawful. See Claim Objection Ex. 1.

The employees represented by AFSCME Locals 214 and 312 work in the Detroit Department of Transportation ("DDOT").

32. This claim is baseless. The City in fact has opted to bargain with AFSCME Locals 214 and 312 – but not with other AFSCME locals – to preserve the City's ability to receive federal funding for DDOT in accordance with Section 13(c) of the Federal Transportation Act, 49 U.S.C. § 5333(b). This statute provides that:

As a condition of financial assistance under [the Federal Transportation Act] ... the interests of employees affected by the assistance shall be protected under arrangements ... [that provide for] the continuation of collective bargaining rights ....

*Id.*

33. The Claimant has not cited any authority supporting the proposition that the City is prohibited from choosing to bargain with some AFSCME locals, while choosing not to bargain with other AFSCME locals, or that proceeding in such a manner would nullify the suspension of the duty to bargain under PA 436. Under PA 436, the City has no obligation to bargain with any AFSCME local. The 1988 case relied upon by the Claimant in the Response at

page 11, *Michigan Ass'n. of Public Employees v. Michigan AFSCME Council 25*, 172 Mich. App. 761, 766 (Mich. Ct. App. 1988), is inapposite. That case arose in the context of a representation proceeding in which another union attempted to force a representation vote on the members of AFSCME Local 312. The case does not hold, nor address, the City's ability to negotiate different agreements with different AFSCME locals or even different parts of the same local, which the City has done historically.

34. For example, half of AFSCME Local 1023 (the Emergency Service Operators) historically has reached collective bargaining agreements through Act 312 arbitration, while the other half (the non-Emergency Service Operators) were parties to a different City-wide master collective bargaining agreement. Similarly, AFSCME Local 542 historically has had half of the unit covered by the AFSCME Council 25 Non-Supervisory Master Agreement and the other half of the unit, the Motor City Seasonals, covered under a different master agreement. The recently ratified current agreements for AFSCME Locals 542 and 1023 follow this same historic principle. Thus the Claimant's argument that all AFSCME Locals must be treated the same way contradicts past and current practice.

35. Furthermore, the Claimant's argument that the City was obligated to bargain with non-DDOT AFSCME locals because it opted to bargain

with two DDOT locals is contrary to PA 436. Akin to MERC's holding in the Act 312 Decision (i.e., that the City has the ability to choose to participate in Act 312 arbitration even though it is not required to), the City has the ability to choose whether to bargain with some locals and not others – it is not required to bargain with AFSCME at all. See Ex. 2 at 13.

36. Finally, this claim is duplicative of Claim 8, which seeks to recover for the implementation of the City Employment Terms generally.

37. For all of these reasons, Claim 6 should be disallowed and expunged in its entirety.

***Claim 7: AFSCME Council 25 (13<sup>th</sup> Check ULP) – MERC Case No. C12-E-092.***

38. Claim 7 should be disallowed for all of the reasons set forth in the Supplemental Brief.

***Claim 8: City of Detroit 2012 Negotiations and Implementation With Coalition – MERC Case No. C12 D-065, C12 F-125, C13 G-129.***

39. Claim 8 asserts that the City violated PERA by failing to execute a 2012 tentative agreement with the Claimant and other non-uniform Detroit unions and subsequently implementing the City Employment Terms unilaterally in July 2012. See Claim Objection Ex. 1. The Claimant places an upper limit on the value of this claim of approximately \$170,000,000.

40. This claim should be disallowed because it is duplicative of a portion of Proof of Claim Number 2851 Filed by the Coalition of Detroit Unions,



which seeks relief for the same alleged conduct on behalf of AFSCME and other Detroit unions.

41. Additionally, this claim should be disallowed and expunged for all of the reasons set forth in detail in the City's concurrently filed *Reply in Support of the Objection of the City of Detroit to Proof of Claim Number 2851 Filed by the Coalition of Detroit Unions*, this claim is meritless and should be disallowed and expunged in its entirety.

***Claim 9: Violation of Privatization Ordinance.***

42. Claim 9 alleges generally that "[t]he City has repeatedly violated the City's Privatization Ordinance," but it does not identify a single violation of the ordinance with particularity. See Claim Objection Ex. 1. This claim should be disallowed and expunged in its entirety because it is simply too vague and general to state a legitimate and allowable claim. Moreover, the City is not aware of any such valid liability.

***Claim 10: City of Detroit/DFFA – MERC Case No. C11 K-201.***

43. Claim 10 refers to an unfair labor practice charge pending before MERC alleging that work designated for an AFSCME Local bargaining unit was being performed by the Detroit Fire Fighters' Association. See Claim Objection Ex. 1.

44. This claim should be disallowed and expunged in its entirety because it is duplicative of grievances that already have been resolved through the grievance mediation process.<sup>5</sup>

***Claim 11: City of Detroit Longevity Claim for AFSCME Employees: Claim number 12-000522 and 12-000523; Wayne County Circuit Court Number 13-003430-AA.***

45. Claim 11 seeks a claim based on the City's elimination of longevity payments in 2010. See Claim Objection Ex. 1.

46. The facts underlying this claim are the same as those presented to Michigan Department of Licensing and Regulatory Affairs, Wage and Hour Division (the "Wage and Hour Division"), Administrative Law Judge David M. Cohen, when the Claimant previously litigated this issue. See Response Ex. 10. ALJ Cohen's decision is instructive. In that decision, he ruled that longevity payments were governed by contract, not state law, and that the contract in effect at the time longevity payments would have come due did not require the City to make longevity payments. See Response Ex. 9 at 12.

<sup>5</sup>

The City's Labor Relations Department engaged in facilitative mediation with AFSCME staff representatives over a six-month period ending in April 2014. During this process, each AFSCME Local President with pending prepetition grievances met with the AFSCME staff representatives and City Labor Relations to mediate an expedited resolution to those grievances. Various of those grievances were resolved for *de minimis* amounts that will be paid in the ordinary course, subject to a settlement agreement that requires AFSCME to amend the Proof of Claim to withdraw the portion of the claim settled through grievance mediation.

47. It is undisputed that AFSCME and the City were unable to agree on a 2008-2012 collective bargaining agreement. As a result, the parties engaged in fact-finding and complied with their bargaining obligations under PERA. Ultimately, the City imposed the recommendations of the fact-finder, which recommended the elimination of longevity payments. Al Garrett, President, AFSCME Council 25, acknowledged in a letter to the then Director of Labor Relations for the City that AFSCME accepted the imposed terms as the parties' agreement. A copy of Mr. Garrett's letter is attached as Exhibit 5 hereto.

48. AFSCME appealed ALJ Cohen's decision to the Wayne County Circuit Court. See Response Ex. 11. That appeal remains pending, but currently is subject to the stay of Sections 362 and 922 of the Bankruptcy Code as modified and extended by orders of the Court.

49. Claim 11 should be disallowed because ALJ Cohen's decision remains in effect, and the Claimant cannot meet the standard under applicable Michigan law for setting aside ALJ Cohen's decision on appeal. It cannot show that the "substantial rights of the petitioner have been prejudiced because the decision or order is any of the following:

- (a) In violation of the constitution or a statute.
- (b) In excess of the statutory authority or jurisdiction of the agency.
- (c) Made upon unlawful procedure resulting in material prejudice to a party.

- (d) Not supported by competent, material and substantial evidence on the whole record.
- (e) Arbitrary, capricious or clearly an abuse or unwarranted exercise of discretion.
- (f) Affected by other substantial and material error of law.

MCL § 24.306. As discussed above, the Court of Appeals has held that in applying this standard, an administrative agency's decision is entitled to substantial deference. See *infra Central State Bank*, 136 Mich. App. at 372; *Neal* 1998 Mich. App. LEXIS 858 at \*16-\*17.

50. The Claimant argues that Mr. Garrett's letter did not accept the elimination of longevity payments for 2010. This is incorrect. *First*, the letter does not state that it rejects elimination of the longevity payment 2010 – to the contrary it states that AFSCME accepts the recommendations of the fact-finder (which eliminated longevity payments as of October 2010). Ex. 5. *Second*, regardless of whether Mr. Garrett intended to accept the elimination of the 2010 longevity payments, the City exercised its lawful right to impose the recommendations of the fact-finder, which eliminated longevity payments; AFSCME's agreement was not required for implementation.<sup>6</sup> It is irrelevant

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<sup>6</sup> Under PERA, following fact finding, an employer is entitled to implement the fact finder's recommendations, even absent the assent of the union, so long as the employer has satisfied its duty to meet and bargain with the union for a reasonable period of time following the making of the fact-finder's recommendations. *Orion Twp.*, 18 MPER ¶ 72 at \*9 (2005). Here

whether AFSCME believes that its members previously had earned the payment – there was no statutory or contractual obligation on the City to provide the payment in 2010.

51. As a result, this claim should be disallowed and expunged in its entirety.

***Claim 12: Negotiation of Local 542 Supplement Agreement – MERC Case Number C07 L-033.***

52. The Claimant has agreed to withdraw this claim. See Dismissal Order.<sup>7</sup>

***Claim 13: Detroit and SEMHA – MERC Case No. C05 H-194.***

53. Claim 13 relates to a 2005 unfair labor practice charge filed by AFSCME alleging that Department of Health employees were laid off and then rehired by a contractor in violation of PERA. See Claim Objection Ex. 1 at 8.

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AFSCME does not dispute that the imposition of the fact finder's recommendations was lawful.

<sup>7</sup> This claim alleges that the City's failure to negotiate a supplemental agreement with AFSCME Local 542 caused its members unspecified "financial harm." See Claim Objection Ex. 1. The City submits that this claim has no value because: (a) supplemental agreements do not address economic terms (economic terms are covered by the AFSCME Master Agreement), thus a failure to have a supplemental agreement would not cause financial harm to bargaining unit members; and (b) this issue is moot because Local 542 now has a ratified supplemental agreement.

54. This claim should be disallowed because: (a) the Claimant failed to timely prosecute this unfair labor practice charge; (b) the layoffs were allowed under the collective bargaining agreement in place at the time; and (c) contrary to the Claimant's arguments, the underlying events had nothing to do with outsourcing.

***Claim 14: Breach of Contract Claims.***

55. Claim 14 apparently alleges that the City breached various AFSCME collective bargaining agreements, but fails to specify any particular breaches. See Claim Objection Ex. 1 at 8.

56. This claim is too vague and general to state a legitimate and allowable claim. Additionally, this claim is duplicative of many of the individual grievances included as part of Claim 15. As a result, Claim 14 should be disallowed and expunged in its entirety.

***Claim 15: Exhibit 2 Listing of Specific Grievances.***

57. Claim 15 refers to a list of over 800 grievances attached as Exhibit 2 to the Claim (the "Grievance Chart"). See Proof of Claim at Ex. 2.

58. The City's Labor Relations Department engaged in facilitative mediation with AFSCME to secure an expedited resolution to the grievances listed in the Grievance Chart, as well as others that appeared on various iterations of the Grievance Chart provided to the City by AFSCME.

59. Attached hereto as Exhibit 6 is Exhibit A to the City's proposed settlement agreement, which sets forth the resolution of approximately 220 grievances through the mediation process.

60. With respect to the six hundred or so additional grievances included on the Grievance Chart, but not included in Exhibit 6, AFSCME informed the City that the vast majority have been withdrawn, while some remain outstanding. The City anticipates that City Labor Relations will conclude mediation of these individual grievances with AFSCME in the near future, allowing the parties to enter into a settlement agreement requiring AFSCME to withdraw the portions of the Proof of Claim relating to the individual grievances.

***Claim 16: City of Detroit/Human Services Department – Grievance No. 25-01-12 / COA: 12-0077708-CL.***

61. Claim 16 relates to an award issued by Arbitrator Roumell, attached as Exhibit 12 to the Claimant's Response, finding that various AFSCME-represented employees were laid off in violation of the applicable collective bargaining agreement. See Response Ex. 12.

62. To the extent that any liability is due and owing under the arbitration award, such liability is limited. The City's records show that approximately one hundred AFSCME-represented employees were affected by the layoff. Of those affected, more than a third either retired or were re-hired by the City. In addition, other factors mitigate any potential liability, including, for



example, an individual's receipt of unemployment insurance and income derived from subsequent employment of which the City would have no record.

63. Without adequate support from AFSCME for this alleged liability, Claim 16 should be disallowed.

***Claim 17: City of Detroit Retirees Health Care – Grievance No. C10 A-025.***

64. Claim 17 should be disallowed for all of the reasons set forth in the Supplemental Brief.<sup>8</sup>

***Claim 18: Payroll Disputes.***

65. Claim 18 alleges unspecified "payroll disputes." but fails to allege any particular dispute with particularity. See Proof of Claim Ex. 1.

66. This claim is too vague and general to state a legitimate and allowable claim. Additionally, this claim is duplicative of many of the individual grievances included as part of Claim 15. As a result, Claim 18 should be disallowed and expunged in its entirety.

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The Supplement describes why this claim is properly classified as an OPEB Claim in Class 12 under the Plan. Even if this claim were properly classified as a Class 14 Claim (which it is not), it nevertheless should be disallowed because the City would have no liability arising from the underlying allegations. The Claimant opted to file a class action lawsuit that has been stayed predicated on the same facts as the this claim. (Copy attached as Exhibit 7.) The allegations of U.S. Constitutional violations and breaches of contract in the class action complaint are baseless for the reasons set forth in the City's Answer and Special and Affirmative Defenses attached hereto as Exhibit 8 and incorporated herein by reference. The Claimant also alleged the same liability in a grievance that is duplicative of the class action lawsuit. If the claim is based on the grievance rather than the lawsuit, it would be subject to disallowance for the same reasons.

***Claim 19: Detroit Service and Maintenance Outsourcing in Downtown Detroit – Grievance Number C09-078.***

67. Claim 19 alleges that between 2009 and 2012 the City reduced the overtime of "40-60" AFSCME members in violation of the then-current collective bargaining agreement. See Proof of Claim Ex. 1. However, AFSCME has failed to provide the referenced grievance, and the claim fails to allege any particular incident or identify the affected employees with particularity.

68. This claim is too vague and general to state a legitimate and allowable claim. Additionally, this claim may be duplicative of some of the individual grievances included as part of Claim 15. As a result, Claim 19 should be disallowed and expunged in its entirety.

***Claim 20: Tree Artisan Failure to Secure License – Grievance Number 727May08.***

69. Claim 20 alleges that the City failed to reinstate one employee pursuant to an arbitration award finding that the employee was wrongfully terminated. See Proof of Claim Ex. 1.

70. In the absence of more specifics from AFSCME with respect to this employee, including potential mitigation, the City submits that Claim 20 should be disallowed.

## **Conclusion**

71. For the foregoing reasons, the City requests that the Court sustain the Claim Objection, disallow and expunge the Proof of Claims and grant such other and further relief to the City as the Court may deem proper.

Dated: October 18, 2014

Respectfully submitted,

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY

### **CERTIFICATE OF SERVICE**

I, Heather Lennox, hereby certify that the foregoing Corrected Reply in Support of Objection to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and Its Affiliated Detroit Locals was filed and served via the Court's electronic case filing and noticing system on this 18th day of October, 2014.

/s/ Heather Lennox

# Exhibit 1

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re

Chapter 9

CASE NO: 13-53846  
Hon. Steven W. Rhodes

CITY OF DETROIT, MICHIGAN

\_\_\_\_\_ /

**ORDER DISMISSING CLAIM FROM MEDIATION**

AFSCME has agreed to withdraw the following claim from its Proof of Claims:

1. POC #2: Violations of local, state or federal law.

Accordingly, the Court **DISMISSES** this claim; it will not be discussed at mediation.

**IT IS ORDERED.**



# Exhibit 2

ACT 312

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION

In the Matter of:

CITY OF DETROIT,  
Public Employer-Respondent,

Case No. D09 F-0703

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN  
(EMERGENCY MEDICAL TECHNICIAN UNIT),  
Labor Organization-Petitioner.

CITY OF DETROIT,  
Public Employer-Respondent,

Case No. D11 J-1169

-and-

DETROIT POLICE COMMAND OFFICERS ASSOCIATION,  
Labor Organization-Petitioner.

CITY OF DETROIT,  
Public Employer-Respondent,

Case No. D13 A-0005

-and-

DETROIT POLICE LIEUTENANTS & SERGEANTS ASSOCIATION,  
Labor Organization-Petitioner.

APPEARANCES:

Butzel Long, P.C. by Malcolm D Brown, and Miller, Canfield, Paddock and Stone, P.L.C., by John H. Willems, for Respondent

Frank A. Guido, General Counsel, for Petitioner Police Officers Association of Michigan

Sachs Waldman, P.C., by Mary Ellen Gurewitz, Marshall J. Widick, and James A. Britton for Petitioner Detroit Police Command Officers Association

Miller Cohen P.L.C., by Richard G Mack, Jr., and Keith D. Flynn, for Petitioner Detroit Police Lieutenants & Sergeants Association

Legghio & Israel P.C., Christopher P. Legghio for Amicus Curiae Detroit Fire Fighters Association

### **DECISION AND ORDER**

This matter is before the Commission on the motions of the Employer, the City of Detroit. On April 18, 2013, the Employer filed its Emergency Motion for Determination of Arbitral Jurisdiction and Dismissal of Act 312 Petitions and Motion for Stay Pending Ruling and its supporting brief. In its motion to the Commission, the Employer states that in each of the three Act 312 arbitration proceedings, the Employer filed a motion with the arbitrator seeking dismissal of the petition on the grounds that the arbitrator had no jurisdiction over this matter based on the suspension of the Employer's duty to bargain set forth in § 27(3) of the Local Financial Stability and Choice Act, 2012 PA 436 (PA 436), MCL 141.1541 – 141.1575. The Employer also filed a motion with each arbitrator seeking a stay of proceedings pending the outcome of the arbitrator's ruling. According to the Employer's motion to the Commission, two of the arbitrators denied the Employer's motion to dismiss and the third had failed to rule at the time the Employer filed the instant motion with the Commission.

Each of the Unions involved in the three arbitrations, Police Officers Association of Michigan (POAM), Detroit Police Command Officers Association (DPCOA), and Detroit Police Lieutenants & Sergeants Association (DPLSA) have filed responses to the Employer's motions to the Commission. At our meeting on May 14, 2013, we stayed the Act 312 proceedings pending our decision in this matter, granted leave to the Detroit Fire Fighters Association to file an amicus curiae brief in response to the City's motions, and heard oral argument from the Employer, POAM, DPCOA, and DPLSA.

The Employer claims that each of the three Act 312 arbitration cases should be dismissed based on the suspension of its duty to bargain pursuant to PA 436. Each of the involved Unions and the amicus curiae contend that there is no basis for dismissal of the Act 312 arbitrations and have raised several arguments in an effort to rebut the Employer's contention that the arbitrations should be dismissed. The Unions question the Commission's jurisdiction to dismiss a pending Act 312 arbitration. The three involved Unions contend that the suspension of the Employer's duty to bargain under PA 436 does not impact the parties' rights and obligations to proceed with Act 312 arbitrations on petitions filed prior to March 28, 2013, the effective date of Act 436.

#### **Procedural History**

In *City of Detroit and Police Officers Association of Michigan*, Case No. D09 F-0703, the Commission received notice on June 1, 2009, that the parties were in negotiations for a new collective bargaining agreement pursuant to §7(2) of the Public Employment Relations Act (PERA), 1965 PA 379 as amended, MCL 423.207(2). On June 15, 2010, the POAM filed a petition for Act 312 arbitration. The arbitrator currently assigned to the case, William E. Long, was appointed on October 2, 2012. On or about April 15, 2013, the Employer filed two motions with Arbitrator Long, a motion for an Award of Dismissal Due to Lack of Arbitral Jurisdiction,

and a motion for a Stay of Proceedings Pending Determination of Jurisdiction by MERC. On April 17, 2013, Long denied the motion to dismiss but granted the stay after learning that the Employer had brought similar motions before this Commission and based on his belief that this Commission was the appropriate body to resolve this issue.

At the time of Long's April 17 ruling, hearing dates had already been scheduled for April 22, April 29, and May 2, 2013. He notified the parties that the hearing scheduled for April 22 would proceed, but directed the parties to meet on the remaining two dates for the purpose of reviewing, clarifying, and possibly resolving some of the issues in advance of any subsequent hearing dates. He concluded that if "MERC rules that Section 27(3) of Act 436 does preclude MERC from retaining jurisdiction of this case, proceeding with the April 22, 2013 hearing and scheduling others, if needed, following a ruling by MERC, is not a significant financial burden on the parties and the information obtained from the April 22, 2013 hearing, and the April 29, 2013 and May 2, 2013 meetings of the representatives for the parties, may assist the parties in ultimate resolution of many matters in dispute through further collective bargaining." The April 22, 2013 hearing was conducted and is the only hearing that has been held in this case.

In *City of Detroit and Detroit Police Command Officers Association*, Case No. D11 J-1169, the Employer filed a petition for Act 312 arbitration on October 5, 2011. On September 11, 2012, the Employer withdrew its petition over the objection of the DPCOA. In response, the director of the Bureau of Employment Relations, notified the parties by letter dated September 13, 2012, that the Commission had reviewed the parties' filings at its September 11, 2012 meeting and concluded that nothing in the Act 312 statute and/or rules requires or allows the Commission to approve or deny a party's request to withdraw its petition. The letter went on to explain that the "obvious remedy for a Union that objects to the withdrawal is to file its own Act 312 petition." The DPCOA filed its petition for Act 312 arbitration on September 20, 2012. Arbitrator Gregory M. Saltzman was appointed on October 5, 2012 and held a prehearing conference on March 1, 2013. In an e-mail to the parties dated April 19, 2013, Arbitrator Saltzman acknowledged receipt of the two motions from the Employer and deferred the issue to the Commission.

In *City of Detroit and Detroit Police Lieutenants & Sergeants Association*, Case No. D13 A-0005, a petition for Act 312 arbitration was filed on February 4, 2013 by the DPLSA. Arbitrator Francis L Hill was appointed on February 19, 2013, and held a prehearing conference on February 26, 2013. In an e-mail to the parties on April 28, 2013, Arbitrator Hill notified the parties of hearing dates scheduled for May 15, 16, and 21, and June 11 and 13, 2013. She informed the parties that the Employer's motion to dismiss was pending before the Commission and that she would advise them if MERC's decision had an impact on the scheduled hearing dates.

#### Discussion and Conclusions of Law:

##### I. COMMISSION JURISDICTION

The Employer argues that the Commission should rule on its motion to dismiss because the arbitrators are deferring the question of jurisdiction to MERC. The Employer seeks a global

ruling on the legal issues presented by the impact of PA 436 on pending Act 312 arbitrations and wants the Commission to provide guidance on the question of whether the arbitrators may exercise jurisdiction in these matters. Whether the Commission has jurisdiction to rule on the questions presented by the Employer's motion to dismiss depends on the authority granted by the Legislature to MERC in the Labor Relations and Mediation Act (LRMA), Act 176 of 1939; the Public Employment Relations Act (PERA), Act 336 of 1947; and the act that provides for compulsory arbitration of labor disputes in police and fire departments, Act 312 of 1969 (Act 312).

#### A. Act 312 Provisions with Respect to MERC's Authority

Matters proceed to Act 312 arbitration following mediation initiated pursuant to §7 of PERA, MCL 423.207<sup>1</sup>. After a matter has been submitted to mediation for at least 30 days, either of the parties may request binding arbitration pursuant to § 3 of Act 312, MCL 423.233. In *City of Manistee v Employment Relations Comm & Manistee Fire Fighters Ass'n*, 168 Mich App 422, 428 (1988), the Court commented: "The only prerequisites [to Act 312 arbitration] are those expressly stated in § 3 of Act 312." Section 3 of Act 312, MCL 423.233, sets the prerequisites for proceeding to Act 312 arbitration as follows:

Whenever in the course of mediation of a public police or fire department employee's dispute, except a dispute concerning the interpretation or application of an existing agreement (a "grievance" dispute), the dispute has not been resolved to the agreement of both parties within 30 days of the submission of the dispute to mediation, or within such further additional periods to which the parties may agree, the employees or employer may initiate binding arbitration proceedings by prompt request therefor, in writing, to the other, with copy to the employment relations commission.

Only §§ 3, 4, 5, 6 and 7a of Act 312, as amended, mention or refer to the Commission. Section 4, MCL 423.234, provides the process for the parties to select their delegates to the arbitration panel and notify each other and the "mediation board" of their selections. Section 5, MCL 423.235, establishes the procedure to be used in selecting the chair of the arbitration panel

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<sup>1</sup> Section 7 of PERA provides as follows:

- (1) Upon the request of the collective bargaining representative defined in section 11 or, if a representative has not been designated or selected, upon the request of a majority of any given group of public employees evidenced by a petition signed by the majority and delivered to the commission, or upon request of any public employer of the employees, the commission forthwith shall mediate the grievances set forth in the petition or notice, and for the purposes of mediating the grievances, the commission shall exercise the powers and authority conferred upon the commission by sections 10 and 11 of Act No. 176 of the Public Acts of 1939, as amended, being sections 423.10 and 423.11 of the Michigan Compiled Laws.
- (2) At least 60 days before the expiration date of a collective bargaining agreement, the parties shall notify the commission of the status of negotiations. If the dispute remains unresolved 30 days after the notification on the status of negotiations and a request for mediation is not received, the commission shall appoint a mediator.

from MERC's panel of arbitrators, authorizes MERC to establish and appoint members of the panel of arbitrators, and requires MERC to establish qualifications and training for panel members. Section 6, MCL 423.236, sets time periods for the arbitration and establishes procedures that the arbitration panel members are to follow. It also provides that the fee to be paid to the panel's chair is to be established in advance by the Commission. Section 7a, MCL 423.237a, authorizes the chair of the arbitration panel to remand the matter for further bargaining and requires the chair to notify the Commission of any such remand.

#### B. Prior MERC Actions in Act 312 Cases

The Employer contends that the Commission is empowered to determine jurisdictional limits for Act 312 panels, citing *City of Detroit*, 1990 MERC Lab Op 561, 565. In the *City of Detroit* case, after noting that the Commission has jurisdiction to determine what is a mandatory subject of bargaining and whether employees are eligible for Act 312 arbitration, the Commission denied the employer's motion to instruct the Act 312 arbitrator to refrain from deciding those issues. The Commission stated, *id.* at 565:

The jurisdiction of an Act 312 arbitration panel to make findings on these issues in the absence of, or concurrent with, our rulings has now been firmly established. We see no reason to grant the employer's request that we direct the Act 312 panel's actions in this case. Under Section 12 of Act 312, the employer may seek review by the Circuit Court of findings by the arbitration panel on the grounds that the panel exceeded its jurisdiction.

While it may be noted that the Commission refused to dismiss the Act 312 proceeding in this case, MERC did not find that it lacks the authority to do so.

In support of its contention that the Commission should decide this issue, the Employer also argues that Act 312 panels function under the auspices of the Commission and are bound by the Commission's decisions, citing *Jackson Fire Fighters Ass'n v City of Jackson*, 227 Mich App 520, 523 (1998). In the *Jackson Fire Fighters Ass'n* case, the Act 312 arbitrator held that a matter was a mandatory subject of bargaining. The circuit court affirmed the arbitration award on appeal. In a concurrent unfair labor practice charge case involving the same parties, *City of Jackson*, 1996 MERC Lab Op 125; 9 MPER 27050, the Commission found the disputed matter to be a permissive subject of bargaining. Upon subsequent review of the circuit court ruling and MERC's decision, the Court of Appeals held that MERC had primary jurisdiction to determine whether the matter was a mandatory subject of bargaining, and therefore, the decision of the arbitrator did not bar MERC from adjudicating the issue based on collateral estoppel. In the two cases cited above, it is clear that the Commission has jurisdiction to determine, in an unfair labor practice charge case, whether subjects of bargaining brought before an Act 312 arbitrator are mandatory or permissive.

This Commission also has jurisdiction to determine whether an Act 312 arbitration should proceed by ascertaining whether the employees in the bargaining unit are eligible for Act 312 arbitration. *Metropolitan Council 23, AFSCME v Oakland Co (Prosecutor's Investigators)*, 89 Mich App 564 (1979) rev'd on other grounds, 409 Mich 299 (1980); *Kalamazoo Co*, 23

MPER 22 (2010); *Oakland Co & Oakland Co Sheriff*, 20 MPER 63 (2007); *City of Grand Rapids*, 1981 MERC Lab Op 327. Typically, such determinations are made in the context of a unit clarification or other representation proceeding.

In a representation proceeding, *Oakland Co Sheriff's Dep't*, 1977 MERC Lab Op 843, the Commission was called upon to determine whether a pending Act 312 arbitration was appropriate. The union, Metropolitan Council 23 of AFSCME, and the employer, Oakland County Sheriff's Department, had reached an impasse in negotiations and in mediation. The union initiated arbitration under Act 312. The employer objected, contending that the arbitration included the issue of wages for "nonpolice" classifications that were not eligible for Act 312 arbitration. The employer moved to dismiss the representation hearing, which was scheduled before a MERC ALJ, contending the matter was within the sole discretion of the Act 312 arbitrator. The Commission denied the employer's motion and concluded, *id.* at 846-848, that it did indeed have jurisdiction to resolve the issue. The MERC noted that § 14 of Act 312 specifically makes the Act supplementary to PERA and observed that § 7 of PERA MCL 423.207, and §§ 10 and 11 of the LRMA, MCL 423.10 and 423.11, conferred broad powers upon it. The Commission explained, *id.* at 847,

We find that the responsibility for implementing Act 312 necessarily includes the power to determine who is covered by the Act. This is simply an extension of the Commission's function in representation matters. The resolution of questions involving employer and employee status, exclusions under PERA and the LRMA, community of interest and appropriate bargaining units, is an integral part of the work of the Commission. Clearly, the Commission's expertise in determining such issues is significant in determining the question raised in these proceedings. In addition, a determination by the Commission ensures the necessary uniformity and consistency in this important area.

. . . . [A] determination of who is covered by the Act is a condition precedent to the arbitration proceeding itself, and is not properly before the arbitrator since it is not an "issue in dispute" as asserted by the Employer.

In a separate, unrelated matter, *Metropolitan Council 23, AFSCME v Oakland Co (Prosecutor's Investigators)*, 89 Mich App 564 (1979) rev'd on other grounds, 409 Mich 299 (1980), the Court of Appeals considered an appeal of MERC's decision in *Oakland Co (Prosecutor's Investigators)*, 1978 MERC Lab Op 328, and adopted the Commission's reasoning *Oakland Co Sheriff's Dep't*. There, the Court of Appeals found, at 89 Mich App 567, that the Legislature intended to provide public employees eligible for Act 312 arbitration with an "expeditious, effective and binding procedure for the resolution of disputes." Noting that the Legislature's purpose of establishing an expeditious dispute resolution procedure would be impeded by the lengthy delays inherent in court procedures, the Court reasoned, *id.* at 567-568, that MERC "has the necessary implied authority and expertise in labor relations to initially determine the eligibility of public employees for compulsory arbitration" and cited *Oakland Co Sheriff's Dep't*, 1977 MERC Lab Op 843. The Court of Appeals affirmed MERC's finding, in *Oakland Co (Prosecutor's Investigators)*, 1978 MERC Lab Op 328, that the Oakland County prosecutor's investigators were eligible for Act 312 arbitration.



Subsequently, the Michigan Supreme Court granted the employer's motion for leave to appeal and both MERC and the Court of Appeals were reversed on the issue of the investigators' eligibility for Act 312 arbitration. *Metropolitan Council 23, AFSCME v Oakland Co (Prosecutor's Investigators)*, 409 Mich 299 (1980). The Supreme Court found the employees were not subject to Act 312 coverage. Although the Supreme Court did not address the issue of whether MERC has the authority to determine Act 312 eligibility, it has been widely accepted that MERC's authority extends to determining the eligibility of employees for Act 312 arbitration. Since that time, MERC has reviewed the Act 312 eligibility of numerous bargaining units in which the union and employer disputed the eligibility of all or part of the unit's members. *Macomb Co (Sheriff's Dep't)*, 1991 MERC Lab Op 542, 547. See, e.g. *Michigan State Univ (Police Dep't)*, 26 MPER 44 (2013); *Kalamazoo Co*, 23 MPER 22 (2010); *Oakland Co & Oakland Co Sheriff*, 20 MPER 63 (2007); *Kent Co & Kent Co Sheriff*, 1991 MERC Lab Op 549; 4 MPER 22071; *Washtenaw Co (Sheriff's Dep't)*, 1990 MERC Lab Op 768; *City of Detroit (Police Detention Facility)*, 1990 MERC Lab Op 598; *Midland Co*, 1989 MERC Lab Op 923; *Mecosta Co*, 1989 MERC Lab Op 607.

We agree with the prior Commission in *Oakland Co Sheriff's Dep't*, and with the Court of Appeals in *Metropolitan Council 23, AFSCME v Oakland Co (Prosecutor's Investigators)* that by enacting § 7 of PERA and §§ 10 and 11 of the LRMA, the Legislature conferred broad powers upon the Commission for the purpose of resolving labor disputes. We also agree with the previous Commission that it is our responsibility to exercise these powers "as are necessary to carry out the purposes of PERA and the supplementary Act 312." As with the Commission in *Oakland Co Sheriff's Dep't*, 1977 MERC Lab Op 843, 847, "We find that the responsibility for implementing Act 312 necessarily includes the power to determine who is covered by the Act." Therefore, given the importance of this issue and the number of parties affected, including those beyond the instant cases, we find it is necessary to provide the parties and our panel of arbitrators with our decision on the question of whether the suspension of the duty to bargain pursuant to § 27(3) of the Local Financial Stability and Choice Act, Public Act 436 of 2012, MCL 141.1567(3), also suspends the authority of the Act 312 arbitrator in a pending arbitration.

C. Does This Matter Raise a Constitutional Question That Must Be Resolved by the Courts?

DPCOA argues that the question of whether PA 436 deprives an Act 312 arbitrator of jurisdiction must be determined by the courts, citing *Kent Co Sheriffs Ass'n v Kent Co*, 463 Mich 353, 359-362 (2000).<sup>2</sup> DPCOA argues at length that the Legislature's failure to amend §15(8) of PERA, to replace the reference to 2011 PA 4 with a reference to PA 436, makes the language of that provision invalid and creates a conflict with § 27(3) of PA 436 in violation of the Michigan Constitution. Section 15(8) of PERA states:

Collective bargaining agreements under this act may be rejected, modified, or terminated pursuant to the local government and school district fiscal

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<sup>2</sup> In the *Kent Co Sheriffs Ass'n* case, the State Supreme Court held that the circuit court correctly ruled on a Freedom of Information Act issue even though the matter impacted a labor dispute over which MERC would have had jurisdiction if it had involved an unfair labor practice charge. Since the case did not involve an unfair labor practice charge, the circuit court was not required to defer to MERC.

accountability act, 2011 PA 4, MCL 141.1501 to 141.1531. This act does not confer a right to bargain that would infringe on the exercise of powers under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531.

The Commission has no jurisdiction to resolve questions of the constitutionality of legislative enactments. *Michigan State Univ*, 17 MPER 75 (2004). The Commission must decide matters before it based on the language of PERA and its amendments. *Waverly Cmty Sch*, 26 MPER 34 (2012). Thus, any constitutional issues that the parties wish to raise must be raised elsewhere.

## II. THE IMPACT OF PA 436 ON RIGHTS AND OBLIGATIONS UNDER ACT 312

The Employer argues that the arbitration panels have no jurisdiction over the parties, the petitions, or the matters in dispute where the City's duty to bargain has been suspended by the operation of § 27(3) of PA 436. According to the Employer, Act 312 is a procedural statute and acts as an extension of, or supplement to, PERA, while PERA is the substantive enabling statute that defines the contents and parameters of the duty to bargain. The Employer contends: "Where the duty to bargain under PERA is suspended, there can be no compulsory arbitration over mandatory subjects of bargaining because no subjects remain 'mandatory' and therefore, [there is] no dispute to resolve."

### A. The Relationship between 1969 PA 312, As Amended, and 2012 PA 436

This Commission's interpretation of these two statutes is constrained by rules of statutory construction established by the courts. The rules of statutory construction tell us that, much like any literary composition, a statute is enacted and is meant to be read as a whole. *Metropolitan Council 23, AFSCME v Oakland Co Prosecutor*, 409 Mich 299, 317-318 (1980). As such, any provision that is in dispute must be read in the light of the general purpose of the act. *Romeo Homes, Inc v Comm'r of Revenue*, 361 Mich 128, 135 (1960).

While both statutes deal with local government administration there is no express conflict in their purposes or in their wording. Act 312 of 1969 was recently amended by 2011 PA 116 which became effective July 20, 2011. Less than two years later, 2012 PA 436 took effect on March 28, 2013. Indeed, PA 436 makes no reference to Act 312 or to its recent amendment in 2011 PA 116. PA 436 does not exclude bargaining units eligible for Act 312 arbitration from its coverage.<sup>3</sup>

Under well-established principles of statutory construction, the legislature is presumed to be aware of and to have considered the effect on all existing statutes when enacting new ones. *Walen v Dep't of Corrections*, 443 Mich 240, 248 (1993). Moreover, rules of statutory construction hold that the legislature is presumed to be aware of statutory interpretations by the

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<sup>3</sup> We note that the Legislature expressly excluded employees eligible for Act 312 arbitration from the changes under the "Freedom-to-Work" amendment to PERA, 2012 PA 349, which became effective on the same day as 2012 PA 436.

courts and by the administrative bodies charged with statutory enforcement. *Gordon Sel-Way, Inc v Spence Bros, Inc*, 438 Mich 488, 505-506 (1991); *Melia v Appeal Bd of Michigan Employment Sec Comm*, 346 Mich 544, 565-566 (1956); *Parker v Bd of Ed of Byron Center Pub Sch*, 229 Mich App 565, 570-5712 (1998).

The Commission has found that the failure to honor terms and conditions of employment established by an Act 312 award is a violation of § 10(1)(e) of PERA. *City of Jackson*, 1979 MERC Lab Op 1146, 1151-1154. See also, *City of Hamtramck*, 1984 MERC Lab Op 520, 524.

In *City of Jackson*, at 1151, the Commission explained:

A refusal to execute a completed collective bargaining agreement is an unfair labor practice whether negotiated through voluntary collective bargaining or by submission of unresolved issues to Act 312 arbitration.

The Commission went on to say, *id.* at 1153-1154:

The legislative policy of providing an "expeditious," "effective," and "binding" procedure for resolving labor disputes would be severely undermined if the parties could short circuit the Act by refusing to execute the contract.

\* \* \*

The term "resolution of disputes" in § 1 of the Act [312] means that the product of compulsory arbitration is a completed collective bargaining agreement. The refusal to execute that agreement is a refusal to bargain in good faith

Section 10(1)(e) of PERA prohibits public employers that have a duty to bargain from refusing to bargain collectively with the representatives of their employees. However, if their duty to bargain has been suspended, their refusal to bargain does not violate § 10(1)(e). Quite simply, there can be no breach of duty if there is no duty. Thus, when a public employer's duty to bargain has been suspended, their failure to comply with the terms and conditions of an Act 312 award would not violate § 10(1)(e) of PERA and the Act 312 award cannot be enforced under PERA.

As we stated in *Oakland Co & Oakland Co Sheriff*, 20 MPER 63 (2007):

Act 312 functions primarily as an extraordinary restriction on the ordinary rights of certain public employers to unilaterally impose changes in conditions of employment when good faith negotiations have failed to result in agreement.

Nevertheless, without reference to Act 312, § 12(1)(j) of PA 436 in conjunction with § 15(8) of PERA gives the Emergency Manager the right to reject, modify, or terminate terms of an existing collective bargaining agreement. Section 15(8) of PERA states:

Collective bargaining agreements under this act may be rejected, modified, or terminated pursuant to the local government and school district fiscal

accountability act, 2011 PA 4, MCL 141.1501 to 141.1531. This act does not confer a right to bargain that would infringe on the exercise of powers under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531.<sup>4</sup>

Section 12(1)(j) of PA 436 states:

(1) An emergency manager may take 1 or more of the following additional actions with respect to a local government that is in receivership, notwithstanding any charter provision to the contrary:

\* \* \*

(j) Reject, modify, or terminate 1 or more terms and conditions of an existing contract.

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<sup>4</sup> We recognize the arguments made by the Petitioners challenging the constitutionality of PA 436 and the substitution of its provisions for the provisions of 2011 PA 4. However, as indicated above in our discussion of Petitioners' constitutional challenge, we must administer the law as it is enacted and must give effect to the provisions of PA 436, as well as its enacting § 2 which provides as follows:

2012 PA 436, enacting § 2, provides:

It is the intent of the Legislature that this act function and be interpreted as a successor statute to former 1988 PA 101, former 1990 PA 72, and former 2011 PA 4, and that whenever possible a reference to former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state or to a function or responsibility of an emergency financial manager or emergency manager under former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state shall function and be interpreted to reference to this act, with the other laws of this state referencing former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, including, but not limited to, all of the following:

- (a) The Charter Township Act, 1947 PA 359, MCL 42.1 to 42.34.
- (b) 1966 PA 293, MCL 45.501 to 45.521.
- (c) 1851 PA 156, MCL 46.1 to 46.32.
- (d) The General Law Village Act, 1895 PA 3, MCL 61.1 to 74.25.
- (e) The Home Rule Village Act, 1909 PA 278, MCL 78.1 to 78.28.
- (f) The Fourth Class City Act, 1895 PA 215, MCL 81.1 to 113.20.
- (g) The Home Rule City Act, 1909 PA 279, MCL 117.1 to 117.38.
- (h) The Metropolitan Transportation Authorities Act of 1967, 1967 PA 204, MCL 124.401 to 124.426.
- (i) 1947 PA 336, MCL 423.201 to 423.217.

In the light of the language of PA 436, we cannot find that the Legislature intended to impose the aforesaid "extraordinary restrictions" of Act 312 on an emergency manager. Inasmuch as an Act 312 award serves as the parties' collective bargaining agreement, it appears that pursuant to § 15(8) of PERA and § 12(1)(j) of PA 436 that the Emergency Manager could reject, modify, or terminate terms of an Act 312 award. If that is the case, it seems doubtful that the Legislature would have intended an employer in receivership, with no duty to bargain and with an emergency manager in place, to be subject to Act 312 arbitration proceedings.

Petitioners have argued that the amendment to § 9 of Act 312 by 2011 PA 116 indicates that an employer in receivership remains subject to the operation of Act 312. Section 9 of Act 312, as amended, provides in relevant part:

(1) If the parties have no collective bargaining agreement or the parties have an agreement and have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions, and order upon the following factors:

(a) The financial ability of the unit of government to pay. All of the following shall apply to the arbitration panel's determination of the ability of the unit of government to pay:

\* \* \*

(iv) Any law of this state or any directive issued under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, that places limitations on a unit of government's expenditures or revenue collection.<sup>5</sup>

The Employer contends that the amendment to § 9 of Act 312 by 2011 PA 116 does not show that an employer in receivership remains subject to the operation of Act 312. The Employer asserts, that the amended § 9 of Act 312 applies to those municipalities where the duty to bargain has not been suspended. We agree.

#### B. Is Act 312 Arbitration Dependent on the Presence of a Duty to Bargain?

In *Metropolitan Council 23, AFSCME v Center Line*, 414 Mich 642 (1982), the Court inferred from PERA that the distinction drawn between mandatory and permissive subjects of bargaining determines the scope of the Act 312 arbitration panel's authority. Given the fact that Act 312 supplements PERA and that under § 15 of PERA the duty to bargain only extends to mandatory subjects, the Court concluded that the arbitration panel can only compel agreement as to mandatory subjects. The Court noted further that it would be inconsistent to conclude that the arbitration panel can issue an award on a permissive subject when the parties do not even have a

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<sup>5</sup> See previous footnote regarding Enacting § 2 of PA 436

duty to bargain over such a subject. Based on that, we might infer that the arbitration panel has no authority over matters for which there is no duty to bargain.

The mediation process is a condition precedent to initiation of Act 312 arbitration. A public employer that has no duty to bargain has no duty to participate in mediation. Only a public employer not in receivership under PA 436 or a labor organization may be required by this Commission under § 10 of PERA to participate in mediation. Therefore, the duty to bargain must be present before a party can be compelled to involuntarily participate in mediation. If parties have no duty to participate in mediation, they cannot be required to participate in Act 312 arbitration.

Moreover, § 7a of Act 312 gives the arbitration panel chair the authority to remand the matter to mediation. Mediation is a function of bargaining pursuant to PERA. If there is no duty to bargain, there is also no duty to engage in mediation. Therefore, § 7a of Act 312 presupposes the presence of a duty to bargain. In the absence of a duty to bargain, there is no obligation to participate in Act 312 arbitration.

C. Does Suspension of the Duty to Bargain Pursuant to 2012 PA 436 Convert Mandatory Subjects of Bargaining to Non-Mandatory Subjects of Bargaining?

The Employer contends: "Where there is no duty to bargain, there are no mandatory subjects in dispute regarding which an Act 312 panel has jurisdiction to fashion an Award." It asserts that "by operation of Act 436, there are no subjects regarding which there is a duty to bargain and therefore none can be the subject of an Award." (Emphasis in original.)

As previously noted, an Act 312 arbitration panel can only issue an award regarding mandatory subjects of bargaining. *Metropolitan Council 23, AFSCME v Center Line*, 414 Mich 642, 654-655 (1982). Moreover, as indicated above, both this Commission's past enforcement of an Act 312 award as a violation of the duty to bargain and the arbitration panel chair's authority under § 7a of Act 312 to remand a matter to mediation indicates an assumption that the duty to bargain is a condition precedent to participation in Act 312. However, we reject the Employer's premise that the suspension of the duty to bargain automatically converts the nature of subjects of bargaining from mandatory to non-mandatory. The existence of a duty to bargain is a separate and distinct issue from the question of whether a particular subject of bargaining is mandatory or permissive.

Whether a matter is a mandatory subject of bargaining depends on whether it has a significant or material impact on wages, hours, and other terms and conditions of employment or settles an aspect of the employer-employee relationship. *Detroit v Michigan Council 25, AFSCME*, 118 Mich App 211, 215 (1982); *Houghton Lake Ed Ass'n v Houghton Lake Cmty Sch, Bd of Ed*, 109 Mich App 1, 6 (1981). Once a subject has been determined to be a mandatory subject of bargaining, parties bound by the duty to bargain under PERA, must bargain concerning the subject. Neither party may take unilateral action on that subject unless the parties arrive at an impasse in their negotiations or there is a clear and unmistakable waiver. *Wayne Co Gov't Bar Ass'n v Wayne Co*, 169 Mich App 480, 486 (1988); 1 MPER 19105, aff'g 1987 MERC Lab Op 230; *Central Michigan Univ Faculty Ass'n v Central Michigan Univ*, 404 Mich 268, 277

(1978). See also *Detroit Police Officers Ass'n v Detroit*, 391 Mich 44, 54-55 (1974). The Commission and the courts have adopted an expansive interpretation of "wages, hours, and other terms and conditions of employment" under § 15 of PERA. *Local 1383, Int'l Ass'n of Fire Fighters v Warren*, 411 Mich 642, 652 (1981).

A matter that is a mandatory subject of bargaining remains so, even if a party's duty to bargain is suspended. The nature of the subject does not change just because the duty ceases. Wages, hours, and other terms and conditions of employment continue to be mandatory subjects for the purpose of determining what must be bargained by those parties who have a duty to bargain.

Where a public employer's duty to bargain is statutorily suspended, the employer has no *obligation* to bargain. However, nothing in PERA denies a public employer the *right* to bargain, even when the duty to bargain under § 15(1) has been suspended. Indeed, the suspension of a public employer's duty to bargain does not suspend the bargaining obligation of the labor organization representing that employer's employees. Therefore, if an emergency manager of a public employer in receivership determines that the employer should bargain with the labor organization, the employer has the right to bargain with that labor organization. The labor organization, in that situation, still has a duty to bargain in good faith pursuant to §§ 10(3)(c) and 15(1) of PERA. Similarly, if an emergency manager of a public employer in receivership determines that the employer should petition for Act 312 arbitration in an effort to resolve a labor dispute with a bargaining unit of police or fire fighters, that employer may petition for Act 312 arbitration. In that case, unless the parties agree otherwise, the arbitration would be limited to mandatory subjects of bargaining, that is, matters that have a material impact on wages, hours, and other terms and conditions of employment or settle an aspect of the employer-employee relationship.

The finding urged by the Employer on this issue, could result in the denial of an employer's right to settle a pending labor dispute through Act 312 proceedings. Even though we agree with the Employer that the suspension of its duty to bargain under PA 436 also suspends its obligation to participate in Act 312 proceedings, we cannot agree that such suspension denies the Employer the opportunity to participate in Act 312 arbitration should it so choose. Accordingly, we find the suspension of the duty to bargain does not convert mandatory subjects of bargaining to non-mandatory subjects. The underlying nature of subjects of bargaining, whether they are mandatory or permissive, does not change upon the suspension of an employer's duty to bargain. Indeed, nothing in PA 436 declares a change in the nature of subjects of bargaining. It merely suspends the duty to bargain of an employer in receivership. That employer still retains the right to bargain and the right to proceed to Act 312 arbitration if it determines that to be appropriate under the circumstances. However, where an employer in receivership chooses not to participate in Act 312 arbitration they have no obligation to do so. For the foregoing reasons, we conclude that where an employer has no duty to bargain under PERA and has not voluntarily consented to Act 312 arbitration, the arbitration panel has no authority to issue an award binding that employer.



### III. CONCLUSION

The Employer in this matter is in receivership and has no duty to bargain under PA 436. It has expressed an unwillingness to bargain or participate in Act 312 arbitration in light of PA 436. As such, the Employer has no obligation to participate in Act 312 arbitration and is not required to do so. Accordingly, the arbitrations in the cases before us must be dismissed.

We have considered all other arguments submitted by the parties and conclude that they would not change the result in this case.

### ORDER

The Employer's motion to dismiss the Act 312 arbitrations pending in these three cases is granted. The Act 312 arbitrations in *City of Detroit and Police Officers Association of Michigan*, Case No. D09 F-0703, *City of Detroit and Detroit Police Command Officers Association*, Case No. D11 J-1169, and *City of Detroit and Detroit Police Lieutenants & Sergeants Association*, Case No. D13 A-0005, are hereby dismissed.

### MICHIGAN EMPLOYMENT RELATIONS COMMISSION

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Edward D. Callaghan, Commission Chair

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Robert S. LaBrant, Commission Member

Dated: \_\_\_\_\_

### COMMISSIONER GREEN, CONCURRING IN PART; DISSENTING IN PART:

Although I agree with the Majority's rejection of the Employer's argument that the suspension of the duty to bargain converts mandatory subjects of bargaining to permissive subjects, I disagree with the Majority's conclusion that the three Act 312 arbitration cases should be dismissed.

In numerous representation cases, we have been called upon to determine whether Act 312 petitions met the requirements of § 3 of Act 312 to initiate binding arbitration proceedings. In those cases, we were required to decide whether bargaining unit members met the definition of "public police or fire department employee" contained in § 2 of Act 312. Where the bargaining unit members were not public police or fire department employees, the requirements for initiating an Act 312 proceeding under § 3 were not met and, we dismissed the proceeding. For this Commission to initially determine the eligibility of public employees for compulsory arbitration in the context of representation proceedings is simply an extension of the Commission's function in representation matters.

However, in the three cases before us, there is no assertion by the Employer that the requirements for initiating Act 312 proceedings were not met. The Employer has not filed any representation proceeding claiming that the members of the three involved bargaining units are not public police or fire department employees as defined by § 2 of Act 312 nor has the Employer made any assertion that a creditable claim could be filed on that basis.

In these cases, the requirements for submitting the matters to mediation were met before PA 436 took effect and nothing in PA 436 indicates that the suspension of the duty to bargain is retroactive. When the parties were in mediation, the employer had a duty to bargain. In each case, the labor dispute was not resolved to the agreement of both parties and a petition for Act 312 arbitration was filed. All three petitions were filed and arbitrators were appointed in each case before PA 436 became effective.

I find nothing in PERA or Act 312 that authorizes this Commission to dismiss an Act 312 petition when the conditions in § 3 of Act 312 have been fully met. The Employer contends that the suspension of its duty to bargain, by PA 436, also suspends its obligations under Act 312. However, PA 436 contains no explicit prohibition barring Act 312 arbitration. Whether there is an implicit bar of binding arbitration by virtue of Act 436 is a matter for the courts to decide.

Although an emergency manager's authority to reject, modify, or terminate the provisions of a labor contract raises doubt as to whether a compulsory arbitration award is enforceable against an emergency manager, I conclude that the Commission lacks authority to dismiss an Act 312 arbitration where the requirements of Act 312 have been met. Consequently, I would deny the Employer's motion to dismiss the three Act 312 petitions.

#### MICHIGAN EMPLOYMENT RELATIONS COMMISSION

\_\_\_\_\_  
Nino E. Green, Commissioner

Dated: \_\_\_\_\_

# Exhibit 3

**CITY EMPLOYMENT TERMS**

**BETWEEN THE**

**CITY OF DETROIT**

**AND**

**AFSCME**

**NON SUPERVISORY**

# City Employment Terms Non-Uniform Employees

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# City Employment Terms Non-Uniform Employees

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## **CITY EMPLOYMENT TERMS FOR ALL NON-UNIFORM EMPLOYEES**

### **PREAMBLE**

Pursuant to the Financial Stability Agreement ("FSA") entered into between the City of Detroit and the State of Michigan on April 4, 2012, these City Employment Terms ("CET") sets forth the terms and conditions of employment of certain employees and the terms of representation by the Union of those employees. Any provisions in the most recently expired Collective Bargaining Agreements, memorandums of understandings, practices, and/or supplemental agreements that are not expressly referenced in this CET or any addendum and are inconsistent with the terms in this CET or any addendum are null and void as of the effective date of this CET. Arbitration awards or other dispositions relating to such inoperative provisions shall be deemed not binding or precedential with respect to the terms of this CET. The relevant provisions of the FSA, and all modifications thereof, are incorporated herein.

**NOTE:** The headings used in this CET and Exhibits neither add to nor subtract from the meanings but are for reference only.

### **1. PURPOSE AND INTENT**

- A. The purpose of this CET is to set forth wages, hours, terms and conditions of employment for the duration of this CET and to promote orderly and peaceful employment relations in the interest of serving the citizens of the City of Detroit.
- B. To effectuate this purpose, this CET serves to establish employment relations and workplace processes and functions that serve the interest of the community and achieve the goal of customer service excellence for citizens, businesses and visitors of Detroit and achieve financial stability for the government of the City of Detroit and provide effective community policing, safe and stimulating programs for young people, and improving the environment in neighborhoods to instill civic pride and encourage new development.
- C. The City is legally and morally obligated to provide equality of opportunity, consideration, and treatment of all employees of the City and, accordingly, to establish policies, practices and rules that insure such equality of opportunity, consideration and treatment of all persons employed in all phases of the employment process, without regard to race, color, creed, national origin, age, political orientation, sex, sexual orientation, marital status, or disability in accordance with applicable State and Federal laws. The City shall continue to comply with all other applicable state federal and laws and regulations.



## **2. UNION RECOGNITION**

- A. The Employer recognizes the bargaining unit as the representative, for the purposes set out in this CET, of the employees who hold the classified positions covered by the bargaining unit.
- B. The classified positions are subject to change in title, duties, responsibilities and qualifications pursuant to the Employer's rights under the Management Rights provision of this CET. The positions may also be added to or eliminated. The Employer will give the Union reasonable notice and the opportunity to discuss and provide input with respect to proposed permanent changes prior to implementation. Positions covered shall be realigned consistent with current practice.

## **3. MANAGEMENT RIGHTS AND RESPONSIBILITIES**

- A. The City has the right and obligation to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority in accordance with applicable law and the FSA.
- B. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described.
- C. The City shall have the right and obligation to determine and establish the policies, goals and scope of its operations. Consistent with this right the City has the right to determine and implement work schedules/shifts, vacation schedules, and flex time and to establish the goals, methods and processes by which such work is performed and the qualifications of employees assigned to do the work. These rights and obligations include, but are not limited to:
  - 1. Implement changes in the structure of Department operations, including establishment or consolidation of service areas and work locations within the Department;
  - 2. Cease or outsource functions or operations;
  - 3. Initiate new functions or operations;
  - 4. Achieve uniformity of employment terms across the Department;
  - 5. Provide appropriate training, education, performance evaluation and job assignments for employees;
  - 6. Establish wage and benefits for new and existing employees that achieve the goal of financial stability in City Government;
  - 7. Establish qualifications and methods for hire, transfer, assignment, position retention and promotion in employment;
  - 8. Revise, create, combine, and/or eliminate classifications, duties and/or positions;

9. Determine classification, status and tenure of employees;
10. Initiate promotions and disciplinary actions;
11. Determine personnel hiring and reductions;
12. Discipline and discharge employees for just cause;
13. Recruit, assign, transfer employees to positions within the Department;
14. Suspend, demote, discharge or take other disciplinary action against employees for just cause;
15. Establish rules and policies; adopt and enforce work rules and policies applicable to this unit and/or all employees, including but not limited to, the Universal Work Rules promulgated by the City;
16. Determine the requirements and payments related to an employee's job functions including, but not limited to, equipment, tools, clothing and uniforms;
17. Suspend past practice;
18. Enforce state and local licensing and other requirements;
19. Assign employees to any function or duties in the Department involving direct supervision of other bargaining unit members;
20. Assign employees to any function or duties in the Department not involving direct supervision of other bargaining unit members without payment of "out-of-class" compensation;
21. Relieve employees from duties because of lack of work, lack of funds or for disciplinary reasons;
22. Determine methods, means and employees necessary for departmental operations;
23. Control the departmental budget;
24. Determine and implement such other actions deemed appropriate to achieve the City's goals and objectives.

D. The City reserves the right to amend or modify this CET and any addendums, supplements, MOUs, letters of agreement, and all other writings and practices. The City, where practical, shall provide reasonable notice and an opportunity to discuss changes with the Union.

#### **4. UNION RIGHTS AND OBLIGATIONS**

- A. Any member shall have the right to discussion or services of Union Representative. When such a request is made to the supervisor, permission for services or discussion shall be granted without undue delay unless such request adversely impacts operations. Permission shall not be unreasonably withheld. This right shall not be abused. If the employee's requested Union Representative is unavailable, the Union will promptly substitute another union representatives in the represented unit, if on duty and available.
- B. The Union shall have the right and obligation to assist and cooperate with the City in effectuating the provisions of this CET and to encourage its members to do the same.
- C. The Union shall have the right and obligation to educate its members regarding the intent of this CET and the terms contained herein.
- D. The Union shall have the right to grieve the interpretation and application of the terms herein and to exercise such other rights as are set forth in this CET.
- E. Activities involving internal management of the Union such may be conducted during non-working hours. These activities shall not interfere with normal work operations of any department or work area of the City.
- F. Requests for meetings by Union officials other than Special Conferences shall be scheduled at a mutually agreeable time.
- G. When a union representative goes into a City operation for the purpose of conducting Union business, the Division Head must be notified of his/her presence and the nature of their business, prior to arrival, and obtain permission from the Division Head. If it is necessary for a Steward or Union President to speak to an employee about a grievance, management will notify the employee's immediate supervisor and arrangement will be made to accommodate the meeting with due regard for Departmental operations.

#### **5. AGENCY SHOP**

- A. All employees in the bargaining unit shall be required, as a condition of employment, to pay the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union for the duration of this Agreement. Such requirement shall be in effect 31 days after the effective date of the Agreement, and for new full-time employees, 31 days after they commence full-time employment.
- B. An employee shall be deemed to be in compliance within the meaning of this section, if they are not more than sixty (60) days in arrears in payment of membership dues.
- C. Once the Employer receives written notice of the Union's intent to seek the discharge of an employee for failure to meet his/her financial obligations to the Union, the employee shall have a ten (10) day grace period to meet their financial obligations or the Union's demand shall be honored.

- D. The Union agrees that, in the event of litigation against the City, its agents or employees arising out of this provision, it will co-defend, indemnify, and hold harmless the City, its agents or employees from any monetary award arising out of such litigation.

## **6. DUES CHECK-OFF**

- A. The Employer agrees to deduct from the wages of any employee who is a member of this Union, all union membership dues and initiation fees uniformly required, if any, as provided in a written authorization executed by the employee. The written authorization for union dues deduction shall remain in full force and effect during the period of this contract and may be revoked only by written notice given during the period thirty (30) days immediately prior to expiration of this CTE. The termination notice must be given both to the Employer and to the Union.
- B. Dues and initiation fees will be authorized, levied and certified in accordance with the constitution and By-Laws of the local union. Each employee and the Union hereby authorize the City to rely upon and to honor certifications by the Secretary-Treasurer of the local union, regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of union dues and/or initiation fees.
- C. The Employer shall continue the dues check-off except that the union shall reimburse the City an amount equal to 2% for all union dues amounts remitted to the Union. If the Union fails to reimburse the City within 45 days of the dues remittance by the City to the Union, the City shall have no further obligation to continue dues check-off.
- D. The Dues Deduction Check-Off Card shall be presented to the bargaining unit member within thirty (30) days of his or her arrival in the employing department. If the dues deduction is stopped during the term of this CET because the employee left the payroll, the employing department shall have the bargaining unit member resubmit a Dues Deduction Check-Off Card on each occasion that the employee returns to the payroll.
- E. The Employer agrees to deduct from the wages of any employee who authorizes a deduction for a Union Political Action Committee as provided for in a written authorization in accordance with the standard form used by the Employer, provided that the said form shall be executed by the employee. This deduction may be revoked by the employee at any time by giving written notice to both the Finance Department and to the Union. Article 4-E, F and G shall apply to this section.

## **7. SERVICE FEE CHECK-OFF**

- A. The Employer agrees to deduct from the wages of any employee who is not a member of the Union, all Union service fees as provided in a written authorization executed by the employee. The written authorization for service fee deduction shall remain in full force and effect during the period of this Contract and may be revoked only by written notice given during the period thirty (30) days immediately prior to expiration of this CTE. The termination notice must be given both to the Employer and to the Union.

- B. The amount of such fees will be as provided and determined by Article 4 and 5 of this CTE.
- C. The Employer shall continue the existing service fee check-off structure except that the union shall reimburse the City an amount equal to 2% for all service fee amounts remitted to the Union. If the Union fails to reimburse the City within 45 days of the dues remittance by the City to the Union, the City shall have no further obligation to continue dues check-off.
- D. The Service Fee Check-Off Card shall be presented to the bargaining unit member within thirty (30) days of his or her arrival in the employing department. If the service fee check-off is stopped during the term of this CET because the employee left the payroll, the employing department shall have the bargaining unit member re-submit a Service Fee Check-Off Card on each occasion the employee returns to the payroll.

## 8. UNION REPRESENTATION

- A. It is mutually recognized that the principle of proportionate representation is a sound and sensible basis for determining the number of Union representatives.
- B. In each Department, district, building, work location, unit, area, site, division or floor ("Work Unit"), the employees on each shift shall be represented by one Union representative who shall be a regular employee working in that work unit on that shift. Work Units shall be defined by the Employer. Where such work unit is permanently or temporarily discontinued in its current form, union representation shall be adjusted consistent with this paragraph. In the absence of the union representative, an alternate Union representative shall represent the employees in that work unit. The Union shall promptly notify each employing department with copy to the Human Resources Department of the names and locations of representatives selected. At the request of the Union, the Labor Relations Division may agree to exceptions to this provision.

In the absence of a Union representative and his alternate, the Union will notify the department of a designated representative and shall promptly confirm such designation in writing.

- C. The number of Union representatives and districts shall be that number negotiated between the Union and the City's representatives for each department. Absent agreement between the parties, the City shall designate the number of Union representatives and districts.
- D. The Union shall reimburse the Employer for all full-time and part-time paid Union officials, including any additional compensation arrangements (including un-worked overtime) paid to employees holding union positions. If the Union fails to reimburse the City within 45 days of the end of a calendar month the City shall have no further obligation to pay such officials for union time thereafter until all reimbursement obligations and arrears are satisfied. Union representatives may elect to use vacation or compensatory time for attendance at Union meetings, conferences, conventions and other time on union activities, or take unpaid time off.

- E. Working Stewards and Chief Stewards shall request time off for Weingarten representation duties or grievance processing from their supervisor and the supervisor shall grant or deny such requests in writing.

## **9. GRIEVANCE AND ARBITRATION PROCEDURES**

- A. Should any dispute arise between the City and the Union concerning the application or interpretation of this CET, an earnest effort shall be made to settle such dispute promptly in accordance with the following Grievance Procedure:

### Step 1. Employee, Supervisor and Steward

Any employee having a grievance may report the same to his Supervisor and an endeavor shall be made to adjust the grievance between the employee and the Supervisor. If a satisfactory adjustment is not obtained, the employee may request a Steward, and the three will attempt to resolve the matter. Where the matter involves imposition of disciplinary suspension or above, Step 1 does not apply and grievances shall be filed at Step 2.

### Step 2. Department Head Level

If a satisfactory adjustment is not obtained under Step 1, the grievance shall be reduced to writing on a standard grievance form setting forth all facts believed to be relevant to the dispute, and the grievance shall be signed by the employee or employees involved. The written grievance must then be submitted to the Department Head. A meeting shall be held at a mutually convenient date and time to discuss the grievance. Up to two (2) Union Representatives, other than the Grievant, may attend the Step 2 meeting. Any resolution reached at this meeting shall be reduced to writing. The Department Head shall endeavor to furnish the Union with his/her written decision within fifteen (15) working days of the Step 2 meeting, excluding Saturdays, Sundays and holidays.

### Step 3. Labor Relations Division Level

If a satisfactory adjustment is not obtained under Step 2, the Union may request a Step 3 meeting with the Labor Relations Director. Such appeal and request for a Step 3 meeting must be submitted in writing to the Labor Relations Director within five (5) working days from the receipt of the Department Head's Step 2 answer. Not more than two (2) Union Representatives may attend the Step 3 meeting, and the Labor Relations Director may designate members of his staff to represent the City. Any resolution reached at this meeting shall be reduced to writing. The Labor Relations Director or his or her designee shall endeavor to furnish the Union with his/her decision within thirty (30) working days of the Step 3 meeting.

Step 4. Arbitration

- a. If a grievance is not settled after it has gone through Step 3 of the Grievance Procedure, the Union must file a written notice with the Labor Relations Director of appeal and intent to submit the dispute to arbitration. The Notice of Intent to Arbitrate must be filed within fourteen (14) calendar days of its receipt of the Labor Relation Director's Step 3 answer. If the Union fails to request arbitration in writing within this time limit, the grievance shall be deemed settled on the basis of the Step 3 answer and not eligible to go to arbitration.
- b. Arbitrations shall generally be heard by a member of a permanent umpire panel consisting of individuals mutually agreed-to by the City and the Union. Arbitrators will hear cases on a rotating basis. In non-disciplinary contract interpretation cases, however, the City may, at its election, choose to have the dispute arbitrated pursuant to the Labor Arbitration Rules of the American Arbitration Association. The Arbitration's fees and expenses shall be borne equally by the parties, and all other expenses shall be borne by the party incurring them. The Grievant, one (1) witness, and one (1) Union Representative shall not lose pay for time off the job while attending the arbitration proceeding.
- c. The decision of the Arbitrator shall be final and binding on the Union and its members, the employees involved and the City. The Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this CET, and shall have due regard for the rights and responsibilities of the Employer set forth in Article 2 of the CET "Management Rights." The Arbitrator shall have no power to grant any wage increases or decreases, and shall not uphold any grievance against the City on the basis of past practice. The Authority of the Arbitrator is limited to interpretation and application of the provisions of this CET. The Arbitrator shall have no authority to apply or interpret the provisions of the expired collective bargaining agreement between the Union and the City, unless the grievance at issue was submitted during the term of that agreement, or grant any right or relief for any alleged grievance under the terms of the expired collective bargaining agreement between the Union and the City, unless the grievance at issue was submitted during the term of that agreement.

- B. A grievance shall be deemed untimely, settled and withdrawn unless a written Step 2 grievance is filed with the Department Head within five (5) working days (excluding Saturdays, Sundays and holidays) after the Grievant first knew, or should have known, of the facts giving rise to the grievance. Grievances concerning a continuing practice or continuing act of the Employer must be grieved within ten (10) working days of the date the Grievant first knew, or should have known, of the act or practice. Any extensions of these time limits must be agreed to by the City in writing.



- C. In the event the Employer fails to respond to a grievance or schedule a meeting within the time periods provided in any steps of the Grievance Procedure, said grievance shall be denied and the Union may make a written request that the grievance be referred to the next step.
- D. Any agreement reached between the Employer and the Union under the Grievance Procedure shall be binding upon the Employer, the Union and the employees concerned and cannot be changed by any individual. No settlement at any stage of the grievance procedure, except an arbitration decision, shall be a precedent in any arbitration and shall not be admissible in evidence in any future arbitration proceeding.
- E. The City shall not be required to pay back wages more than five working days prior to the date a written grievance is filed.
- F. All claims for back wages shall be limited to the amount of wages that the employee would have earned, less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Department of Health and Human Services, City-Funded Long-Term Disability Insurance, Sickness and Accident Insurance or Automobile Accident Income Replacement Insurance. Where appropriate, the City shall reimburse those agencies and insurance funds so as to not affect the employee's equity therein.
- G. In the case of a pay shortage in which the employee would not have been aware before receiving his pay, any adjustment made shall be retroactive to the beginning of the pay period covered by such pay, if a grievance is filed within the twenty (20) working days within receipt of such paycheck.
- H. Exchanging, pertinent information regarding a grievance is beneficial to both parties in attempting to resolve the grievance.

The Union shall be advised of the factors considered in the imposition of discipline and shall have the right to request copies of available written documents or statements pertaining thereto. If the Union requests information regarding a grievance from an employee's personnel file, the Union must present written authorization from the employee to release the information. Management shall be advised of the basis of the grievance and have the right to request copies of available written information or statements pertaining thereto and which the Union proposes to present in support of the grievance.

It is agreed that any information requested in accordance with the above provisions which is not made available to the other party shall not be admissible as evidence in any arbitration hearing provided that a written request has been made to the appropriate Local Union President or Departmental Representative.

- I. The grievance procedure contained in this CET shall be the exclusive grievance procedure and remedy for all members of the bargaining unit claiming a violation of this CET.

## 10. DISCIPLINARY PROCEDURE

- A. The City retains the right to promulgate, amend and modify disciplinary rules, procedures and penalties.
- B. All disciplinary action taken against an employee shall be for just cause and subscribe to the general philosophy that the primary purpose of disciplinary action is to correct employee behavior or conduct. The City will make an effort to utilize a progressive discipline process; however, the City reserves the right to invoke more severe discipline, up to and including, termination. The issuance of disciplinary action shall take place in a timely manner with due regard for the Employer's right to conduct workplace investigations of employee misconduct. Any dispute regarding the timeliness of the discipline shall be resolved through the grievance procedure.
- C. **NOTIFICATION REQUIREMENTS:** Notification shall be given to the appropriate union representative of any disciplinary action taken against any member which may result in any official entries being added to the employee's personnel file. Both employee and the Union representative shall be given a copy of such official entry.

In all cases when a supervisor contemplates issuance of disciplinary action, the supervisor shall inform the employee and allow the employee the opportunity to have union representation. If the employee's requested representative is unavailable, the Union shall promptly substitute other union representatives in the represented unit, if on duty and available. If the employee declines union representation, he/she shall indicate so in writing and a copy shall be given to the Union.

When the department has decided to issue discipline, the employee will be allowed adequate time and an available area to discuss the discipline with his/her steward, or in the absence of a steward an appropriate union representative. In the case of a suspension or discharge, where Union representation is available, this discussion will take place prior to the employee leaving City property. Upon request the management representative who is present and issuing the action will discuss the disciplinary action with the employee and his/her steward. Exceptions to this procedure would be in situations where the suspended or discharged employee is absent without leave, or the parties agree that such discussion would not be beneficial at this time.

In the case of an oral reprimand, a notation by date and subject only shall be placed in the employee's personnel file.

- D. All disciplinary actions shall be subject to the grievance procedure. It shall be the responsibility of the grievant to keep the Union and City informed of his/her mailing address and telephone number(s) at which he/she may be reached for purposes of notification. Certified mail to the address of record shall constitute proper notification to the grievant.
- E. During investigation, an employee shall have the right to request to have his/her steward present if the employee reasonably believes that his/her statements may lead to

disciplinary action. Before an employee is required to make any statements pertaining to his/her possible misconduct, the employee shall have the opportunity to discuss the matter first with his/her steward.

- F. **PERSONNEL RECORDS:** All employees within the bargaining unit shall have the right to review his/her personnel records pursuant to applicable law.
- G. **USE OF PAST RECORD:** In imposing any discipline on a current charge or in evaluating an employee for promotion or transfer, management will not take into account any prior infractions or disciplinary action taken which occurred more than three years previously.
- H. **GUIDELINES FOR ADMINISTRATION OF A CORRECTIVE DISCIPLINE PROGRAM:**

- 1. Disciplinary action should be appropriate and take into account both the offense and the employee.

Factors which should be considered in imposing discipline in each case are:

- a. The seriousness and circumstances of the particular offense.
  - b. The employment history of the employee involved including length of service.
  - c. The recency and nature of prior disciplinary action taken with respect to the employee.
  - d. Prior departmental action in comparable stipulations.
- 2. Any published departmental standards or rules governing employee conduct or expected work performance should be fairly and consistently applied.

## **11. SPECIAL CONFERENCE**

Special Conferences for important matters including problems of health and safety and periodic discussions of substantial issues which are of concern to Union members may be arranged upon mutual agreement between the Union President and the Department Head or his/her designated representative upon the request of either party. Such meeting shall be between representatives of the department, and no more than three (3) and at least two (2) representatives of the Union.

## **12. HEALTH AND SAFETY**

- A. The City recognizes its responsibility to provide safe and healthful working conditions, and the Union recognizes it's their obligation to cooperate in the maintenance and improvement of those conditions.
- B. All existing safety practices and provisions in expired agreements shall remain in effect until such time as amended by the City.

- C. All protective equipment and devices, first aid kits or similar provisions, physical examination or other tests required by the Employer shall be provided at no cost to the employee.
- D. The City shall act in compliance with Federal, State and Local legislation relating to use or storage of hazardous materials and incidence of contagious disease in the work place. Union representatives will be informed of any testing of employees or precautionary steps taken because of exposure to hazardous materials or a contagious disease which has occurred within the worksite where members of his/her Union are employed.

### 13. SENIORITY

- A. **SENIORITY** is hereby defined as the length of continuous service beginning on the date of legal certification to a position in the classified service of the City of Detroit. Seniority, as defined above and in accordance with Human Resources Department Rules incorporated herein by reference, is established to serve as a basis for determining employee seniority rights provided for in this CET including the order of demotion or lay off in the event of a reduction in force and the reemployment rights of employees. Note: Seniority is not the same as "service time" as utilized for the various economic benefit provisions.

The seniority date of employees in the bargaining unit who were initially hired into Federal Economic Opportunity Act (FEOA) Service classes shall be made retroactive to the date of placement to a position in such FEOA Service class.

- B. **CONTINUOUS SERVICE** shall mean employment by the City of Detroit without interruption or breaks. The following shall not be considered breaks in service.

**Note:** Seniority is not the same as "service time" as utilized for the various economic benefit provisions.

1. Service in the Armed Forces of the United States up to four (4) years, or five (5) years if requested by the Government as provided under Federal law.
2. Absence from work due to injuries compensated for under the Workers' Compensation Act of the State of Michigan.
3. Duty-disability retirement.
4. Appointment or election to an exempt non-classified position of the City of Detroit.
5. Lay off as a result of a reduction in force for a period not exceeding two (4) years.
6. Leave of absence to serve in a qualifying employee labor organization for the term of said employment.
7. Leaves of absence for Peace Corps service up to two (2) years.
8. Other approved leaves of absence for a period not exceeding one (1) year.
9. Non-duty disability retirement for a period not exceeding one (1) year.

Employees may be granted a personal leave by the City for up to one (1) year. Seniority

accrued prior to the leave will be retained but employees will not accumulate additional seniority for the period of the leave, except that this provision shall not apply to leaves related to military or Peace Corps.

C. **LOSS OF SENIORITY:** An employee shall lose his/her seniority for the following reasons only:

1. Discharge or permanent removal from the payroll and the separation is not reversed through the grievance procedure.
2. Regular service retirement.
3. Resignation or voluntary quit, which shall include:
  - a. Failure to report within five (5) working days after receiving notice of recall from lay off.
  - b. Failure to report back to work within five (5) working days after expiration of an approved leave of absence or extension thereof.
  - c. Absence from work for three (3) consecutive working days without notice to the Employer unless he/she can demonstrate that he/she was physically or mentally incapable of notifying the department of his/her inability to come to work.
4. For Seasonal Employees, failure to report for work in any given season within five (5) days of the date of notice to report for work for that season.

D. **ADJUSTMENT FOR SEASONAL, TEMPORARY OR PART-TIME EMPLOYMENT:** If an employee in a special service classification employed on a seasonal, temporary or part-time basis is subsequently placed in a regular full-time classified position the following adjustments to seniority shall be made:

1. In the case of the seasonal or temporary employee, for each twelve (12) month period of employment in which the employee worked six (6) months or less, six (6) months shall be deducted from the length of continuous employment.
2. In the case of the part-time employee, for each period of employment in which the employee worked on a half-time or less basis, the employee shall be awarded one-half seniority credit and the length of continuous employment adjusted accordingly.

Any adjustment of seniority under this section shall be made from the employee's certification date as a seasonal, temporary or part-time employee.

E. **RESOLVING TIES IN SENIORITY:**

1. Where two or more persons have the same seniority date, the employee with the highest standing (examination rating) on the eligible register from which the employees were certified shall be deemed as having the greater seniority. In the event of identical examination ratings, the employee with the earliest examination date shall be deemed as having the greater seniority. In the further event of identical examination dates, the employee who first submitted his/her employment application (as measured by the examination number) shall be deemed as having the greater seniority.
2. In the case of inducted employees with the same seniority date, employees will be ranked in accordance with their length of continuous service in the department, agency or activity in which they were employed when inducted into the classified service. Insofar as possible to determine, such continuous service shall include any adjustments in accordance with procedures outlined in this Article.
3. Notwithstanding the above, in all cases of identical seniority dates, persons entitled to preference under the Michigan Veteran's Preference Act shall be deemed as having greater seniority than those employees without such preference.

- F. **PROBATIONARY EMPLOYEES:** New employees hired by the City and others initially placed into the bargaining unit shall be considered as probationary employees for the first six (6) months of their employment depending on the classification except as provided below. The City may extend in its sole discretion this probationary period for up to an additional six (6) months. This decision may not be grieved. The reasons for the extension will be given in writing to the employee, and a copy given to the Union upon request.

The Union shall represent probationary employees for the purposes set forth in this CET except separation from City service or reversion to the formerly held title for reasons other than union activities. For probationary employees with prior City service, the Union shall represent such employees when a department issues a suspension or discharge for cause instead of taking action to revert the employee to his/her prior status.

- G. **SENIORITY LISTS:** The City will furnish to the Union quarterly, a seniority list and a separation list showing each employee's name, address, department, classification, , and total City seniority date. Upon request, the City will annually furnish a Union its relevant city wide seniority list by classification. These computer generated lists will be based on official Human Resources Department documents which have been approved and processed as of the date submitted. Any questions concerning this information or alleged errors should be submitted to the Administrative Services Division of the Human Resources Department. When the City has the capability, such lists will be provided to the Union on compact disks (CDs).

- H. **CLASSIFICATION SENIORITY:** Classification seniority shall be preserved where it is utilized in prior agreements.

#### 14. SENIORITY OF UNION REPRESENTATIVES

- A. Except as follows and as provided in Article 37 - Overtime, there shall be no exceptions or special seniority provisions for Union officers. Notwithstanding their position on the seniority list, all Union Representatives who provide "Weingarten" representation to employees in the bargaining unit, or who are responsible for the adjustment of grievances, shall in the event of a layoff or reduction in force, be retained in employment so long as there are:
1. Full-time positions remaining in their current classification in their respective Department;
  2. Full-time positions remaining in their current classification in any other Departments within the bargaining unit; and
  3. Full-time positions remaining in any classification other than their current one in which the employee has had prior year service or occupational series and be able to perform the duties and functions of the new job as determined by the Employer.
- B. The provisions of this Article shall apply only so long as Union Representatives engage in the representation and grievance adjustment functions set forth above.
- C. Should a Union Representative lose his/her Weingarten representation or grievance adjustment functions, they shall be subject to displacement by employees with greater seniority who have been laid off or demoted as a result of reductions in force made prior to the former representative's loss of representation or grievance adjustment functions.

#### 15. REDUCTION IN FORCE, LAY OFF, DEMOTION, AND RECALL

- A. The City reserves the right to reduce the work force.
- B. **NOTICE TO THE UNION:** Where practical, the City will provide advance notice to the Union who may receive such notice fourteen (14) days prior to issuance of any layoffs.
- C. **ORDER OF REMOVAL:** Reduction in force shall be by job classification in a City department. Within the department, the following categories of employees in the class shall be removed first in the following order.
1. Provisionally-hired employees.
  2. Newly-hired employees who have not completed the probationary period.
  3. Employees hired on a seasonal, temporary or other limited term basis.
  4. Seniority employees who have recently been promoted into the class and have not completed the required trial period, and employees promoted to the class on a



limited-term basis. Such employees shall revert to the classification in the department from which they were promoted.

5. Seniority employees who are in the class on a permanent basis and have completed the required trial period. Such employees shall be removed from the class in accordance with their total City seniority and have those displacement rights described below.

D. **DEPARTMENTAL DISPLACEMENT RIGHTS:** Permanent seniority employees who are being removed from a given class shall have the following optional displacement rights in their department:

1. To displace the least seniority employee in a lower class in the same occupational series, provided that they have prior year service in such classification within the last three (3) years and can perform the duties of the new position.
2. To displace the least seniority employee in some other classification which the senior employee previously held within the last three (3) years, provided that they can perform the duties of the new position.

In addition, employees who are unable to displace lesser seniority employees in their department may be transferred or demoted to other available vacant positions in the department for which they are adjudged to be qualified.

Those employees who are unable to displace lesser seniority employees or are not status-changed to other available vacancies in the department shall be laid off by issuance of a layoff notice from their department. Such laid off employees shall then have those City-wide displacement rights described below.

Employees who have an opportunity to displace a lesser seniority employee in the next lower class in their occupational series, but elect not to exercise such displacement rights and request to be laid off instead, shall not be eligible for these City-wide displacement rights. However, such employees will have those recall, reemployment and restoration rights set forth in Section F.

E. **CITY-WIDE DISPLACEMENT RIGHTS:** Permanent seniority employees laid off from a department or demoted to a lower classification due to reduction in force shall have the following displacement rights on a City-wide basis:

1. To displace provisional hires, probationary employees and limited term employees in the laid-off class in any other City department in that order.
2. If the employee was laid off, to displace the least seniority employee in the laid-off class in any other City department; and, if there are no lesser seniority employees in the class, to displace the least seniority employee in a lower class in the same occupational series, provided that they have prior year service in such classification within the last three (3) years and can perform the duties of the new position.
3. If the employee was demoted to a lower class, to displace the least seniority

employee in the class from which he/she was demoted in any other City department, provided that they have prior year service in such classification within the last three (3) years and can perform the duties of the new position.

Such displacement across departmental lines shall coincide with the effective date of the layoff of the employees having such displacement rights, if possible, but, in any event shall be implemented within sixty (60) calendar days of the layoff date. Where two or more laid-off employees have City-wide displacement rights, employees will be given a choice of available displacement opportunities in their class, in order of their seniority. However, employees who do not report for displacement as instructed will waive this right.

**F. EMPLOYEE RECALL, REEMPLOYMENT AND RESTORATION RIGHTS:**

Employees will be recalled by seniority for available positions either: (a) in their current classification, or (b) in the classification in the same occupational series; provided they have prior year service in such classification within the last three (3) years and can perform the duties in the position they are recalled into. Specific recall and notification procedures shall be determined and modified by the Human Resources Department. Any Human Resources rules or procedures concerning employee recall shall not be interpreted to limit or impair the City's right to fill vacancies through transfer, promotion, or new hire in accordance with the Management Rights or the Transfer and Promotion provisions of this CET. Any existing Human Resource rules or procedures with conflicting provisions shall be modified to conform to this CET.

**G. MULTIPLE TITLES:** In determining an employee's rights under this Article, an employee can have permanent seniority in only one (1) class at a time. An employee who carries a multiple title shall be treated as having permanent seniority in the lowest part of his/her multiple title.

Exceptions to this general rule would be where the employee previously held a higher part of the multiple title on a single title basis, or where the parties agree that the employee's permanent seniority should be in a higher part of the multiple title based on the employee's nature and history of employment. Such agreement must be in effect no later than ninety (90) days prior to the announcement of a reduction in force.

**H. NOTICE REQUIREMENTS:** Following notice, a representative of the department shall meet with the Union to discuss the circumstances of the department's reduction in force.

1. Employees to be laid off shall receive notice of layoff no less than two (2) calendar weeks prior to the effective date of the separation. A union representative will be permitted to attend the notification meeting. A copy of such notice will be sent to the Union.
2. Employees displaced as a result of a reduction in force, including those displaced and laid off as a result of City-wide displacements, shall receive notice of displacement and/or layoff no less than one (1) calendar week prior to the

demotion or separation. A union representative will be permitted to attend the notification meeting. A copy of such notice shall be sent to the Union.

3. Notice of recall or offer of reemployment to laid off employees shall be sent by certified mail to the person's last address of record. It shall be the responsibility of the laid off employee to notify the Human Resources Department immediately of any change of address. Failure of the laid off employee to report to Human Resources within five (5) calendar days of the date of the notice shall be considered a voluntary quit and result in loss of seniority unless good cause for the employee's failure to report is shown.
  4. Exceptions to the above notice requirements shall be allowed in individual cases where the failure to give timely notice resulted from error or unforeseen circumstances beyond the control of management.
- I. To exercise bumping rights, an employee must have prior year service in such classification within the last three (3) years and can perform the duties of the new position. Employees shall be permitted to work outside their classification.

## **16. TRANSFERS AND PROMOTIONS**

The City shall have the right to transfer and/or promote employees within any department or to any new department in its sole discretion that may take into account an employee's seniority, training, education, expertise, performance, attendance, and work/discipline history, as well as any possible disruption that may result from an inter-departmental transfer and whether it will impede the City's ability to consolidate services or departments. Such transfer and/or promotion shall be on a three (3) month probationary period, during which time the City may determine that the transferred employee is unable to perform the duties and functions of the new position and may exercise its right to transfer that person back to their old position or to another position. Such transfers, promotions and reversions shall occur in accordance with Human Resource Policies.

## **17. CONTRACTUAL WORK**

- A. The right of contracting or subcontracting is vested in the City.
- B. In cases of outsourcing, contracting or subcontracting city operations affecting employees represented by the Union, the City will provide advance notice to Union prior to letting the contract. Union representatives will be advised of the nature and scope of the work or operations to be outsourced or contracted. The Union will be permitted to participate in the competitive bidding process for the work under the same terms and conditions as all other bidders.

## **18. LEAVES OF ABSENCE**

- A. **FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA):** The City will promulgate FMLA policies in accordance with the current state of the law. A full explanation of the employee's FMLA rights shall be included in the New Employee Orientation.
- B. **CITY LEAVES OF ABSENCES:** Leaves for purposes covered under the FMLA may be extended, and leaves for other purposes may be granted, at the City's sole discretion pursuant to policies promulgated and modified by Human Resources.
- C. **UNION LEAVES OF ABSENCE:** Members of the Union elected or selected by the Union to do work which takes them from their employment shall, at the written request of the Union, receive leaves of absence without pay or benefits for the period of employment with the Union, and upon return shall be re-employed without any loss of seniority.

## **19. UNION BULLETIN BOARD**

- A. The City will furnish adequate space for the Union one (1) adequate bulletin board at locations to be agreed on by the Union and the Employer. The boards shall be used only for the following notices:
  - 1. Recreational and social affairs of the Union.
  - 2. Union meetings.
  - 3. Union elections.
  - 4. Reports of the Union.
  - 5. Rulings or policies of the Union.
- B. Notices and announcements shall not contain anything political or of a libelous nature. All notices shall be signed by a union representative or his/her designated representative.

The Union's right to bulletin boards shall be contingent on its adherence to the requirements of paragraph A.

## **20. STRIKES AND LOCKOUTS**

- A. **Interference with Work:** Employees shall not engage in any strike, work stoppage, slowdown, refusal to cross picket lines, sympathy strike or otherwise neglect of, or interference of any kind with, the operations of the City.
- B. The City will not lockout any employee in furtherance of a labor dispute. However, if any employee is unable to work because equipment or facilities are not available due to a strike, work stoppage, slowdown or other interference by other employees, such inability to work shall not be deemed a lockout under the provisions of this section.

## **21. SEVERABILITY CLAUSE**

If any Article or Section of this CET or any Supplement thereto, should be held invalid by operation of Law or by any Tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such Tribunal, the remainder of this CET and supplements shall not be affected thereby, and Employer may implement a satisfactory replacement for such Article or Section.

## **22. SUCCESSOR CLAUSE**

This CET, nor any other terms and conditions of City employment regardless of source shall not be binding upon the successors and assignees of the Employer by the consolidation, merger, sale, transfer, lease, or assignment of the Employer in any respect whatsoever by a change of any kind of the ownership or management of either party hereto of any separable, independent segment of either party hereto.

## **23. EMPLOYEE ASSISTANCE PROGRAM**

- A. The City and the Union recognize and acknowledge that behavioral-medical problems have an adverse effect on the employee's job performance and merits special attention. Examples of these problems include but are not limited to substance abuse, including alcohol and drugs, physical illness, mental or emotional illness, marital or family maladjustments and other personal problems. These behavior-medical problems impair the employee's ability to function, and contribute to increased absenteeism and tardiness, and violations of other rules, regulations, and procedures. The combination of factors is recognized as having potentially damaging effects on the employee, the work site and the well-being of co-workers. The City and Union believe most behavioral-medical problems are treatable. The Employee Assistance Program is designed to provide assistance to employees who are experiencing behavior-medical problems that may result in deteriorating job performance.
- B. The Employer may continue to provide an Employee Assistance Program through a third party vendor.
- C. Nothing in this statement is to be interpreted as constituting any waiver of management's responsibility to maintain discipline or the right to invoke progressive disciplinary measures when applicable in the case of misconduct which may result from or be associated with the abuse of any substance or other personal problem; the union may exercise its right to process grievances concerning such matters in accordance with the CET.
- D. During or following treatment, the employee should not expect any special privileges or exemptions from standard personnel practices; however, employees with substance abuse problems or personal problems will be allowed to liquidate sick leave for the purpose of treatment or rehabilitation upon presentation of satisfactory medical evidence.

- E. When a leave of absence is necessary so that an employee may undergo behavioral-medical treatment for alcoholism, drug abuse, or other personal problems in or from an appropriate facility in accordance with this program, and when the employee has voluntarily submitted himself for such treatment, he/she may be granted a leave of absence if the employee has completed one (1) year of continuous classified service immediately prior to the leave.
- F. The confidential nature of medical records of affected employees will be preserved in the strictest manner as all other medical records. To the extent feasible, employee assistance facilities will be located in areas separate from other City activities.

#### **24. CAREER DEVELOPMENT AND TRAINING**

- A. The City and the Union recognize the need to provide training and career development opportunities for employees which will develop their skills, knowledge, and abilities to effectively carry out duties and responsibilities of their current classification, and to qualify for more responsible positions in the future.
- B. The City subscribes to the principle of promotion from within, and, in keeping with that principle, the City agrees to focus some of its resources toward those employees in lower job classifications in order to provide opportunities to train and enter new careers.
- C. The City and the Union agree that a major goal of training and career development is improvement of the status of female and minority employees in order to fulfill the City's and Union's commitment to effective affirmative action programs, and to make the work force at all levels reasonably representative of the sex and ethnic composition of the City.
- D. The City and the Union recognize that technological or other changes may occur during the term of this CET. Whenever such changes occur, bargaining unit members may be offered opportunity for training, retraining or reassignment whenever possible. (Example: Detroit Resource Management System [DRMS]).
- E. To insure that employees are adequately trained, The Human Resources Department may conduct periodic training need assessments and employee performance reviews.

#### **25. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION STATEMENT**

- A. The City will adhere to a policy of equal opportunity for all employees and continue to prohibit discrimination because of race, color, creed, national origin, age, political orientation, sex, sexual orientation, or disability, continue to comply with all federal state and local civil rights laws, ordinances and regulations and promote a full realization of equal employment opportunity through a positive and continuing effort.

- B. The City may, upon request, provide the Union with copies of statistical minority employment information reports and such reports concerning policies and programs for equal opportunity in employment regarding City employees.

**26. DEFENSE AND INDEMNIFICATION OF EMPLOYEES AGAINST DAMAGE SUITS, CLAIMS, ETC.**

Current City policy regarding the defense of and indemnification of employees against damage suits, claims, etc. is set forth in the Detroit City Code Chapter 13, Article 11.

**27. HR / PAYROLL SYSTEMS**

The two-tier systems, referenced herein and in prior agreements, shall be implemented when the HR/Payroll/Benefit system can accommodate each specific change.

**28. CONFIDENTIAL EMPLOYEES**

The parties agree that certain City employees are designated as confidential employees and are, therefore, to be exempt from membership in the bargaining unit covered by this CET. These employees are those holding the positions as outlined in the Memorandum of Understanding reached by the parties and submitted, and approved by the Michigan Employment Relations Commission in connection with Case No. C79 D-110 as well as the Decision and Order of the Commission in that case dated June 4, 1980. The City shall not designate other employees as confidential without the agreement of the Union; but may, if the Union fails to so agree, petition the Michigan Employment Relations Commission to approve such designation.

**29. JOINT LABOR-MANAGEMENT COMMITTEES**

All current Labor Management Committees are suspended pending further review and discussion between the City and the Union. Joint committees, if any, shall be patterned in structure and role after the committees included in the contracts recently negotiated between the State and Unions representing state employees.

**30. COPIES OF THE CET**

The City of Detroit will provide the Union with three (3) original copies of the CET and supplements to the CETs without charge. The Employer and the Union shall each bear the expense of reproducing and distributing their own copies.

**31. ECONOMIC ADVANTAGE/DISADVANTAGE**

The Employer shall have the right to negotiate terms and conditions of employment with each bargaining unit without any obligation to provide similar terms to this unit. All existing protection and "me too" provisions shall be eliminated



### 32. MODIFICATION AND DURATION

This CET, any subsequent modifications thereof by the Employer, and any supplements thereto, shall be in effect until such time as they are further modified by a collectively bargained agreement or pursuant to Public Act 4 of 2011.

### 33. UNEMPLOYMENT BENEFITS

Employees covered by this Agreement shall receive unemployment benefits in accordance with the unemployment insurance plan administered by the Michigan Employment Security Commission under the Michigan Employment Security Act.

### 34. FUNERAL LEAVE

- A. If a death occurs among members of the employee's immediate family or household, the employee, provided he/she attends the funeral and submits documentation of such upon return to work, will be granted two (2) days leave not to be charged to sick leave. An employee may take an additional three (3) days of funeral leave to be charged against current sick leave and then reserve sick leave upon his/her request.
- B. **DEFINITION OF IMMEDIATE FAMILY:** The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, step-father, step-mother, step-son, step-daughter, grandmother and grandfather.
- C. If a death occurs among the relatives of the employee, the employee will be granted one (1) day leave, not to be charged to sick leave provided he/she attends the funeral and submits documentation of such upon return to work. If the funeral which the employee attends is more than 300 miles from the City of Detroit, the employee may extend the leave by two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.
- D. **DEFINITION OF RELATIVES:** Relatives are defined as grandson, granddaughter, brother-in-law, sister-in-law, uncle, aunt, mother-in-law, and father-in-law.
- E. If the Local Union President is not available to attend the funeral of a City employee who is a member of his/her local, a representative of the Union, with proper notification to the department head, shall be allowed one (1) funeral day, not to be charged to sick leave, to attend the funeral, provided he/she submits documentation of such upon return to work.

The two-tier system for new hires referenced in this Note will be implemented when the City's Payroll System has the capability.

### **35. SICK LEAVE**

- A. All employees who have completed three (3) months of continuous service shall be granted one (1) day of sick leave for every service month in which they have worked 80% of their scheduled hours, not to exceed twelve (12) sick leave days in any one fiscal year. Current sick leave banks will be frozen at existing levels. Future accrual of current sick leave banks will be capped at 300 hours. Hours currently banked that exceed 300 will be retained, with no additional accrual unless the bank falls below 300, and any accrual thereafter shall not exceed the 300 hours cap. The award of reserve sick days is eliminated and existing reserve banks are frozen. .

All employees must be on the payroll for the entire month to be credited with sick leave.

- B. Sick leave may not be granted in anticipation of future service.
- C. Sick leave balances shall be expressed in terms of hours and shall be posted on the employee's check stub.

NOTE: The two-tier system for new hires referenced in this Article will be implemented when the City's Payroll System has the capability.

### **36. WORK WEEK, WORK DAY, SHIFT PREMIUM**

#### **A. STANDARD SERVICE WEEK:**

1. The standard payroll work week shall begin at 12:01 a.m. Monday, and end at 12:00 p.m. Sunday. It shall consist of five (5) regularly scheduled eight (8) hour work periods on as many work days. The two (2) remaining days in the payroll work week shall be known as "off days." In accordance with the Management Rights Clause, the City reserves the right to determine, and change start and quit times, as well as modify employee schedules.
2. The first scheduled "off day" within the payroll work week shall be designated as the "sixth day" and the second scheduled "off day" within the payroll work week shall be designated as the "seventh day."
3. Off days in the work week shall be scheduled consecutively unless such scheduling shall adversely affect or add cost to operations of the department.
4. The City and the Union will review departmental work schedules which currently do not provide for consecutive off days. If the parties can agree that scheduling changes which allow for consecutive off days are feasible, such changes will be implemented, provided that such changes do not result in increased costs or loss of productivity.
5. The City and the Union will also review those departmental operations which currently require rotating shifts. If the parties can agree that a more productive schedule can be established without an increase in cost, the City will take the steps necessary to implement such schedules.

6. Employees will be allowed to submit shift preferences within locations for any new work schedules established pursuant to reviews made in accordance with Section A-3 and A-4.

**B. SERVICE DAY AND WORK DAY:**

1. The thirty five hour work week shall be eliminated.
2. Two (2) coffee breaks of not less than fifteen (15) minutes per shift shall be permitted.
3. When an employee is called to work, he/she shall be guaranteed no less than four (4) hours of pay for "show up" time at the appropriate rate.
4. A flex-time work schedule may be established in certain departments where the appropriate working conditions exist.
5. Employees assigned to seven day operations shall be required to call in two (2) hours prior to the start of their shift when requesting a sick day.

**C. AFTERNOON AND NIGHT SHIFTS:**

1. **Shift Premium Rates:** Employees who work regularly scheduled afternoon and night shifts shall receive, in addition to their regular pay, a premium of twenty-five cents (25¢) per hour for the afternoon shift and a premium of fifty cents (50¢) per hour for the night, if the employee works their entire regularly scheduled shift.

2. **Shift Premium Times:** The afternoon shift shall be any full-time shift commencing between the hours of 11:00 a.m. and 6:59 p.m.

The night shift shall be any full-time shift commencing at the hour of 7:00 p.m. or between the hours of 7:00 p.m. and 3:59 a.m. in accordance with Chapter 13, Article 2, Section 12, of the Municipal Code of the City of Detroit.

- D. Unless provided for otherwise within this labor agreement, all of the provisions of this Article shall be in accordance with Chapter 13. Article 2, Section 12, of the Municipal Code of the City of Detroit.
- E. Currently, all hourly paid employees shall receive their pay for regularly scheduled hours not later than Friday following the payroll week in which it is worked. When the City's payroll system has the capability, such employees will be paid on a bi-weekly basis.

**37. OVERTIME**

- A. The City has the right to schedule overtime work and to require employees to work mandatory overtime.

### 38. HOLIDAYS AND EXCUSED TIME OFF

- A. Employees shall be entitled to the following seven (7) holidays: New Year's Day, Martin Luther King's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, during which premium time will be paid for time worked as set forth below. Employees shall be granted eight (8) hours of "Excused Time" on Good Friday or eight (8) hours on the last scheduled paid day prior to Good Friday, and eight (8) hours of "Excused Time" on the last scheduled paid day before Christmas Day and before New Year's Day and for Veteran's Day, and the day after Thanksgiving. Employees will be paid holiday pay for excused time days, but if employees are required to work on such days, only straight time pay will be paid for hours worked.

Entitlement to swing holidays shall be discontinued after the award of such holidays on July 1, 2012 and for all new hires.

- B. Employees shall receive eight (8) hours straight time pay for the above mentioned holidays. Where a holiday is concurrent with the employee's sixth or seventh work day, the Department Head shall have the option of paying for the holiday or granting equivalent time off with pay. When the City elects to give the employee time off, said time shall be granted at the request of the employee with the approval of the Department Head.
- C. An employee shall be eligible for holiday pay or excused time pay provided he/she has received at least eight (8) hours of pay (exclusive of overtime and sick leave) the workday before and the day after the holiday or excused time day. Provided, however, the employee continues on the payroll through the holiday or excused time day and is otherwise qualified for the holiday or excused time day.

For the purpose of this section, an employee shall be considered off the payroll if he/she is fired, quits, or is on a formal leave of absence granted by the Human Resources Department (generally over 30 days), is on workers' compensation, or is laid off. An employee's payroll status not covered by the above shall be subject to a Special Conference. Criteria to be used to determine payroll status will be if the absence of the employee shall be for more than thirty (30) days.

- D. If an employee is absent without just cause on a holiday or excused time day on which he/she is scheduled to work, he/she shall receive no pay for the holiday.
- E. Time and one half (1.5) will be paid for all hours worked on a holiday in addition to the straight time holiday pay due for a holiday as such.
- F. Premium payments shall not be duplicated for the same hours worked.
- G. Employees who are scheduled to work on any holiday, but who fail to report to work, shall not be eligible for holiday pay.

- H. For the purpose of this Article, an employee shall be considered off the payroll if he/she engages in a work stoppage which extends through a holiday or excused time day. All benefits under this Article will be forfeited for the holiday or excused time in question.
- I. If a holiday or excused time day falls on Saturday it shall be observed on the preceding Friday, and if a holiday or excused time day falls on Sunday it shall be observed on the following Monday for all employees except those assigned to six and seven day operations. Should two (2) consecutive holidays or excused time days occur on a Friday and Saturday, or on a Sunday and Monday, Friday and Monday, respectively, shall be designated as the official holidays.
- J. If an employee engaged in six or seven day operations works either the actual calendar holiday or the substitute holiday, he/she shall receive the holiday premium, but he/she will not be allowed to pyramid holiday premium for working both days.
1. An employee assigned to a six or seven day operation may be scheduled off for the holiday on either the calendar holiday or the substitute holiday.
  2. When an employee works both the calendar holiday and the substitute holiday, the day selected as a holiday for pay purposes shall be the day which allows the employee the maximum pay credit for working both days.
  3. If an employee works either the calendar holiday or the substitute holiday, but not both, he/she shall be paid holiday premium for the day worked.
  4. If an employee is off sick on the calendar holiday, or the substitute holiday, or both, he/she shall receive sick pay. If he/she works either of the two days he/she shall receive holiday premium.
  5. If an employee is AWOL on the actual calendar holiday, but works the substitute holiday, he/she shall not be entitled to holiday pay or holiday premium.
- K. The City shall have the option to close all or part of its facilities for the Christmas and New Year's holiday season consistent with operating needs and the public service. Employees shall have the option of using vacation, swing holidays (if applicable), compensatory time or no-pay for any days off during this period. If an employee has none of the above listed accrued time, departmental leave may be used if available. If an employee has no paid time accrued, and wishes to work, the Department will make every attempt to place an employee in his/her department on a job assignment consistent with their job classification and ability to perform the work.

The City shall determine optional holiday season closing dates and shall notify the Union by November 1<sup>st</sup> of each year of whether it intends to implement a holiday closedown.

Any scheduled time off or uses of departmental leave days during these periods shall not be counted against the employees' attendance records nor adversely affect their benefits.

**NOTE:** The two-tier system for new hires as well as other new changes referenced in this Article will be implemented when the City's Payroll System has the capability.

### **39. UNUSED SICK LEAVE ON RETIREMENT**

- A. Employees shall be entitled to payment for unused sick leave on retirement as follows:

Upon retirement, or death with twenty (20) years of service, an employee shall be entitled to payment of sixty percent (60%) of their unused sick leave accrued prior to the effective date of this CET. All sick leave accumulated after the effective date of this CET and remaining unused upon retirement or death shall not be paid.

This payment shall be made pursuant to City policy, which may be amended at the City's discretion.

- B. The payments will be made as part of the Employee's Pension Program, or the Employee's Benefit Plan, or through the Finance Department.
- C. The City reserves the right, for purposes of retirement payouts, to cap the number of hours a member may accumulate in their sick leave and compensatory time banks or, to the extent allowed by law, cap the amounts of payout from such banks upon retirement.

### **40. VACATIONS**

Employees inducted during the course of the fiscal year shall not be eligible for vacation leave without deduction of pay until they shall have earned at least one thousand (1000) hours of paid time, exclusive of overtime or premium time, and until they have attained status as City employees for a least six (6) months. When employees qualify, as above stated, they shall be entitled to five (5) days of vacation leave. Once employees have earned at least sixteen hundred (1600) hours of paid time, exclusive of overtime, and have attained status as employees for at least twelve (12) months, they are entitled to five (5) additional vacation days. In order that an employee's time may be computed on a fiscal year basis, on the July 1 following his first year anniversary date of employment the employee will be entitled to a prorated vacation leave, computed by multiplying the number of months remaining from the anniversary date, to the end of the fiscal year by 8.3 percent of ten (10) days and rounding the product to the nearest whole number. Thereafter, his vacation shall be computed on a fiscal year basis. The City reserves the right to make changes to any aspect of vacation, including but not limited to, the number of vacation days/units and selection process.

Employees hired on or after effective date of the CET, shall not be eligible for vacation leave without deduction of pay until they shall have earned at least one thousand (1000) hours of paid time, exclusive of overtime or premium time, and until they have attained status as City employees for a least six (6) months. When employees qualify, as above stated, they shall be entitled to five (5) days of vacation leave. In order that an employee's time may be computed on a fiscal year basis, on the July 1 following his first year anniversary date of employment the employee will be entitled to a prorated vacation leave, computed by multiplying the number of months remaining from the anniversary date, to the end of the fiscal year by 8.3 percent of five

(5) days and rounding the product to the nearest whole number. Thereafter, his vacation shall be computed on a fiscal year basis.

The maximum vacation days earned in a fiscal year shall be as follows: Twenty (20) days for employees with fifteen years of service hired before September 28, 2010; fifteen (15) days for employees with fifteen years of service hired on or after September 28, 2010. Maximum annual accrual amounts at less than fifteen years of service shall be in accordance with the vacation policy promulgated by the Human Resources Department, as amended from time to time, at the sole discretion of the City. The vacation policy will govern all aspects of vacations

**NOTE:** The two-tier system for new hires as referenced in this Article will be implemented when the City's Payroll System has the capability.

#### **41. TEMPORARY ASSIGNMENTS**

A. The Employer reserves the right to assign employees to positions outside their classification on a temporary basis.

#### **B. OUT-OF-CLASS ASSIGNMENTS:**

1. For purposes of this Article, an employee is deemed to be working "out-of-class" if he/she is reassigned by management from his/her regularly assigned duties to perform duties and responsibilities not normally performed and characteristic of and requiring the qualifications of a higher classification. Assignment of some duties normally performed by an absent employee shall not constitute an out-of-class assignment if such duties are appropriate to the classification of the person assigned.
2. If an employee is so assigned the duties of a higher classification to replace an absent employee for thirty (30) or more consecutive work days, he/she shall be compensated on an out-of-class basis at the rate for the appropriate classification for all such out-of-class hours worked.
3. For out-of-class assignments, the most senior pre-qualified employee shall be offered the out-of-class work provided he/she is readily available and able to do the work. Pre-qualified shall mean being on the most recent promotional list for the class. If there is no pre-qualified employee in the work unit, the out-of-class assignment shall be offered to the most senior person provided he/she is readily available and able to do the work.
4. The parties recognize that out-of-class work assignments shall not be used to circumvent established procedures for filling vacant positions by transfer or promotion as provided in this CET, nor shall supervisors avoid out-of-class payment by arbitrarily alternating out-of-class assignments.



**C. TEMPORARY PLACEMENT OF EMPLOYEES INTO OTHER DUTIES AND/OR DEPARTMENTS:**

1. Employees temporarily placed under these provisions shall not lose his or promotional opportunity at the transferred-out location and shall be treated as if he or she had not been temporarily placed in other duties/department.
2. Any vacation period the moved employee had approved at the transferred-in location will continue to be honored at the transferred-out location so long as the vacation does not adversely impact operations.

**42. JURY DUTY**

- A. An employee shall be allowed to attend jury duty without pay. An employee may elect to use paid leave for any days he/she serves on Jury Duty. Jury duty time shall not be counted as time worked for the purpose of computing overtime.
- B. In order to use a paid leave day during jury duty, an employee must have been regularly scheduled to work on a non-overtime basis, must give prompt prior notice to his/her supervisor that he/she has been summoned for jury duty, and must furnish satisfactory evidence that he/she reported for or performed jury duty on the days for which he/she requests paid leave, provided that the department head shall have discretion in seeking to have the employee excused where his/her services are essential.
- C. When properly notified by an employee under the terms of Section B, the department shall, if necessary, reschedule the work assignment of the employee so as to coincide as closely as possible with the jury duty schedule. This reassignment shall take precedence over other conflicting sections of this contract.
- D. The employee must notify the department of his/her desire to use paid leave prior to the first date of jury service.

**43. HOSPITALIZATION, MEDICAL, DENTAL AND OPTICAL CARE INSURANCE**

**MEDICAL**

The City shall provide for all active employees and their dependents, and duty disability retirees and their dependents, a hospitalization and medical insurance plan in accordance with the plan design approved by the Employer, subject to the Health Care Policy promulgated by the City. Such plan is attached for reference purposes only, as Exhibit I, and not incorporated herein. The Employer reserves the right to make changes in contribution structure, plan design, providers, coverage, networks, deductibles, co-pays and other provisions of its insurance programs. Employee contributions shall be at least twenty per cent (20%) of the illustrative rate or premium, whichever is applicable. Regular retirees shall have the same hospitalization and medical insurance plan options and contribution structure as active employees and will also be

In any represented unit where overtime is not equalized, overtime work shall be offered starting with the senior employee. When there are not enough volunteers, overtime assignments shall be made according to inverse seniority. Seniority-based overtime offers shall not be required where an unexpected emergency arises or it is impractical to seek volunteers. Existing super seniority practices for Union stewards who engage in activities defined in Article 14 for purposes of overtime shall be maintained.

In any represented unit where the City currently equalizes overtime, the Department shall determine the equalization scheme and the sole remedy for a violation of the equalization scheme shall be working the next available overtime opportunity and not payment of any back pay. In no circumstance shall employees be paid for time not worked. Departments may discontinue equalization of overtime with prior notice to the union and approval of Labor Relations Director.

In certain cases, Departments, with the written approval of the Labor Relations Director may use the following factors in overtime assignments: experience, work performance, demonstrated abilities and seniority.

**B. TIME AND ONE-HALF OVERTIME:**

1. **Employees** – Time and one-half [one-hundred and fifty percent (150%)] will be paid to hourly-rated employees for all hours worked over forty (40) in one (1) service week inclusive of a seventh day or a holiday. Overtime hours worked (not to be credited at premium time) in excess of four (4) hours and not exceeding sixteen (16) hours in one (1) service week may, at the discretion of the Department, be substituted in lieu of an equal amount of an employee's regularly assigned forty (40) hours.
2. When a schedule indicates a lunch period but conditions make it impractical to enjoy same, the employee or employees involved will be paid the prevailing overtime rate in lieu of his/her lunch period. The provisions of this section shall not apply to employees whose work day is designated on a measured task basis. In no instance shall payments be made for lunch periods not worked.
3. Premium payments shall not be duplicated for the same hours worked.
4. The Employer shall not be required to pay any overtime compensation that is not required by the Fair Labor Standards Act or other applicable law.
5. Except for any contrary provisions above, all of the above shall be in accordance with Chapter 13, Article 2 of the Municipal Code of the City of Detroit and the Michigan Minimum Wage Law.

subject to such changes as may be determined by the Employer. Non-duty disability retirees are not eligible for hospitalization-medical or prescription drug insurance coverage.

## **DENTAL**

The City shall provide for all active employees and their dependents, and duty disability retirees and their dependents, a dental plan in accordance with the plan design approved by the City, subject to the Health Care Policy promulgated by the City. Such plan is attached for reference purposes only, as Exhibit I, and not incorporated herein. The Employer reserves the right to make changes in contribution structure, plan design, providers, coverage, dental networks, deductibles, co-pays and other provisions of its insurance programs. Employee contributions shall be at least twenty per cent (20%) of the illustrative rate or premium, whichever is applicable. Regular retirees are not eligible for dental insurance coverage.

## **OPTICAL**

The City shall provide for all active employees and their dependents, and duty disability retirees and their dependents, a optical plan in accordance with the plan design approved by the City, subject to the Health Care Policy promulgated by the City. Such plan is attached for reference purposes only, as Exhibit I, and not incorporated herein. The Employer reserves the right to make changes in contribution structure, plan design, providers, coverage, dental networks, deductibles, co-pays and other provisions of its insurance programs. Employee contributions shall be at least twenty per cent (20%) of the illustrative rate or premium, whichever is applicable. Regular retirees are not eligible for optical insurance coverage.

## **PRESCRIPTION DRUG**

Employees in the bargaining unit shall have the option of participating in the BCBSM/CVS Caremark plan (or any successor health care plan made available to City employees generally); provided, that the City's maximum contribution for any health plan shall be no more than 80% of the plan offered by **BCBSM/CVS** Caremark. Such plan is attached for reference purposes only, as Exhibit I, and not incorporated herein.

All health habits, reproductive (fertility), and lifestyle prescription drugs **EXCEPT FOR SMOKING CESSATION AND WEIGHT LOSS** will not be covered under the City's prescription drug program.

## **FLEXIBLE SPENDING ACCOUNTS (SECTION 125 PLANS)**

The City shall provide health care plan participants with a pre-tax premium or illustrative rate contribution, which ever is applicable. The City will implement Flexible Spending accounts for medical, dependent care and commuter accounts. Eligibility for participation in these Flexible Spending Accounts is consistent with Health Care Plan enrollment eligibility. This plan will permit employees to contribute to these accounts, pre-tax.

**Note:** The two-tier system for new hires referenced in this Article will be implemented when the City's Payroll System has the capability.

#### 44. WORKERS' COMPENSATION

All employees shall be covered by the applicable Workers' Compensation laws and the City's Worker's Compensation Policy, as may be amended at the discretion of the Employer. An

**Note:** In order to continue hospitalization and life insurance benefits, employees are responsible for their portion of the premium as required by the CET. Those deductions will be made automatically while they remain on the payroll because they are supplementing. Once they leave the payroll, they must make arrangements with the Pension Bureau to pay those premiums in order to continue coverage.

#### 45. DEATH BENEFITS AND LIFE INSURANCE

##### A. DEATH BENEFITS:

Death benefits for all regular City employees are authorized by the City Charter, Title IX, Chapter VIII. The City Code, Chapter 13, Article 8, Section 8, currently provides a death benefit of \$10,000.

1. Membership shall be mandatory for regular employees.
2. Contributions shall be determined by the City

##### B. PAYMENT FOR EMPLOYEES KILLED OR PERMANENTLY DISABLED IN LINE OF DUTY:

1. A lump sum duty death benefit of \$10,000 will be paid to the beneficiaries or estate of employees who are killed or who die as a direct result of injuries sustained in the actual performance of their duties, as determined by City policy which may be amended in the discretion of the City.
2. Employees who receive a permanent disability payment under this Article shall be ineligible for the \$10,000 Duty Death Benefit described above.

#### 46. WAGES

- A. **WAGE DECREASE:** All classifications and positions shall receive a 10% wage reduction, effective the date of implementation of this CET.
- B. **LONGEVITY:** all longevity payments are hereby eliminated effective the date of this CET.
- C. **BUDGET REQUIRED FURLOUGHS:** All budget required furloughs are hereby eliminated effective the date of this CET; however, the City reserves the right to reinstitute future furloughs as a means of cost containment.

**D. MERIT & STEP INCREASES:** All employees will no longer be eligible for merit and step increases effective the date of this CET, except that all formal certified apprenticeship programs shall not be affected.

**E. MISCELLANEOUS:**

1. All salaried employees will have their hourly rate computed by dividing their annual salary by 2080 hours.
2. Salary and Rate Adjustments:
  - a. The pay rates of hourly-rated employees shall be rounded up to the nearest whole cent.
  - b. Each employee covered by this CET, whose wages are classified as a yearly salary with minimum and maximum rates more than \$20,000 annually, and which rates, as a result of any required change to be made to their wages causes the resulting amounts to fall between even hundred-dollar levels, shall have these rates adjusted to the next higher hundred dollar level.
3. When it is administratively feasible, the pay check for all employees shall be transmitted via direct deposit or payroll debit card

**F. CORRECTION OF PAYROLL ERRORS:**

Where by payroll error an employee is underpaid or overpaid the City is expressly authorized to correct the underpayment or overpayment by payroll adjustment pursuant to applicable law.

The City reserves the right to seek immediate recovery through appropriate legal proceedings.

**47. CLOTHING AND UNIFORM ALLOWANCES**

- A. For employees who are required to wear and maintain specific clothing and/or shoes, the clothing allowance shall be \$170 every two years.
- B. For employees who are required to furnish a specific uniform at their own expense, the allowance will be \$350 every two years.
- C. Clothing and uniform allowances will be paid by the last pay period in September.
- D. This Article shall be administered according to the Resolution of the City Council of May 9, 1974 (J.C.C. p. 1107).

#### 48. RETIREMENT

- A. Eligibility for Service Retirement Allowance – Any employee who is covered by the provisions of this CET and who is a member of the General Retirement System of the City of Detroit who has thirty (30) or more years of credited service may retire upon his/her written application filed with the Board of Trustees setting forth the date, which shall not be less than thirty nor more than ninety days, subsequent to the execution and filing of said written application, he/she desires to be retired. On the date so specified for his/her retirement he/she shall be retired, notwithstanding that pending such period of notification he/she may have separated from City service. Upon his/her retirement he/she shall receive a Retirement Allowance as provided by the City Charter and Municipal Code. Employees may retire on or after July 1, 1992, with 25 years of credited service but less than 30 and receive an actuarially reduced pension which shall be known as the Actuarially Reduced 25 Year Option of the Retirement Plan. Employees who are receiving a duty or a non-duty disability pension or Income Protection benefits may elect to convert to this new option if they otherwise meet the qualifications.

Employees who have resigned with 25 or more years of service since July 1, 1992, shall have ninety (90) days to submit an application for this option from the date they are officially notified by the Pension Bureau that said application can be processed.

After the initial enrollment of applicants by the Pension Bureau, employees who subsequently leave City employment shall have ninety (90) days from their last paid date on the City payroll to select this option.

Retirees who began receiving a Duty or Non-Duty Disability Pension after July 1, 1992, may convert to this option no later than ninety (90) days after they would have had twenty-five (25) years with the City and have been notified by the Pension Bureau of the availability of this option.

Employees who began receiving Income Protection Benefits after July 1, 1992, may convert to this option anytime after they have had twenty-five (25) years of service with the City.

The above paragraphs notwithstanding, employees hired after January 1, 1996, shall not be eligible for a Service Retirement until they shall have attained fifty-five (55) years of age. This age requirement shall apply to both the Regular Service Retirement with thirty (30) years of service and for pension calculation purposes to the Early Service Retirement (actuarially reduced) with twenty-five (25) or more years of service.

- B. Retirement benefits shall be modified to include an optional coordination of benefits between regular retirement benefits and Social Security benefits for those employees who retire from the City with a regular retirement or the Actuarially Reduced 25 Year Option prior to becoming eligible for Social Security payments. Such coordination of benefits shall cause an approximate leveling of total monthly benefits derived from both the City's retirement system and Social Security without creating any additional actuarial costs.

- C. For employees hired on or after July 1, 1980, the vesting provisions of the City Retirement Plan shall require ten (10) years of service regardless of age in lieu of the "40 and 8" age and service requirement.
- D. For employees who separate from City service with a vested pension prior to reaching eligibility for a regular service retirement, time earned after July 1, 1986, shall not be factored into the formula for determining their pension benefit until they shall have attained age 62. This provision will not affect the current practice governing disabled employees.

In the event that any law, state or federal is passed during the term of this CTE which permits employees to vest their pension prior to meeting the vesting requirements set forth in this contract, any employee who vests his/her pension in such a manner shall not be eligible for any pension benefits until his/her sixty-second (62<sup>nd</sup>) birthday.

- E. Employees who become eligible for a pension under the vesting provisions of the plan, shall be ineligible for any of the hospital, medical, optical or dental benefits provided for other retirees, spouses, dependents or beneficiaries.
- F. Subject to the provisions in Section O, employee contributions to the general retirement annuity fund shall be optional. Balances in the fund standing to the individual credit of employees discontinuing contribution shall be maintained with accumulated interest to be paid out to the employee upon separation from the City. Employees qualified under the pension vesting provision of the general retirement system may withdraw their annuity with accumulated interest upon separation.

Upon attainment of twenty-five (25) years of service, an employee shall be eligible to withdraw, one time only prior to retirement, all or part of his/her annuity savings.

Non-Duty and Duty Disability retirees shall be eligible to withdraw, one time only, all or part of their annuity savings.

- G. At the time of retirement, members of the general City pension system may elect an option which shall entitle them to change their pension option from either option 2 or option 3 to a straight life pension after they have commenced collection of the pension if the member's beneficiary predeceases the member. This shall be known as the Pop-Up Option. The actuarial cost of the change in benefit shall be borne by the member who selects this change in his/her option election.
- H. Employees who retire on or after July 1, 1998, shall have their pensions computed according to the following formula. Using the highest paid 36 consecutive months out of the last 120 including longevity payments, as Average Final Compensation; 1.6% of Average Final Compensation for each year of service for the first 10 years; 1.8% of Average Final Compensation for each year of service for the second 10 years; 2.0% of Average Final Compensation for each year of service greater than 20 years up to 25 years; and 2.2% of Average Final Compensation in excess of 25 years; plus \$12 for each year of City service not to exceed \$120. In no case shall benefits paid by the Retirement



System exceed ninety percent (90%) of Average Final Compensation except in the case where a higher pension amount has been earned in accordance with the provisions in effect prior to July 1, 1992. For all years of credited service accrued by Union members after July 1, 2012, the multiplier shall be reduced to 1.5% of Average Final Compensation per year.

- I. Effective for bargaining unit members who retire on or after July 1, 1999, they shall have the Unused Sick Leave On Retirement payment benefit provided for in Article 25 of this CTE.
- J. Effective January 1, 1999, the maximum annual amount payable to an individual on a Duty Disability pension shall be increased to \$9,000 and for Non-Duty Disability pension to \$6,000.

The maximum amount of the Accidental Death Benefit as found in Chapter VI, Article VI, Part C, Section 1, Paragraphs B and C of the City Charter shall be increased from \$2,400 to \$5,700 per annum.

- K. Effective September 28, 2010, any employee covered by this CET, who is seeking a duty disability retirement, shall have an examination conducted by an independent medical examiner (IME). If the IME concludes that the employee's physical or medical condition does not relate to his/her employment with the City of Detroit, the employee shall not be eligible for the duty disability retirement.
- L. Effective January 1, 1999, minor dependents under age 19 or permanently mentally or physically impaired dependent children who become impaired prior to age 19 of employees who die with 20 years of service without a surviving spouse shall receive a payment of \$9,000 per year which shall be divided equally amongst all eligible dependents. The payment will cease when the last minor attains age 19 or for mentally or physically impaired children at death. There shall be no retirement escalator for this payment.
- M. In addition to in-service death pension benefits which already exist for employees with 20 or more years of service, effective July 1, 1998, if a bargaining unit member dies after having attained 15 or more but less than 20 years of creditable service at any age below 60, the surviving spouse will be paid a 50% joint and survivor election. Dependent children, if there is no eligible surviving spouse, are to be paid a total of \$6,000 which shall be divided equally amongst all eligible dependents until the youngest child reaches age 19, or for life if a child is permanently physically or mentally impaired.
- N. After the effective date of this CET, employees will no longer receive the 2.25% per annum escalation.
- O. Pension – Employer Contribution (414h Plan):

Upon notification by the Union to the City of its desire to activate a 414(h) Plan, the City will take steps to implement the provisions contained in the following paragraphs. The Union initiated the discussions and proposed the provisions contained in the paragraphs

and the parties recognize and agree that it will take some time before this program can become operational due to the necessity of making changes in the City's computerized payroll system.

It is hereby agreed that every member of this bargaining unit shall be required to make contributions in the amount of 5% of their annual compensation to the Annuity Savings Fund of the General Retirement System. The said 5% employee contribution to the Retirement system Annuity Fund, although designated as employee contributions, shall be paid by the City of Detroit in lieu of contributions by the employee. The employee shall not have the option of choosing to receive the contributed amount directly instead of having them paid by the employer to the annuity fund. There shall be no additional contribution expense to the City of Detroit, and the amounts so contributed by the employer on behalf of the employee shall be treated, for tax purposes, as employer contributions and thus shall not be taxable to the employee until these amounts are distributed or made available to the employee.

These provisions shall not affect the amount or benefits level of the retirement allowance, or the City of Detroit's obligation thereto.

The City shall not be responsible for any adverse ruling, if any, and monetary penalty, judgment, or damages to the City as a consequence of the City's compliance with the provisions of this CET.

- P. Employees shall have the option of selecting from two additional surviving beneficiary options of 25% and 75%.
- Q. Annuity Contribution Amounts: The City will offer employees who choose to contribute to the annuity plan the option of 3% up to the Social Security maximum salary which would then be increased to 5%, a straight 5%, or a straight 7% contribution.
- R. Members of the bargaining unit shall have the option of belonging to the City's current defined benefit/defined contribution retirement plan or a new defined contribution retirement plan in accordance with the rules the City will issue for a defined contribution plan. The parties agree that the defined contribution plan the Executive Branch will propose for acceptance by the City Council, although not specifically detailed at this time, is intended to be primarily in accordance with the provisions which were last advocated by the Executive Branch in November-December, 1997.
- S. Effective July 1, 2003, the membership of the General Retirement System, Board of Trustees [Article II, Section 2, Subsection (1)] shall be modified to provide that one of the trustees is: "The Mayor of the City or his/her designated representative, ex-officio. Such designated person shall be a full-time appointive or classified City employee."
- T. To the extent that employees in the bargaining unit participate in any supplemental retirement plans other than the General City Retirement System, the City reserves the right to withdraw from such supplemental plans at any time and in accordance with applicable law.

- U. All Retirement and Pension Plan Provisions provided for by the City Charter and Municipal Code are incorporated herein by referral unless otherwise specifically modified by this CET or Ordinance 2-93, J.C.C. Page 133.
- V. **Defined Contribution Plan for Current and New Hires** – The City reserves the right to design, establish, manage, amend, and implement a Defined Contribution Plan for current employees and new hires, which may include a Defined Contribution Retirement health care plan.
- W. Upon the effective date of this CET, all vision and dental benefits shall no longer be provided for any future retirees after January 1, 2013.
- X. The City reserves the right to modify, amend, and/or eliminate any and all aspects of its pension/retirement plan(s), unless prohibited by law.

#### 49. GENERAL RETIREMENT SYSTEM, BOARD COMPOSITION

The membership of the Board of Trustees of the General Retirement System (GRS) shall be changed to consist of 11 trustees as follows:

1. The Mayor, ex-officio or designee.
2. The President of the City Council, ex-officio.
3. The City Treasurer, ex-officio.
4. The Budget Director, ex-officio.
5. The Finance Director, ex-officio.
6. The Human Resources Director, ex-officio.
7. Three members of the retirement system to be elected by the members of the retirement system, under such rules and regulations as may be from time to time adopted by City Council; except that no more than one trustee shall be from any one department.
8. The Mayor shall appoint, subject to the approval of City Council, as a trustee, an individual with a background in investment and/or municipal finance.
9. The Mayor shall appoint, subject to the approval of City Council, a retiree who is receiving benefits under the retirement system.

The City reserves the right to change the composition, structure and decision making procedures of the Pension Board.

Within fifteen (15) days of the effective date of this CET, the Pension Board shall provide to the Mayor and City Council all pension plan documents, including but not limited to: Plan Documents, Plan Amendments, Favorable Determination Letters (Pension Only), Summary Plan Descriptions, All Summaries of Material Modifications, Model Enrollment Forms, Insurance Contracts, All Funding/Actuarial Reports, All Explanations provided to Participants/Employees such as "Benefits at a Glance" and/or other summaries. The Pension Board shall provide to the Mayor and City Council all future amendments to any such documents within five (5) days of the amendment.

## **50. PRIVATE CAR MILEAGE REIMBURSEMENT**

### **A. RATES OF PAYMENT:**

When an employee covered by this CET is assigned to use his/her automobile to perform his or her job, he or she shall be paid mileage at the current IRS per mile rate, subject to change when that rate changes higher or lower.

### **B. DEFINITION OF REIMBURSABLE MILEAGE:**

1. Trips from home to headquarters and back home shall not constitute reimbursable mileage.
2. Trips in either direction between home and any officially designated point (when there is no specific headquarters) shall not constitute reimbursable mileage.
3. Trips from headquarters (or from the designated starting point if the employee has no headquarters) to a job, from job to job, and if directed, back to headquarters or starting point, shall constitute reimbursable mileage.

C. In the event of an automobile breakdown during regular working hours, the time, which an employee is allowed for servicing and repairing his automobile is to be determined by departmental policies.

D. When an employee covered by this CET is regularly assigned to a job which requires the use of an automobile during his normal working hours, he/she shall be required to furnish said car.

E. In order to receive mileage reimbursement an employee must actually use an automobile on City business.

F. Employees shall be subject to the City's Private Car Mileage Reimbursement Policy, which may be amended from time to time in the discretion of the City. In case of conflict, the Policy shall take precedence.

**51. LONG TERM DISABILITY BENEFITS (INCOME PROTECTION PLAN)**

Employees shall be eligible for the City's Long Term Disability Benefits ("Income Protection") Plan, to the extent allowed by City policy, which may be amended from time to time at the City's discretion.

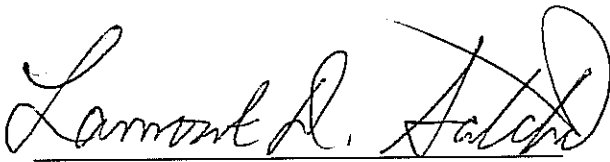
**EXHIBIT I**  
**Health Care Plan Design**

<b><u>PPO Plan, HAP/BCN plan(s), THC plan</u></b>	<b>In-Network</b>	<b>Out-of-Network</b>
Participant Premium Contribution	20% for all plans	20% for all plans
Plan Deductible	\$250/\$500	\$500/\$1000
Co-insurance %	20%	40%
Co-insurance maximum (OOP Max)	\$1,500/\$3,000	\$2,500/\$5,000
Office visit	\$25	\$25
Urgent care co-pay	\$25	\$25
Emergency room	\$100	\$100
Hospital co-pay	\$100	\$100
<b><u>Rx Drug Plan</u></b>		
Co-pay (retail, mail 2x for 90 day supply)	\$10/\$35/\$50	\$10/\$35/\$50
Mandatory mail	After 34 days	After 34 days
Mandatory generic	Required	Required
Traditional generic – step therapy	Required	Required
Exclusion of lifestyle drugs	Required	Required
<b><u>Other Changes</u></b>		
Participants contribute 20% for dental and vision coverage		
<b><u>Vision Plans</u></b>		
a. The City will no longer offer the Co-Op Optical plan		

The above City Employment Terms were presented on the

18<sup>th</sup> day of July 2012

to the AFSCME, Non Supervisory.

A handwritten signature in cursive script, reading "Lamont D. Satchel". The signature is written in dark ink and is positioned above the printed name and title.

Lamont D. Satchel, Director  
Labor Relations Division



# Exhibit 4

# Financial Stability Agreement

between

**the State of Michigan  
and the City of Detroit**

This landmark agreement was jointly developed by my administration, members of the Detroit City Council and the State of Michigan.

Of critical importance to Detroiters, this agreement preserves City Charter, Executive and Legislative powers. It also provides necessary financial mechanisms to execute a process that will ensure the City's fiscal stability over time.

We believe this Financial Stability Agreement puts us on track to restructure our City financially and reestablish an economic infrastructure to make sure Detroit never faces these financial conditions again.

— *Dave Bing, Mayor*

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## CONSENT AGREEMENT


STATE OF MICHIGAN )  
 ) ss.  
COUNTY OF INGHAM )

Bev Vogt Bev Vogt 4/10/2012

Carl Brown

Caleb Buhs, Office of Communications  
Michigan Department of Treasury

Subscribed and sworn to before me  
this 11<sup>th</sup> day of April, 2012

  
Karyn Howd, Notary Public  
County of Ingham, Michigan  
Acting in Ingham County  
My commission expires: 02-14-2013

KARYN HOWD  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF INGHAM  
MY COMMISSION EXPIRES Feb 14, 2013

## **FINANCIAL STABILITY AGREEMENT**

WHEREAS, the City of Detroit (the "City"), like many industrial cities throughout the United States, has experienced a prolonged period of economic change stretching over several decades which has eroded the quality of life of the City's residents and businesses; and

WHEREAS, the City currently confronts daunting challenges characterized by persistent and systemic fiscal imbalances and deficit conditions, aggravated by the deterioration in revenues received from property taxes, income taxes, interest earnings, utility revenues, and intergovernmental revenues resulting from the recent serious recession in the U.S. and Michigan economies; by the growth in the City's legacy costs concurrently with the City's diminished ability to carry such costs; and by the difficulty in rapidly restructuring the City's operations so as to bring short-term and long-term expenditures in line with current and projected revenues; and

WHEREAS, a financially stable and vibrant City is important as a catalyst for the State of Michigan's overall image and success in economic development, business attractiveness, quality of life, and a host of other factors; and

WHEREAS, fundamentally changing the City's current trajectory can restore the quality of life which families, businesses and visitors have a right to expect and enjoy; and

WHEREAS, the City, through the Mayor and City Council, seeks to pursue this long-term vision by achieving, first, financial stability for the City, and, second, a sustainable and stable platform for growth ensuring the City's financial integrity in a manner that enables the City to grow, prosper and thrive; and

WHEREAS, the People of the State of Michigan have required the establishment of the Department of Treasury as a principal department of state government under Section 3 of Article V of the State Constitution of 1963 (the "Treasury Department") and provided that the State Treasurer, a constitutional officer appointed by the Governor with the advice and consent of the Michigan Senate (the "State Treasurer"), shall serve as the head of the Department, which is vested with responsibilities related to local government finance, budgeting and administration under state law; and

WHEREAS, the City is a political subdivision of the State of Michigan organized as a body corporate under Act 279, Public Acts of Michigan, 1909, as amended, the Home Rule City Act ("Act 279"), with the People of Detroit having created and provided for their continuing control of the municipal government of the City by adopting a Home Rule Charter of the City of Detroit (the "Charter"), and the People of the State of Michigan conferring comprehensive home rule power to the City through the State Constitution of 1963, subject to the limitations on the exercise of that power contained in the Constitution or the Charter, or imposed by statute;

WHEREAS, the Treasury Department desires to undertake jointly with the City efforts for the betterment of the residents of the City and the State of Michigan (the "State") as a whole through the adoption of this Financial Stability Agreement (this "Agreement"); and

WHEREAS, as a commitment to the long-term cooperative process established in this Agreement, the Mayor and the City Council desire to authorize and perform certain initial restructuring actions detailed herein with the Treasury Department; and

WHEREAS, the City is in need of specific and targeted operational and technical support and consultation in such areas as information technology, payroll and accounting, financial recordkeeping and reporting, internal controls, data management and analytics, enterprise application implementation, actuarial analysis and benefits management, State and federal grant management, revenue assessment and forecasting, and other areas; and

WHEREAS, this Agreement contains the terms and conditions authorizing a cooperative undertaking between public agencies for efficiently restructuring the City's operations and tackling the City's systemic issues and accumulated deficit with the goals of (i) ensuring that the City remains a safe and secure environment where residents and visitors can live and work, (ii) promoting the delivery of quality, efficient, and effective public services to residents and businesses, and (iii) creating a civic culture and environment that attracts as well as retains investment, businesses, jobs and new residents to the City and the State; and

WHEREAS, approval of this Agreement is intended to reaffirm the role of the City's executive and legislative branches under the Charter in the development of the strategy, policies and long-term vision of a revitalized City; and

WHEREAS, under this Agreement the City and the Treasury Department agree to jointly exercise powers relating to public finance, budgeting, and administration that they share in common and that each may exercise separately, including, but not limited to, the powers, privileges and authorities of the Treasury Department to protect the credit of the State and municipalities in the State, and to aid, advise and consult with the municipalities with respect to fiscal questions and certain other matters under Act 34,

Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act ("Act 34"), and to require local units of government to agree to plans to correct deficit conditions under Act 140, Public Acts of Michigan, 1971, as amended, the Glenn Steil State Revenue Sharing Act of 1971 ("Act 140"), and under other applicable law; and the power and authority of the City under Act 34 and Act 140 in respect of the foregoing, and the comprehensive home rule and other powers, privileges and authority of the City to enter into contracts on matters of municipal concern including, but not limited to, under Act 279, the Charter, and other applicable law; and

WHEREAS, under Act 140 the City previously has submitted to the Treasury Department a "financial plan" (sometimes referred to as a "deficit elimination plan") within the meaning of Act 140; and

WHEREAS, this Agreement shall update, supplement and restate the City's deficit elimination plan currently on file with the Treasury Department, as the same may be modified from time to time, and constitutes the City's request that the Treasury Department assist and cooperate with the City in the joint formulation of the financial plan to correct the City's deficit condition.

NOW, THEREFORE, the parties hereby agree as set forth below. Without limiting the foregoing, the City, through its Mayor (the holder of such office at any given time, the "Mayor") and the City Council of the City of Detroit (the holders of such offices, collectively, at any given time, the "City Council"), hereby agree and promise to undertake the steps outlined in this Agreement in consideration of and reliance upon: (i) subject to the terms of this Agreement, the Treasury Department maintaining existing discretionary state revenue sharing initiatives and agreements under Act 140; (ii) subject to the terms of this Agreement, the City's continuing ability to issue new



municipal securities with appropriate approvals under Act 34 until such time as the City achieves "qualified status;" (iii) subject to the terms of this Agreement, the City's ability to obtain additional financing pursuant to Act 243, Public Acts of Michigan, 1980, as amended, the Emergency Municipal Loan Act ("Act 243") with appropriate approvals; and (iv) the other agreements and commitments made herein by and on behalf of the Treasury Department.

## **1. FINANCIAL ADVISORY BOARD**

### **1.1. Establishment and Purpose.**

(a) Pursuant to this Agreement and applicable law, a financial advisory board (the "Financial Advisory Board") shall be immediately established to administer and execute this Agreement. The Financial Advisory Board shall be a public body politic and an intergovernmental entity that is neither a commission, board or council of the City nor a commission, board or council of the State.

(b) The parties agree that the City is in need of specific and targeted operational and technical support and consultation in such areas as information technology, payroll and accounting, financial recordkeeping and reporting, internal controls, data management and analytics, enterprise application implementation, actuarial analysis and benefits management, State and federal grant management, revenue assessment and forecasting, and other areas the City may identify from time to time (the "Support Subjects"). In response to those needs, the Financial Advisory Board is charged with: (a) consulting with and assisting the City regarding implementation of systems and improvements in the Support Subjects; (b) monitoring and reporting upon the City's ongoing financial performance; (c) making certain findings and recommendations to and assisting the City with the City's preparation,

implementation and execution of an annual Triennial Budget and General Appropriations Act (as described in Section 3.7 of this Agreement, the "Triennial Budget"), which shall include the City's annual Budget (defined below); (d) assisting the City in achieving Financial Stability (defined below); (e) monitoring compliance with this Agreement; and (f) taking certain actions respecting, and pursuing remedies for, non-compliance with this Agreement as provided in this Agreement.

1.2. Composition. The Financial Advisory Board shall be composed of nine members, each of whom shall possess professional qualifications in the Support Subjects and character suitable for the rendering of well-informed judgments within the context of highly complex transactions. The initial Financial Advisory Board shall be appointed by the Governor of the State of Michigan (the holder of such office at any given time, the "Governor"), the Mayor, the City Council, and the State Treasurer (for purposes of this Section 1.2, each respectively an "Appointing Entity") as follows:

- (a) Three individuals appointed by the Governor;
- (b) Two individuals appointed by the Mayor;
- (c) Two individuals appointed by the City Council;
- (d) One individual appointed jointly by the Governor and the Mayor and subject to confirmation by the City Council; and
- (e) One individual appointed by the State Treasurer.

Each member of the Financial Advisory Board (any such member, a "Member") shall possess at least ten years' experience with one or more of (a) sophisticated municipal financial transactions, (b) Support Subjects in the context of distress and transition environments, (c) complex, multi-dimensional governmental restructurings, (d) governmental labor relations, health care benefits and/or pension matters, or (e) local government management with government units having consolidated revenues of \$250

million or more. Prior to appointment of an individual as a Member, the Appointing Entity shall request independent confirmation that the individual possesses the qualifications required under this Section 1.2 from the Michigan Association of Certified Public Accountants or the Michigan Government Finance Officers Association.

Members shall not be officers or employees of the City or the State, or of the Mayor's executive staff, or a member or former member of the City Council. The terms of all Members shall be three years, provided that of the members initially appointed (a) of the Members identified in Section 1.2(a), one shall be appointed for an initial 24-month term and one shall be appointed for an initial 12-month term; (b) of the Members identified in Section 1.2(b), one shall be appointed for an initial 24-month term; (c) of the Members identified in Section 1.2(c), one shall be appointed for an initial 12-month term; and (d) the Member identified in Section 1.2(d) shall be appointed for an initial 12-month term; and provided further that one of the Members identified in Section 1.2(c) and the Member identified in Section 1.2(e) shall be appointed to and serve at the will of the respective Appointing Entity (the "At-Will Members"). After the initial appointments, subsequent appointments shall be made in the same manner as the original appointment. Vacancies shall be filled by the Appointing Entity for the balance of the unexpired term. Excepting the At-Will Members, Members may only be removed by the respective Appointing Entity for Cause. "Cause" means misfeasance, malfeasance, gross neglect of duty, corrupt conduct in office, pleading to or conviction of a felony, absence from 3 consecutive meetings without being formally excused, or at the discretion of the Appointing Entity, absence from more than 15% of meetings within a calendar year. Upon the formation of the Financial Advisory Board and thereafter, the Governor and the Mayor shall jointly designate a Member to serve as the Chair of the

Financial Advisory Board (the "Board Chair"). The Board Chair shall serve as such officer at the will of the Governor and the Mayor.

1.3 Compensation. Members shall be entitled to annual compensation in the amount of \$25,000.00 (such compensation, the "Annual Compensation") during their terms of service, provided that (a) such Annual Compensation shall be payable in four equal installments on a quarterly basis, (b) such Annual Compensation shall be prorated as necessary in the event that a Member serves less than a full quarter for any reason, and (c) a Member may elect to serve without compensation by notifying the Board Chair of the election in writing within 30 days of his or her appointment and while serving without compensation shall not be considered employed by the Board, the City or the Treasury Department.

. All Members shall be entitled to reimbursement of actual, reasonable, necessary and documented expenses in accordance with applicable standards in force for State employees and appointees (including, but not limited to, expenses related to travel, meals and lodging) incurred in connection with their service as Members of the Financial Advisory Board (such expenses, the "Reimbursable Expenses"). The City shall be responsible for the payment of each Member's Annual Compensation, with 50% of each Member's Annual Compensation reimbursed by the Treasury Department. The City shall be responsible for the payment of each Member's Reimbursable Expenses of up to \$3,000.00 each, with 50% of each Member's Reimbursable Expenses of up to \$3,000.00 reimbursed by the Treasury Department. Reimbursable Expenses for each Member in excess of \$3,000.00 may be 100% reimbursed by the Treasury Department but only with the approval of the State Treasurer. Reimbursement shall be made by the Treasury Department no later than the earlier of (a) 45 days after

the submission by the City of an invoice for such reimbursement to the Treasury Department or (b) the close of the same State fiscal year in which such payments are made and (ii) incorporated in the Budget (defined below), provided that neither the State, the City, the Treasury Department nor any other entity shall be responsible for the payment of any Reimbursable Expense that is not evidenced by a copy of the corresponding receipt. The Financial Advisory Board shall adopt procedures and policies having the objective of using current technology, communication and other means to constrain Reimbursable Expenses to the extent reasonably practicable.

### 1.3a Standards of Conduct, Conflicts of Interest and Ethics

(a) Members of the Financial Advisory Board are public officials in a position of public trust. Upon appointment, each Member shall take the constitutional oath of office under Article XI, § 1 of the State Constitution of 1963.

(b) Members of the Financial Advisory Board are public servants subject to the provisions of Act 317, Public Acts of Michigan, 1968, as amended ("Act 317"), pertaining to contracts of public servants with public entities.

(c) Within thirty (30) days of its initial meeting, the Financial Advisory Board shall adopt a Standards of Conduct, Conflicts of Interest and Ethics Policy ("Policy"). The Policy shall be designed to assure that governmental decisions are made in the public's best interest by prohibiting members of the Board and its employees and contractors from participating in matters that affect their personal or financial interests. The Policy shall be no less stringent than requirements under (a) Act 317; (b) Act 196, Public Acts of Michigan, 1973, as amended; and (c) Section 2-106 et seq. of the Charter. The Policy also shall include, without limitation, all of the following:

(i) Provision for the reasonable disclosure of substantial financial interests held by any Member or employee of the Board who regularly exercises significant authority over the approval or renewal of any contracts.

(ii) Standards of conduct designed to assure the ethical behavior of Members and employees and contractors of the Board.

(iii) A Member or employee or agent of the Board shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill which an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties, a Member or an employee or agent, when acting in good faith, may rely upon the opinion of counsel for the Board, upon the report of an independent appraiser selected with reasonable care by the Board, or upon financial statements of the Board or the City represented to the Member or employee or agent of the Board to be correct by the person having charge of its books or account, or stated in a written report by a certified public accountant or firm of certified public accountants fairly to reflect the financial condition of the Board or the City.

(iv) A Member shall not make, participate in making, or in any way attempt to use his or her position as a Member to influence a decision providing a personal, family or business benefit to the Member.

(v) A Member or employee or agent of the Board shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the Board Chair in writing of the details of any incident or circumstances that may present the existence of a conflict of interest with respect to the performance of the Board-related

work or duty of the member, employee, or agent. The Board Chair will immediately advise the Treasurer and the Mayor of any personal conflict of interest.

(vi) A Member with a conflict of interest related to any matter before the Board shall disclose the conflict of interest before the Board takes any action with respect to the matter, which disclosure shall become a part of the record of the Board's official proceedings. The member with the conflict of interest shall refrain from doing all of the following with respect to the matter that is the basis of the conflict of interest:

(A) Voting in the Board's proceedings related to the matter.

(B) Participating in the Board's discussion of and deliberation on the matter.

(C) Being present at the meeting of the Board when the discussion, deliberation, and voting on the matter take place.

(D) Discussing the matter with any other Member.

(vii) Members may not directly or as a result of their affiliation with other organizations do business with the City, have any contracts with the City, respond to any RFPs or seek or be seeking any no-bid contracts (pending or future), nor have immediate family or "close kin" relationships with officers or employees of the City.

(ix) Members may not have or acquire financial interest in any property or asset owned by the City, nor have an interest in any provider of goods and services to the City, unless such interest comes through ownership of publicly-traded shares constituting not more than 0.1% ownership in such provider.

(x) Members will be required to formally attest to their independence and understanding of the Standards of Conduct, Conflicts of Interest and Ethics Policy.

(xi) Except as otherwise provided by applicable law, Members or employees or agents of the Board shall not knowingly:



- A. Willfully or grossly neglect the discharge of his or her duties;
- B. Use or disclose confidential information concerning the property, government or affairs of the Board not available to members of the public and gained by reason of his or her official position;
- C. Engage in or accept private employment or render services when such employment or service is in conflict or incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of official duties;
- D. Represent a private person, business or organization in any action or proceeding pending before the Board or the City or any office, department or agency thereof.
- E. Vote or otherwise participate in the approval of any contract, or any other type of transaction, with any business entity in which he or she or an immediate family member has a financial interest; or
- F. Use his or her official position, in violation of applicable law, to improperly influence a decision of the Board, the Mayor, City Council members, City Clerk, appointees or other City employees.
- G. Attempt to influence any decision to fill a position in City government with an immediate family member.

(xii) A Member shall not accept gifts, gratuities, honoraria, or other things of value from any person or company doing business or seeking to do business with the City or the Board, is seeking official action from the City or the Board, has interests that could be substantially affected by the performance of the person's official duties, except as specifically provided in the Policy.

(xiii) The Policy may, by reference, incorporate ethics policies of the City that impact the Board.

(xiv) By a vote of six members of the Board, the Board may waive a portion of this Policy on a case-by-case basis when the Board determines a waiver is in the public interest.

1.4 Board Organizational Matters. The Financial Advisory Board may:

- (a) Adopt rules of procedure governing the conduct of its business, including, but not limited to, the (i) identification of the responsibilities of the Board Chair (which will include the role of chairing Revenue Conferences (defined below)), (ii) appointment of its officers as necessary and appropriate and (iii) adoption of specific procedures governing the Board's performance of its purposes described in this Agreement.
- (b) Hire, employ, appoint and/or supervise professional staff to assist in the completion of its duties and to assist State and local officials. The City shall be responsible for the payment of all reasonable fees and expenses incurred by the Financial Advisory Board in connection with such professionals' services up to an annual maximum of not more than \$250,000.00 or such other amount as shall be agreed to by the City and the Treasury Department, with 50% of all such payments by the City to be (i) reimbursed by the Treasury Department no later than the earlier of (a) 45 days after the submission by the City of an invoice for such reimbursement to the Treasury Department or (b) the close of the same State fiscal year in which such payments are made; and (ii) incorporated in the Budget (defined below).
- (c) Enter into contracts to assist in the completion of its duties and sue and be sued in its own name.
- (d) Obtain appropriate levels of insurance for its Members, including director and officer insurance or its equivalent. The Treasury Department shall be responsible for the payment of all reasonable premiums and expenses incurred by the Financial Advisory Board in connection with such insurance.

1.5 Board Authority. Consistent with this Agreement and applicable law, the Financial Advisory Board shall have authority to do all of the following:

- (a) Recommend financial and operational metrics by which the City's financial performance and operations shall be monitored and evaluated consistent with best management practices for local government entities.

- (b) Monitor the City's financial and operational performance and the timely implementation of the Triennial Budget consistent with the terms of this Agreement and periodically advise the Governor, the Mayor, and the City Council of the Board's conclusions. Reports of the Financial Advisory Board under this subsection shall be made available to the public.
- (c) Evaluate the City's existing debt structure and recommend means of achieving rating and credit improvements; and, from and after July 20, 2012, receive from the Mayor, and review, assist, and advise prior to submission to City Council by the Mayor, (i) any material capital markets transaction (including transactions involving new or existing swaps) proposed to be entered into by the City (including, but not limited to, any proposed exchange offers), and (ii) any proposed changes to the City's debt structure or restructuring of the City's outstanding debt; and assist, advise and provide technical support to the City in respect to ratings presentations and other presentations to third-party capital markets participants.
- (d) With respect to debt instruments, securities, financing leases, installment contracts and other financial instruments or securities which are not otherwise subject to Treasury Department approval under Act 34, review and approve or disapprove the issuance of such instruments following City Council approval of appropriate authorizing resolutions or ordinances.
- (e) Provide assistance, advice and technical support to the City in respect of the Support Subjects and in the preparation of the City's annual proposed operating and capital budgets (any such budget a "Budget") and the Triennial Budget. The Budget shall be prepared on a consistent basis with the Triennial Budget.
- (f) As part of the Revenue Estimation process under Sections 3.1 and 3.2 of and Annex C to this Agreement, review and approve the Revenue Estimation, including any Set-Aside (defined below) for deficit reduction or budget stabilization, to be included in the Budget to be prepared by the Mayor.
- (g) Review, assist, advise and comment to the Mayor and City Council on the financial impact of (i) any proposed amendment or modification to any material contracts to which the City is party (including, but not limited to, the Support Subjects), (ii) any proposed sale of any material asset of the City, and (iii) any other proposed action by the City that could have a material impact on the financial condition of the City.
- (h) Receive from the Mayor or City Council, and review, assist, advise and make recommendations regarding any plan or proposed transaction related to the consolidation, disposition or elimination of City departments, including with respect to the impact of such transactions on the Triennial Budget.
- (i) Receive from the Mayor or City Council, and review, assist, advise and make recommendations regarding proposed changes to the organizational

structure of the City involving any positions appointed by or that report directly to the Mayor or City Council.

- (j) Receive from the Mayor, and review, evaluate, analyze and comment on proposed judgment levies before submission to a court pursuant to Public Act 236 of 1961, the Revised Judicature Act of 1961.
- (k) Monitor the performance by the City and the Treasury Department of compliance with this Agreement.
- (l) Take remedial steps set forth in Section 6.3 of this Agreement in the event of a determination by the Board of a material breach of this Agreement under Section 6.2 of this Agreement; supervise the Program Management Director's (defined below) actions in the event of a Reform Default (defined below) as provided in Section 6.4 of this Agreement; and exercise the authority assigned to it by the Mayor and the City Council to take certain additional actions under this Agreement in the event of a material breach of this Agreement.
- (m) ~~Consent to the approval of City settlements of claims as provided in Section 5.1 of this Agreement.~~

1.6 Quorum and Voting. A majority of the members of the Financial Advisory Board appointed and serving shall constitute quorum. Except as otherwise provided in this Agreement, the Financial Advisory Board may act by a majority vote of its Members present and voting, provided that a declaration of a default under Section 6.2 of this Agreement or of a Reform Default under Section 6.4 of this Agreement shall require a majority vote of all Members then in office.

1.7 Meetings. The Financial Advisory Board shall be subject to and comply with Act 267, Public Acts of Michigan, 1976, as amended, the Open Meetings Act.

1.8. Procurement. The Financial Advisory Board shall adopt rules and/or regulations governing its procurement practices. As an intergovernmental entity, the Financial Advisory Board is not subject to City rules and/or regulations governing procurement activities or requirements applicable to procurement by State departments or agencies. The City's and Treasury Department's aggregate obligation for all costs and expenses incurred by the Financial Advisory Board, inclusive of procurement, shall

not exceed \$1,000,000.00 each per year unless otherwise expressly agreed to by the Mayor, the City Council and the Treasury Department.

1.9. Taxes and Incurring Debt. The Financial Advisory Board is not authorized under this Agreement to levy any type of tax within the boundaries of the City or to in any way indebted the City, except as otherwise expressly authorized in this Agreement. The Financial Advisory Board is not authorized under this Agreement to in any way indebted the Treasury Department or the State.

## **2. THE MAYOR AND CITY COUNCIL**

2.1 Powers and Authority. The Mayor and the City Council shall continue to exercise all such powers, privileges and authorities as are granted to each under the Charter and applicable law. The Mayor and the City Council each have determined, in the exercise of their discretion and in furtherance of the joint exercise of power and cooperative undertaking detailed in this Agreement, to restrain their respective exercise of powers, privileges and authorities in certain circumstances as provided in this Agreement.

### **2.2 Chief Financial Officer.**

(a) Within 7 days after the effective date of this Agreement, the Mayor shall create the position of Chief Financial Officer as a group executive within the executive office of the Mayor. The Chief Financial Officer shall supervise all finance and budget activities of the City, shall report directly to the Mayor, and shall be physically housed in the executive office of the Mayor. The Chief Financial Officer shall directly assist the Chief Operating Officer, the Program Management Director and other Directors, senior executive staff and financial staff on all strategic and tactical matters as they relate to budget management, financial management, financial reporting, cost benefit analysis,

forecasting needs, the securing of new funding, and adherence to the Budget and the Triennial Budget. The Chief Financial Officer shall be responsible for completing a comprehensive examination of the Budget in order to improve services and promote efficiency. The Directors of the Budget Department and the Finance Department shall report directly to the Chief Financial Officer. The Chief Financial Officer shall be treated as a "Director" for purposes of Sec. 5-103 of the Charter provided that the Chief Financial Officer shall be appointed for a term of 5 years and shall be removed by the Mayor only for Cause. Removal shall be subject to the consent of the City Council and the Financial Advisory Board, in each case acting by a majority vote of the members then elected or appointed and serving.

(b) Not more than 30 days after the creation of the position of Chief Financial Officer, the Mayor shall appoint a Chief Financial Officer from a list of not less than 3 candidates agreed to between the Mayor and the State Treasurer as constitutional appointee of the Governor. Candidates shall have substantial experience with at least 2 of the following disciplines: (a) sophisticated municipal financial transactions, (b) Support Subjects in the context of distress and transition environments, (c) complex, multi-dimensional governmental restructurings, (d) governmental labor relations, health care benefits and/or pension matters, and (e) local government management with government units having aggregated revenues of \$250 million or more. No then currently serving or former elected official of the City or currently serving elected official of the State may be appointed Chief Financial Officer. No then currently serving appointee of the Mayor's executive office, of the Governor's executive office, or of the City Council may be appointed Chief Financial Officer. In the event of a vacancy in the office of Chief Financial Officer, the Mayor immediately shall appoint an interim Chief

Financial Officer with substantially the same qualifications as required by this Section 2.2(b) for the Chief Financial Officer. Within 60 days of the occurrence of the vacancy, the Mayor shall appoint a successor Chief Financial Officer from a list of 3 candidates agreed to between the Mayor and the State Treasurer as constitutional appointee of the Governor as set forth above. The Chief Financial Officer from time to time may propose amendments to the projects, priorities and timing set forth on Annex B to the Mayor, the City Council and the Financial Advisory Board for consideration, with notice to the Treasury Department. The Chief Financial Officer's compensation shall be agreed to between the Mayor and the State Treasurer as constitutional appointee of the Governor and the City Council shall approve such amendments to the City's 2011-2012 Official Compensation Schedule (the "White Book") as necessary to reflect the agreed-to compensation.

2.3 Program Management Office; Director.

(a) Within 7 days after the effective date of this Agreement, the Mayor shall create the Program Management Office within the executive office of the Mayor, headed by the position of Program Management Director as a group executive. The Program Management Office shall implement the Reform Program (defined below) projects set forth on Annex B, as amended and updated from time to time (the "Reform Initiatives" and each a "Reform Initiative"). The Program Management Director shall report directly to the Mayor, and shall be physically housed in the executive office of the Mayor. The Program Management Director shall supervise each Reform Initiative and shall have primary responsibility for designing, developing, managing, implementing and executing each Reform Initiative, including acting in the place and stead of the Mayor and the City Council with respect to a Reform Initiative in the event that the Financial Advisory Board



finds a Reform Default of this Agreement in respect of a Reform Initiative, as provided in and subject to Section 6.4 of this Agreement. The Program Management Director shall coordinate implementation of the Reform Initiatives with the Chief Operating Officer and the Chief Financial Officer to minimize disruptions in City services resulting from the Reform Initiatives. The Program Management Director from time to time may propose amendments to the projects set forth on Annex B to the Mayor, the City Council and the Financial Advisory Board for consideration, with notice to the Treasury Department.

(b) Not more than 30 days of the creation of the position of Program Management Director, the Mayor shall appoint an individual as Program Management Director from a list of not less than 3 candidates agreed to between the Mayor and the State Treasurer as constitutional appointee of the Governor. Candidates shall have not less than fifteen years' experience with 1 or more of (a) Support Subjects in the context of distress and transition environments, (b) complex, multi-dimensional governmental restructurings, or (c) local government management with government units having consolidated revenues of \$250 million or more. No then currently serving or former elected official of the City or currently serving elected official of the State may be appointed Program Management Director. No then currently serving appointee of the Mayor's executive office, of the Governor's executive office, or of the City Council may be appointed Program Management Director.

(c) The Program Management Director shall directly assist the Chief Operating Officer, the Chief Financial Officer and other Directors and senior executive staff, and shall be treated as a "Director" for purposes of Sec. 5-103 of the Charter provided that the Program Management Director shall be appointed for a term of 5 years and shall be removed by the Mayor only for Cause. Removal shall be subject to

the consent of the City Council and the Financial Advisory Board, in each case acting by a majority vote of the members then elected or appointed and serving. In the event of a vacancy in the office of Program Management Director, the Mayor, within 60 days of the occurrence of the vacancy, shall appoint a successor Program Management Director from a list of not less than 3 candidates agreed to between the Mayor and the State Treasurer as constitutional appointee of the Governor. The Program Management Director's compensation shall be agreed to between the Mayor and the State Treasurer as constitutional appointee of the Governor, and the City Council shall approve such amendments to the White Book as necessary to reflect the agreed-to compensation.

(d) The Program Management Director shall make periodic reports to the City Council, as requested by the City Council but no less often than monthly, in respect of the Reform Initiatives.

#### 2.4 Implementation of Phase I Reform.

(a) The City desires to implement a number of actions in fiscal years 2012 and 2013 including, but not limited to, the development and implementation of the City's "Operational Reform Program" attached hereto as Annex B (the "Phase I Reform"). The Mayor and/or City Council may make modifications to Annex B from time to time, and shall promptly make modifications which are required to efficiently accomplish the Reform Program (defined below), including establishing measurable outcomes and metrics and establishing specific program timelines, with the approval of the Financial Advisory Board. In the event that the Mayor and City Council cannot agree to modifications to Annex B, the Financial Advisory Board may modify Annex B but only with the consent of either the Mayor or the City Council.

(b) By approval of this Agreement, the City Council has approved of the "Operational Reform Program" attached hereto as Annex B and authorized its implementation. The City Council shall make such other changes in ordinances and resolutions and coordinate its staff as may be necessary or convenient to fully implement Annex B as contemplated by this Agreement, as well as approve other actions consistent with the Reform Program.

2.5. Support of Phase I Reform. Cooperating with the City, the Treasury Department, in addition to the supportive activities of the Treasury Department and the State described in Annex E, will undertake the following actions in support of the Phase I Reform actions taken by the City under Sec. 2.4:

- (a) Cash stabilization transaction: The Treasury Department will assist with structuring and will grant relevant approvals for the City to complete a refinancing or refinancings of certain of the City's outstanding indebtedness so as to provide liquidity prior to June 30, 2012. The anticipated aggregate size of the refinancing(s) is approximately \$137 million, of which approximately \$33 million will be used to refinance existing debt, and approximately \$104 million will be placed in an escrow account and used to pay for costs of the Reform Program and for City operating expenses. Draws from the escrow account shall be as and when approved by the State Treasurer in the State Treasurer's discretion.
- (b) Technical and financial assistance: The Treasury Department shall provide the City with technical assistance (which may include in-kind financial assistance) and support to the City in rapidly implementing the following information technology projects:
  - (1) Completion of a payroll system upgrade.
  - (2) Integration of budgeting, accounting and financial reporting systems.
  - (3) Implementation of a new grants management system.
- (c) Income tax collection: The Treasury Department will assist the City in maximizing revenues collected under the City income tax. This will include technical assistance to modernize processing, enhance enforcement, and

improve collections. The Treasury Department will assist the City in preparation of draft legislation to require withholding of City Income Taxes for City residents working outside the City. Additionally, the Treasury Department will explore the possibility of enabling the collection and distribution of the City income tax in conjunction with the collection and distribution of the State income tax.

(d) Legislative assistance: The parties agree that legislation may be required to give the City the tools to achieve part of its Section 2.4 (Phase I Reform) objectives, including, but not limited to legislation:

- (1) Enabling PLD changes;
- (2) Enabling Bus Rapid Transit legislation;
- (3) If determined appropriate by the Financial Advisory Board, enabling the long-term funding of unfunded pension and other post-employment benefit liabilities.
- (4) Enabling appropriations proportional to the City's progress in achieving Reform Initiatives.

The Treasury Department agrees to draft for presentation to the Governor for recommendation to the Legislature as a recommended measure under Section 17 of Article V of the State Constitution of 1963 such legislation as the City and State reasonably agree is necessary or appropriate to enable the City to achieve its Phase I Reform objectives.

2.6 Implementation of Phase II Reform—Following Actions. Consistent with Mayor's and City Council's development of the strategy, policies and long-term vision of a revitalized City and to preserve financial integrity, following the implementation of the Phase I Reform actions detailed in Section 2.4, the City intends to implement a number of additional actions (the "Phase II Reform"), including, but not limited to, the development and implementation of plans related to (a) the further consolidation, disposition or elimination of City departments, (b) grants management restructuring, (c) property management review, and (d) the implementation of "best practices" with respect to the City's pension and other post-employment benefits in consultation with the Financial Advisory Board and in furtherance of the long-term vision. (The Phase I

Reform and the Phase II Reform are referred to collectively in this Agreement as the "Reform Program.")

2.7 Support of Phase II Reform. Cooperating with the City, the Treasury Department, in addition to the supportive activities of the Treasury Department and the State described in Annex E, will undertake the following actions in support of the City's Phase II Reform actions taken under Sec. 2.6:

- (a) Legislative assistance: The parties agree that legislation may be required to give the City the tools to achieve part of its Section 2.6 (Phase II Reform) objectives, including but not limited to legislation enabling greater intergovernmental cooperation. The Treasury Department agrees to draft for presentation to the Governor for recommendation to the Legislature as a recommended measure under Section 17 of Article V of the State Constitution of 1963 such legislation as the City and State reasonably agree is necessary or appropriate to enable the City to achieve its Phase II Reform objectives.
- (b) Health plan and post-employment benefits: The Treasury Department agrees to work cooperatively with the City in formulating options for statewide medical plan designs, retiree health care, and other post-employment benefits funding management and consolidation to achieve administrative simplicity and economies of scale.
- (c) Demolition of structures: The Treasury Department, at the City's request, will provide technical assistance and support to the City in pursuing and administering federal grant funds to pay for the demolition of abandoned structures.
- (d) Real estate management: The Treasury Department, at the City's request, will provide technical assistance and support in respect of the City's real estate management efforts.

2.8 Reporting Requirements.

(a) In addition to any other reporting requirements herein, the Chief Financial Officer shall periodically (and not less often than monthly) update the Mayor, the City Council, the Financial Advisory Board and the Treasury Department regarding (a) the City's financial performance in respect of the financial and operational metrics recommended under Section 1.5(a) and (b) the City's adherence to the Budget and the

Triennial Budget. Any such updates shall be reported in writing to the Financial Advisory Board and the Treasury Department and shall be posted to the City's website.

(b) In addition to any other reporting requirements herein, the Program Management Director shall periodically (and not less often than monthly) update the Mayor, the City Council, the Financial Advisory Board and the Treasury Department regarding the status of Reform Initiatives and completion of Annex B projects. Any such updates shall be reported in writing to the Financial Advisory Board and shall be posted to the City's website.

(c) Within 45 days of the effective date of this Agreement, and on a monthly basis thereafter, the City shall submit to the Treasury Department a detailed listing of all accounts payable in amounts of \$250,000.00 or more, together with the total aggregate amount of all accounts payable, which are more than 30 days beyond each respective due date. For each detailed account payable, the listing shall specify the date upon which payment originally was due, the amount of the payment due including any accrued interest, the name of the person, business, unit of government, or other entity to which payment is due, and a proposed schedule for timely payment. The detailed listing required by this paragraph shall be in a format prescribed by the Treasury Department.

(d) Within 45 days of the effective date of this Agreement, and on a monthly basis thereafter, the City shall prepare and maintain a forecast of monthly cash demands to meet the expenditures planned in the Budget. The cash flow forecast, prepared in a format acceptable to the Treasury Department, shall be updated and submitted to the Mayor, the City Council, the Financial Advisory Board and the Treasury Department within the first 10 days following the end of each month. A monthly report

of actual revenues and expenditures, prepared in a format acceptable to the Treasury Department, shall be prepared and submitted to the Mayor, the City Council, the Financial Advisory Board and the Treasury Department within the first 10 days following the end of each month.

2.9 Appropriation; Limitation. The Treasury Department's obligation to provide financial assistance in the form of money to the Reform Program under this Agreement shall at all times be subject to the mandate under Section 17 of Article IX of the State Constitution of 1963 that no money may be paid out of the state treasury except in pursuance of appropriations made by law.

### **3. FINANCIAL AND BUDGET PROCESS; REVENUE CONFERENCES; TRIENNIAL BUDGET**

#### **3.1 Revenue Conferences; Conduct.**

(a) Consistent with Section 8-213 of the Charter, the Directors of the Finance Department, Budget Department, Auditor General and City Council's Fiscal Analysis Division shall hold a revenue estimating conference ("Revenue Conference") each January and July, or such other dates as shall be determined by the Board Chair of the Financial Advisory Board or agreed to by the participants in the Revenue Conference, for the purpose of arriving at a consensus estimate of revenues to be available for the then current fiscal year of the City and the next fiscal year beginning the following July 1<sup>st</sup> (such estimate, a "Revenue Estimation"). The Board Chair of the Financial Advisory Board or his or her designee and the Chief Financial Officer shall attend and participate in the revenue estimating conference. The Board Chair of the Financial Advisory Board shall set the meeting dates of the Revenue Conference and shall preside over the Revenue Conference or, in the absence of the Board Chair, the Chief Financial Officer



shall preside. The revenues under consideration shall include all general fund, solid waste fund, and risk-management fund revenues, revenues of enterprise agencies that require a general fund subsidy, and all other revenues of the City. The parties shall also compile and consider any and all outstanding delinquent receivables in the possession of City agencies, departments and entities and, in conjunction with Corporation Counsel, recommend to the Mayor, the Chief Financial Officer, the City Council and the Financial Advisory Board the most efficient means to collect this revenue, which may include collection procedures undertaken by the Law Department. Revenue Conference reports should adhere to the reporting standards recommended by the City Council's Fiscal Analysis Division except as otherwise determined by the Financial Advisory Board.

(b) At or in connection with a Revenue Conference, the Revenue Conference may (a) take testimony from persons with municipal finance, budgetary, economic or related expertise and (b) request and receive from all public officers, departments, agencies and authorities of the City or the Treasury Department any assistance and information necessary to arrive at a Revenue Estimation (together with all other information considered by the Revenue Conference, such testimony, assistance and information, the "Revenue Estimation Evidence").

(c) The Revenue Estimation shall include a determination by the Revenue Conference of the amount of revenue to be applied to reduce any accumulated deficit or, if there is no accumulated deficit, to a budget stabilization account (the "Set-Aside").

(d) The Revenue Estimation, including any Set-Aside, shall be reviewed and approved by the Financial Advisory Board as provided in Section 1.5(f) and thereafter shall be effective and binding for the Budget period to which it applies.

(e) For purposes of the City's fiscal year 2013 Budget, and in lieu of the foregoing procedure, the City's Revenue Conference under Section 8-213 of the Charter shall arrive at the applicable Revenue Estimation and Set-Aside, which shall be provided to the State Treasurer for approval in lieu of approval by the Financial Advisory Board.

3.2 Revenue Conferences; Limitation on Adjournment. A Revenue Conference shall not be adjourned until the Board Chair, in the Board Chair's discretion, determines that either (a) a consensus regarding the Revenue Estimation based upon reasonable assumptions (economic and otherwise) has been reached or (b) sufficient Revenue Estimation Evidence exists to allow for a Revenue Estimation, despite any inability to reach a consensus with respect to such Revenue Estimation. A Revenue Estimation shall set forth discrete revenue estimates from each of the City's major revenue sources, in a form consistent with Treasury Department pronouncements, including all of the following: (a) property taxes; (b) income taxes; (c) casino gaming taxes; (d) State revenue sharing and other State grants; (e) federal grants; (f) licenses, fees, and permits; (g) interest income; (h) proceeds from the sale or lease of any City-owned assets; (i) operating transfers or reimbursements from other funds; and (i) other funds if required by the Charter. If a consensus cannot be reached with respect to a Revenue Estimation within 14 days after the beginning of the Revenue Conference, the Revenue Estimation Evidence shall be submitted by the Board Chair to the State Treasurer, who shall determine the Revenue Estimation, including any Set-Aside, for the upcoming Budget period.

3.3 Limitation on Mayor's Budget Proposal. Except for the Transitional Period as set forth in Section 6.7(b) of this Agreement, the Mayor shall not develop or propose

a Budget or any amendment to a Budget that (a) reflects revenues in excess of the Revenue Estimation, net of any Set-Aside, approved by the Financial Advisory Board for the corresponding Budget year, (b) reflects the collection of revenue from sources not approved by the Financial Advisory Board, (c) fails to comply with the requirements of Act 2 (as defined below) or other applicable law; or (d) incorporates payments not approved by the Financial Advisory Board as part of the Budget.

3.4 Limitation on City Council's Budget Approval. Except for the Transitional Period as set forth in Section 6.7(b) of this Agreement, the City Council shall not approve a Budget, any amendment to a budget, a general appropriations ordinance or any amendment to a general appropriations ordinance that (a) reflects revenues in excess of the Revenue Estimation, net of any Set-Aside, approved by the Financial Advisory Board for the corresponding Budget year, (b) reflects the collection of revenue from sources not approved by the Financial Advisory Board, (c) fails to comply with the requirements of Act 2 or other applicable law; or (d) incorporates payments not approved by the Financial Advisory Board as part of the Budget.

3.5. Budget Proceedings and Adoption. The Budget adopted for each fiscal year for the City shall comply with the following requirements:

- (a) Subject to Sections 3.1 to 3.4 of this Agreement, each Budget shall be prepared and presented, and each appropriations act proposed by the City shall be adopted, in accordance with the provisions of Act 2, Public Acts of Michigan, 1968, as amended, the Uniform Budgeting and Accounting Act ("Act 2"), applicable provisions of the Charter, and Secs. 18-2-16 through 18-2-25 of the Detroit City Code, as amended from time to time. The milestones for annual Budget adoption, including Revenue Conferences, are set forth on Annex C hereto.
- (b) Beginning with the first Budget adopted after the execution of this Agreement, the proposed Budget for each fiscal year shall be transmitted by the Mayor to the Financial Advisory Board not later than March 29 of each year.

- (c) During the period covered by any Budget, the Mayor shall propose such amendments to the existing Budget as are necessary (e.g., the reduction of budgeted expenditures under Section 3.6 of this Agreement; the adjustment of quarterly allotments) on a timely basis so as to prevent an expenditure from being made for which adequate revenues are unavailable or are projected to be unavailable (e.g., on account of a shortfall in actual revenue, or unusual or extraordinary expenditures) or otherwise to support the initiatives in the Triennial Budget. No amendments or modifications proposed by the Mayor to any proposed or approved Budget or approved by City Council shall become effective unless such amendments are consistent with the Triennial Budget, as certified by the Chief Financial Officer.
- (d) Each Budget shall be designed to ensure that the City shall not end the relevant fiscal year with an operating deficit in any fund (any such deficit, an "Operating Deficit"), provided that, upon the recommendation of the Financial Advisory Board, the Mayor shall have the authority to propose, and the City Council shall have the authority to approve, Operating Deficits proposed in Budgets or amendments thereto in the Financial Advisory Board's sole discretion.
- (e) If, during a fiscal year, it appears to the Mayor, the Chief Financial Officer or the City Council that the actual and probable revenues from taxes and other sources in a fund are less than the estimated revenues, including an available surplus upon which appropriations from the fund were based and other proceeds permitted by law, and will be insufficient to satisfy projected expenditures, the Mayor, within 30 days of notification of such revenue shortfall, shall present to the City Council the Chief Financial Officer's recommendations which, if adopted, would prevent expenditures from exceeding available revenues for that current fiscal year. The recommendations shall include proposals for reducing appropriations from the fund for budgetary centers in a manner that would cause the total of appropriations to not be greater than the total of revised estimated revenues of the fund, or proposals for measures necessary to provide revenues sufficient to meet expenditures of the fund, or both.
- (f) During the term of this Agreement, no officer or employee of the City shall make or authorize any obligation or other liability (i) not authorized by the Budget or (ii) in excess of any amount authorized in the Budget unless approved by the Mayor and the Financial Advisory Board in compliance with applicable law.
- (g) If during a fiscal year the Chief Financial Officer becomes aware of a proposed contract, financial transaction or settlement of claim which, in the Chief Financial Officer's judgment, will have a material adverse impact on the Budget or on City's long-term ability to achieve and maintain Financial Stability, the Chief Financial Officer shall report the Chief Financial Officer's concerns respecting the proposed contract, transaction

or settlement to the Mayor, the City Council, the Financial Advisory Board and the Treasury Department.

3.6 Budget Reductions; Ordinance; Impasse. Within 60 days of the effective date of this Agreement, the City Council shall adopt an amendment to the Finance and Taxation Ordinance or other appropriate provisions of the Detroit City Code providing that if the Chief Financial Officer reports to the Mayor, or if the Council Fiscal Analysis Director reports to the City Council and the Chief Financial Officer concurs, that expenditures during a fiscal year have exceeded or are likely to exceed appropriated levels, (i) the Mayor, consistent with Section 3.5(e) of this Agreement, shall submit a proposed appropriation amendment to the City Council decreasing budgeted appropriations in amounts sufficient to avoid the deficit; and the City Council promptly shall amend appropriations to avoid the deficit; and further if City Council fails to so amend the appropriation ordinance to avoid the deficit within 30 days after the submittal of the proposed appropriation amendment, then the requested appropriation amendment submitted by the Mayor becomes effective; and further (ii) if the Mayor fails to so submit a proposed appropriation amendment to the City Council decreasing budgeted appropriations in amounts sufficient to avoid the deficit within 30 days of notice by the Chief Financial Officer, the Council may introduce and adopt such an amendment on its own motion. The powers and actions authorized by this Section 3.6 shall be granted pursuant to MCL 141.1514a and MCL 141.1519(1)(b) to the extent necessary to implement this Section 3.6, but only to the limited extent and limited time necessary to implement this Section 3.6.

3.7 Triennial Budget. (a) As a means of addressing the City's fiscal imbalances and accumulated deficit and to permit continuous planning at least three

fiscal years in the future, beginning with fiscal year 2013 the City, in consultation with the Financial Advisory Board, shall develop and maintain a Triennial Budget for adoption by the City Council. The Triennial Budget shall contain specific and realistic operational metrics, expenditure reductions, revenue set-asides, or specific and realistic revenue enhancements, or any combination of them, in an amount sufficient to address, within a period of not to exceed 5 years, any current or accumulated deficit in any fund maintained by the City. The Financial Advisory Board may approve modifications to the period within which the accumulated deficit will be eliminated. In addition, the Triennial Budget shall provide for the liquidation of all significant inter-fund payables and receivables, not regularly settled, in not to exceed 5 years from the date of this Agreement. The Financial Advisory Board may approve modifications to the period within which the inter-fund payables and receivables will be settled. The Triennial Budget shall include details of the budget appropriation, reductions in employee salary, wages, employee retirement systems, other fringe benefits, debt retirement, and operating expenditures or revenue enhancements.

(b) The initial Triennial Budget shall be prepared and adopted prior to the end of the Transition Period (defined below), or such other date determined by the Chief Financial Officer and reported to the Financial Advisory Board and the Treasury Department, and shall include the subjects set forth on Annex A-1 hereto. When adopted by the City and approved by the Treasury Department, the initial Triennial Budget shall be attached as Annex A-2 hereto. The Triennial Budget shall be a "financial plan" (sometimes referred to as a "deficit elimination plan") within the meaning of Act 140, provided that the Treasury Department shall review compliance with the Triennial Budget annually, and shall retain full discretion under law to annually approve

of or disapprove of the then-current Triennial Budget as a satisfactory deficit elimination plan.

(c) Beginning with the City's fiscal year 2014 Budget, a copy of the proposed Triennial Budget shall be filed with the Treasury Department not later than April 12 of each year concurrently with submittal of the Mayor's annual Budget to City Council under the City's Finance and Taxation Ordinance. The City shall approve of and amend the Budget from time to time as necessary to give full effect to the Triennial Budget. The Chief Financial Officer shall have primary responsibility under the Mayor for the development of and adherence to the Triennial Budget. The Triennial Budget shall be posted on the City's website.

#### **4. COLLECTIVE BARGAINING AGREEMENTS**

4.1 Authority. The Mayor shall have the authority to negotiate, renegotiate, execute, amend, modify, reject or terminate collective bargaining agreements to the fullest extent authorized by law and subject to the terms of this Agreement.

4.2 Collective Bargaining Agreements; Restriction. The parties hereto agree that the Mayor shall not propose or execute, and the City Council shall not approve, any instrument which modifies, amends, extends, supplements or replaces the terms or conditions of, or is a successor agreement to, any collective bargaining agreement in effect as of the effective date of this Agreement or thereafter unless such modification, amendment, extension, supplement, replacement or successor agreement satisfies the requirements of Annex D as determined by the Financial Advisory Board or if a modification, amendment, extension, supplement, or replacement is required by law. For purposes of this Section 4.2, "collective bargaining agreement" includes an



arbitration award, excepting an arbitration award resulting from an arbitration proceeding concluded prior to the effective date of this Agreement.

4.3 Collective Bargaining Agreements; Approval. The Labor Relations Division shall negotiate and administer collective bargaining contracts in consultation with the Program Management Director. Upon the prior approval of the Financial Advisory Board following consultation with the Program Management Director, the head of the Labor Relations Division shall deliver to the Mayor any proposed collective bargaining agreement which satisfies the requirements of Section 4.2 of this Agreement for consideration and transmittal to the City Council in accordance with Sec. 6-408 of the Charter. The Mayor shall not approve and transmit to the City Council, and the City Council shall not approve of, any collective bargaining agreement which does not satisfy the requirements of Section 4.2 of this Agreement. If the City Council fails to approve a collective bargaining agreement as proposed by the Mayor and approved by the Financial Advisory Board within 30 days after the submittal of the proposed collective bargaining agreement, then the Program Management Director may approve the collective bargaining agreement in the place and stead of the City Council. The powers and actions of the Program Management Director authorized by this Section 4.3 shall be granted pursuant to MCL 141.1514a, MCL 141.1519(1)(g) and 141.1519(dd)(i), or other applicable law, to the extent necessary to implement this Section 4.3, but only to the limited extent and limited time necessary to implement this Section 4.3.

4.4. Duty to Bargain. It is the State Treasurer's determination pursuant to MCL 141.1514a(10) that beginning 30 days after the effective date of this Agreement, the City is not subject to Sec. 15(1) of Act 336, Public Acts of Michigan, 1947, as amended, MCL 423.215, for the remaining term of this Agreement.

## 5. PENDING LITIGATION REPORT

5.1 Report; Filing. Beginning on July 15, 2012, and continuing thereafter on a quarterly basis, the City's Law Department shall submit to the Financial Advisory Board a report (the "Pending Litigation Report") identifying all pending lawsuits or other legal actions or proceedings (including, but not limited to, lawsuits, actions or proceedings related to workers' compensation claims) to which the City is a party (any such lawsuit, action or proceeding, a "Pending Action"). Each Pending Litigation Report shall identify, with respect to each Pending Action: (a) all plaintiffs; (b) all defendants; (c) the court and judge before which the Pending Action is pending; (d) legal counsel representing the City (if other than the Law Department); (e) the specific cause(s) of action; (f) the length of time the Pending Action has been pending; (g) an estimate as to the budgetary impact upon the City (if any) from a disposition of the Pending Action unfavorable to the City; (h) the applicability of any liability insurance maintained by the City; (i) an assessment of the likely outcome of such Pending Action (which section of the Pending Litigation Report shall remain subject to any and all applicable privileges); and (j) any proposed settlement or disposition of any Pending Action. The City shall not settle or otherwise dispose of any Pending Action in an amount of \$250,000.00 or more without the prior written consent of the Financial Advisory Board under Section 1.5(m) of this Agreement or, prior to the first meeting of the Financial Advisory Board, the State Treasurer. For purposes of the Pending Litigation Report, the Financial Advisory Board shall be the client of the City's Law Department and shall be entitled to the attorney-client privilege, the attorney work product privilege, and all other privileges and duties afforded to clients under the Michigan Rules of Professional Conduct.

## 6. DEFAULTS AND REMEDIES

6.1 Obligations of the parties. (a) The City, through its officers and the City Council and applicable law, is bound by the obligations set forth in, and shall adhere to, this Agreement. Timely achievement of the Reform Program and performance of the financial and operational requirements set forth in this Agreement are of the essence of this Agreement. The Mayor and the City Council (and all departments, agencies and other entities organized within, and all officers acting on behalf of, the Mayor and the City Council, including in particular the Program Management Director and the Program Management Office) shall provide the Financial Advisory Board with access to all information, documentation and personnel as may be reasonably requested by the Financial Advisory Board from time to time, with respect to all matters related to the Reform Program and/or addressed in this Agreement. During the term of this Agreement, no officer or employee of the City shall knowingly (a) take any action in violation of the terms of, or shall fail or refuse to take any action reasonably required by, this Agreement; or (b) prepare, present or certify any information (including any projections or estimates) or report for the Mayor, the Chief Financial Officer, the Program Management Office, the City Council, the Revenue Conference or the Financial Advisory Board that is false or misleading in any material respect, or, upon learning that any such information is false or misleading in a material respect, shall fail promptly to advise the Financial Advisory Board or the Mayor, the Chief Financial Officer and the Program Management Director thereof. The parties intend that this Agreement may be deemed and function as an agreement entered into under MCL 141.1513.

(b) The Treasury Department, through the State Treasurer and applicable law, is bound by the obligations set forth in, and shall adhere to, this Agreement, consistent with applicable law.

6.2 Material Breach; Default. (a) For purposes of this Agreement, a breach of the obligations set forth in this Agreement, if uncured, shall be considered a material breach of this Agreement if, in the judgment of the Financial Advisory Board, the breach (i) materially impairs the timely and complete implementation of the Reform Program, (ii) materially impairs the Financial Advisory Board's ability to exercise its express responsibilities under this Agreement, or (iii) materially adversely affects the completion of 1 or more Reform Initiatives. Without limiting the foregoing, the obligations set forth in Section 1 (Financial Advisory Board), Section 2 (The Mayor and City Council), Section 3 (Financial and Budget Process; Revenue Conferences; Triennial Budget), Section 4.2, Annex B and Annex D shall be considered of primary importance in the achievement of the Reform Program whose performance is essential to the achievement of this Agreement's urgent public purposes.

(b) If the Financial Advisory Board determines that a material breach of this Agreement has occurred or is occurring, the Financial Advisory Board shall immediately notify the Mayor, the City Council and the Treasury Department of its determination. Upon receipt of the notice, the Mayor and the City Council, or either of them, shall take all lawful steps necessary to cure the material breach within 30 days, or, if the material breach is of a nature which cannot be cured within 30 days, shall commence and diligently pursue a cure, and shall report the steps taken to the Financial Advisory Board and the Treasury Department. The Financial Advisory Board shall investigate the circumstances and shall evaluate the efficacy of the cure or attempted cure by the

Mayor or City Council. The Mayor or the City Council shall have the opportunity to present evidence and argument to the Financial Advisory Board as to any aspect of the material breach and the efficacy of any cure. Following the expiration of the 30-day cure period, the Financial Advisory Board shall make a determination as to whether the material breach has been adequately cured. Following its investigation and the receipt of evidence and argument, the Financial Advisory Board shall make a declaration as to whether a default in the performance of the obligations under this Agreement. A declaration that a default has occurred shall require a vote of the Financial Advisory Board pursuant to Section 1.6 of this Agreement.

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6.3 Default; Remedies. A declaration of default on account of a material uncured breach of this Agreement as provided in Section 6.2 may result in (a) the suspension by the Treasury Department of (i) discretionary State revenue sharing initiatives and agreements between the Treasury Department or the State and the City pursuant to Act 140 and/or (ii) Economic Vitality Incentive Program payments or other intergovernmental assistance between the Treasury Department or the State and the City pursuant to Act 140 and other applicable law, in each case to the extent permitted by law; (b) the withholding by the Treasury Department of approvals to enter the capital markets under Act 34; (c) accelerating or exercising other rights and remedies by the Treasury Department for collection of any existing loans from the State to the City under, e.g., Act 243 or other applicable law; (d) the filing of court proceedings by the Financial Advisory Board or the State Treasurer in the Circuit Court for Wayne County, Michigan, or the U.S. District Court for the Eastern District of Michigan seeking mandamus, an injunction, appointment of a referee, or other equitable relief consistent with the urgent public purposes of this Agreement so as to cause the obligations of this

Agreement to be fully and timely performed; (e) the placement by the State Treasurer of the City in receivership as provided in MCL 141.1515; and/or (f) other remedies available to the Treasury Department or under State law. The remedies provided in this Section 6.3 shall be cumulative.

6.4 Program Management Director; Board; Reform Initiative Remedies.

Timely achievement of the Reform Program being of the essence of this Agreement, in addition to the other remedies provided in this Agreement, the City and the Treasury Department agree that the following provisions shall apply in respect of individual Reform Initiatives:

(a) If in the judgment of the Mayor, the City Council, the Chief Financial Officer, the Program Management Director, the Financial Advisory Board or the Treasury Department a breach in the provisions of this Agreement, including the Annexes, has occurred or is imminently likely to occur which is materially frustrating or will materially frustrate the timely implementation of one or more Reform Initiatives (a "Reform Default Condition"), the Program Management Director shall provide written notice of the Reform Default Condition to the Mayor, the City Council, the Financial Advisory Board and the Treasury Department. Upon receipt of the notice, the Mayor and the City Council, or either of them, shall take all lawful steps necessary to cure the Reform Default Condition within 30 days, or, if the Reform Default Condition is of a nature which cannot be cured within 30 days, shall commence and diligently pursue a cure, and shall report the steps taken to the Financial Advisory Board and the Treasury Department.

(b) Upon receipt of the notice of a Reform Default Condition, the Financial Advisory Board shall investigate the circumstances and shall evaluate the efficacy of the

cure or attempted cure by the Mayor or City Council. The Mayor or the City Council shall have the opportunity to present evidence and argument to the Financial Advisory Board as to any aspect of the Reform Default Condition and the efficacy of any cure. Following the expiration of the 30-day cure period, the Financial Advisory Board shall make a determination as to whether the Reform Default Condition has been adequately cured so as to prevent a material breach of this Agreement respecting one or more Reform Initiatives. Following its investigation and the receipt of evidence and argument, the Financial Advisory Board shall make a declaration as to whether a default in the performance of the obligations under this Agreement in respect of one or more Reform Initiatives has occurred (a "Reform Default"). A declaration that a Reform Default has occurred shall require a vote of the Financial Advisory Board pursuant to Section 1.6 of this Agreement.

(c) In the event of a determination of a Reform Default by the Financial Advisory Board, and immediately upon the approval of the declaration that a Reform Default has occurred, the Mayor shall be deemed to have delegated his executive authority with respect of the Reform Initiative or Initiatives for which a Reform Default has been declared, but only in respect of such Reform Initiative or Initiatives, to the Program Management Director; and the City Council, by approval of this Agreement, shall be deemed to have given full legislative approval and authority to proceed with the implementation and execution of such Reform Initiative or Initiatives, but only in respect of such Reform Initiative or Initiatives. The Program Management Director thereafter shall exercise all lawful authority of the City in respect of the accomplishment, implementation and execution of the Reform Initiative or Initiatives for which the Reform Default was declared, provided that the Program Management Director shall be under



the supervision of, and shall report frequently, but not less often than monthly, to the Financial Advisory Board, the Treasury Department, the Mayor and the City Council in respect of the Program Management Director's actions, and the Financial Advisory Board shall review and approve or disapprove the proposed actions of the Program Management Director, including specifically the approval of any contracts proposed to be executed by the Program Management Director. The powers and actions of the Program Management Director authorized by this Section 6.4(c) additionally shall be granted pursuant to MCL 141.1514a, MCL 141.1519(1)(g) and 141.1519(dd)(i) to the extent necessary to implement this Section 6.4(c), but only to the limited extent and limited time necessary to implement this Section 6.4(c).

(d) Upon the earlier of (i) the accomplishment of the Reform Initiative or Initiatives for which the Financial Advisory Board had declared a Reform Default or (ii) the elimination or cure of the event or condition which was the basis of the Reform Default, the Financial Advisory Board, upon the recommendation of the Program Management Director or on its own motion, shall, by majority vote, declare the Reform Default terminated. The Financial Advisory Board also may consider a declaration that the Reform Default is terminated upon petition by the Mayor or the City Council. Immediately upon such declaration, the executive authority of the Mayor and the legislative approval of the City Council temporarily empowering the Program Management Director in respect of the specific Reform Initiative or Initiatives shall be deemed restored to the Mayor and City Council and the grants under Section 6.4(c) shall be withdrawn.

6.5 Additional Forbearance by Treasury Department. Provided that this Agreement remains in effect and there is no material failure to comply with, or adhere

to, this Agreement on the part of the City, the Treasury Department and the Financial Advisory Board shall forbear from exercising any of its respective remedies under Section 6.3.

6.6 Obligation Not Discharged by Contingencies. The obligations of the City as expressed and agreed to herein are not subject to release or discharge due to any contingencies within the City's reasonable control, including, but not limited to, clerical errors, computer failures, late mailings or the failure to comply with reporting due dates or other scheduled due dates excepting due to adverse weather, acts of God, acts of third parties or compliance with court orders. If the due date for a report, listing or other document falls on a weekend or legal holiday, then the report, listing, or other document shall be due on the first day thereafter that is not a weekend or legal holiday.

6.7 Transitional Provisions.

(a) The parties acknowledge that on account of inadequate systems and other operational constraints, the City will be unable to satisfy the reporting and budgeting requirements set forth in this Agreement as of the effective date of this Agreement. The parties agree that from the effective date of this Agreement until 60 days after the date that the Chief Financial Officer commences serving (the "Transitional Period"), the City will make every effort to comply with the reporting requirements set forth in this Agreement, but any failure to comply with the any such reporting requirements during the Transitional Period shall not be deemed to be a material breach of this Agreement.

(b) The parties acknowledge that as of the effective date of this Agreement and during the Transitional Period, the City will be in the midst of its budget preparation process for the fiscal year 2013 Budget, and that therefore the Budget provisions of this Agreement, including the responsibilities of the Financial Advisory Board and the

adoption of the initial Triennial Budget, cannot be fully accomplished for the fiscal year 2013 Budget. The City and the Treasury Department agree that during the Transitional Period, the City will make every effort to comply with the Budget process requirements set forth in this Agreement, and any failure to comply with any such Budget process requirements during the Transitional Period may be waived by the State Treasurer. Until the Board Chair of the Financial Advisory Board has been appointed and the Chief Financial Officer has commenced serving, the City's Revenue Conference under Section 8-213 of the Charter shall arrive at the Revenue Estimation for fiscal year 2013, and State Treasurer shall approve of the Revenue Estimation in lieu of the Financial Advisory Board under Sections 3.1 and 3.2 of this Agreement, which shall form the basis of the Mayor's proposed fiscal year 2013 Budget submitted pursuant to Section 3.3 of this Agreement and the City Council's approved fiscal year 2013 Budget pursuant to Section 3.4 of this Agreement. Notwithstanding the provisions of this Section 6.7(b), the Mayor and the City Council shall fully perform their respective obligations under Act 2 and the Charter in respect of the fiscal year 2013 Budget preparation and shall cause the fiscal year 2013 Budget and the 2013 general appropriations ordinance to be in effect as of July 1, 2012. During the Transitional Period, the Mayor shall not propose, and the City Council shall not approve, a Budget, any amendment to a budget, a general appropriations ordinance or any amendment to a general appropriations ordinance that reflects revenues in excess of, or collected from sources not included in, the applicable Revenue Estimation, net of any Set-Aside, for the 2013 Budget year.

## **7. AMENDMENT; WAIVER OF PROVISIONS**

7.1 Amendment; Waiver. This Agreement and the Annexes hereto may be amended only in writing by the mutual consent of the Financial Advisory Board, the

State Treasurer and the City (or their respective successors or permitted assigns), evidenced by all necessary and proper authority. By agreement of the parties, the Financial Advisory Board, in its sole discretion, may waive or forbear from any provision of this Agreement that requires an act by the City, provided that, for the avoidance of doubt, no entity other than the Financial Advisory Board shall be permitted to waive or forbear from any provision hereof that otherwise relates to a power reserved for the Financial Advisory Board. No waiver of or forbearance from any provision of this Agreement shall arise from any action or inaction of the Financial Advisory Board, except pursuant to an instrument in writing expressly waiving or forbearing from the provision executed by the party entitled to the benefit of the provision. The parties anticipate that Annex B to this Agreement will be amended and updated from time to time to reflect the dynamic nature of the Reform Program. Amendments to Annex B may be adopted by the Mayor and City Council with the approval of the Financial Advisory Board, as set forth in Section 2.4(a) of this Agreement. Amendments to Annex B may be proposed by the Mayor, the City Council, the Chief Financial Officer, the Program Management Director, the Financial Advisory Board or the Treasury Department.

## **8. DURATION OF AGREEMENT; RELEASE**

### **8.1 Duration of Agreement; Termination; City's Release from Obligations.**

This Agreement shall remain in effect until both of the following occur ("Financial Stability"):

- (a) The date of the earlier of:
  - (i) the end of the third consecutive fiscal year of the City in which each of the following conditions have been satisfied: (A) the City's audited financial statements indicate, on the basis of accounting

principles generally accepted in the United States, that the City general fund, excluding any revenues derived from borrowed funds, is not in a deficit condition; and (B) the City's accumulated deficit has been eliminated; or

- (ii) the City has achieved and maintained for at least two consecutive calendar years a credit rating by two or more nationally recognized securities rating agencies (without regard to any third party credit enhancement) on the City's outstanding long-term unsubordinated debt in any of the four highest long-term debt rating categories of such rating agency (BBB/Baa or higher), without regard to any refinement or gradation of such rating category by numerical modifier or otherwise; and

(b) The date that the State Treasurer certifies to the Governor that no material condition exists within the City, and that no action has been taken, or is being contemplated, by City officials, that would (A) implicate the need for a deficit elimination plan under Sec. 21 of Act 140, excepting for fund deficits of an immaterial nature; or (B) require implementation of the Treasury Department's authority under Sec. 802 of Act 34.

(c) The Mayor, with the approval of the City Council, may apply to the Financial Advisory Board to be released from the terms and conditions of this Agreement. If the financial conditions set forth in Section 8.1(a) and (b) have been satisfied by the City, the Financial Advisory Board shall release the City from the terms and conditions of this Agreement.

(d) Notwithstanding the provisions of subsections 8.1(a), (b) and (c) of this Section 8.1, this Agreement shall be earlier terminated by the Financial Advisory Board, with the consent of the State Treasurer, if requested by the Mayor and the City Council on behalf of City or by the Treasury Department.

## **9. CONTINUING EFFECT; EMPLOYEES; SEVERABILITY**

9.1 Continuing Effect. This Agreement shall remain in effect until terminated or until the Financial Advisory Board has released the City from the terms and conditions of this Agreement pursuant to Sections 8.1(c) or 8.1(d).

9.2 Joint Exercise of Power; Transfer. While this Agreement represents a joint exercise of power by the City and the Treasury Department, this Agreement does not transfer functions or services from the City or the Treasury Department to the Financial Advisory Board. Nothing in this Agreement prohibits the City from subsequently entering into a contract with the Financial Advisory Board for the transfer of functions or services from the City to the Financial Advisory Board, to the extent authorized under 1967 (Ex Sess) PA 8, as amended, MCL 124.531 to 124.536. The City and the Treasury Department intend that this Agreement be construed as an agreement between the City and the Treasury Department authorized under Act 7, Public Acts of Michigan, Extra Session of 1967, as amended, the Urban Cooperation Act of 1967, with the exception of the provisions of this Agreement authorized solely under MCL 141.1501 to 141.1531.

9.3 Employees. In no event shall this Agreement direct, permit or enable the transfer of employees or groups of employees from the City to the Financial Advisory Board or otherwise to merge or create a "workforce" of the Financial Advisory Board.. Nothing in this Agreement creates an employment relationship between the employees of the City or the Treasury Department and the Financial Advisory Board. The City shall function as the employer of personnel and staff of the City needed for the joint exercise of power under this Agreement. The Treasury Department shall function as the employer of personnel and staff of the Treasury Department needed for the joint

exercise of power under this Agreement. The Financial Advisory Board shall function as the employer of any personnel and staff of the Financial Advisory Board not otherwise employed by the City or the Treasury Department needed for the joint exercise of power under this Agreement. No employees of the City or the Treasury Department are transferred from the City or the Treasury Department to the Financial Advisory Board under this Agreement.

9.4 Management and Direction. The Financial Advisory Board has the responsibility, authority, and right to manage and direct on behalf of the public the functions or services of the Financial Advisory Board performed or exercised by the Financial Advisory Board under this Agreement. The City has the responsibility, authority, and right to manage and direct on behalf of the public the functions or services of the City performed or exercised by the City under this Agreement. The State Treasurer has the responsibility, authority, and right to manage and direct on behalf of the public the functions or services of the Treasury Department performed or exercised by the Treasury Department under this Agreement. The functions or services of the Financial Advisory Board, the City, and the Treasury Department, respectively, under this Agreement are deemed to be in the interests of the public health, safety and welfare, and the accomplishment of the objectives of this Agreement is an urgent public purpose.

9.5 Severability. If any provision of this Agreement, or its application to any person, party or circumstance, is determined to be invalid or unenforceable for any reason, the remainder of this Agreement and its application to other persons, parties or circumstances shall not be affected and shall remain enforceable to the full extent permitted by law. On account of the urgent public purpose and the protection of the



public health, safety and welfare sought to be accomplished by this Agreement, It is the intent of the parties to continue to implement the provisions of this Agreement, in whole or in part, to the fullest extent possible under applicable law.

## **10. COUNTERPARTS**

10.1 Counterparts; Signatures. This Agreement may be executed in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Execution may be accomplished by delivery of original or electronic copies of the signature page hereto (e.g., by facsimile or email).

## **11. EFFECTIVE DATE**

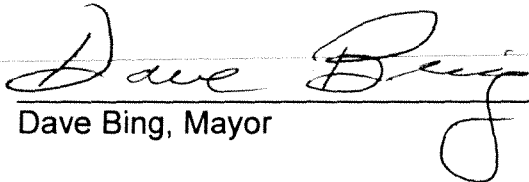
11.1 Effective Date. The effective date ("Effective Date") for this Agreement and the joint exercise of power under this Agreement shall be the date on which the last of all of the following have occurred: (a) the Agreement is approved and executed by the Mayor; (b) the Agreement is approved by the City Council, (c) the Agreement is approved and executed by the State Treasurer; (e) the Agreement is approved by the Governor; (d) the Agreement is filed with the Clerk for the Charter County of Wayne, Michigan, (e) the Agreement is filed with the Clerk for the County of Ingham, Michigan; and (f) the Agreement is filed in the Office of the Great Seal, Michigan Department of State.

IN WITNESS WHEREOF, the parties, by their designated representatives, have signed and executed this Agreement on this 4<sup>th</sup> day of April, 2012.

**ON BEHALF OF THE CITY OF DETROIT:**

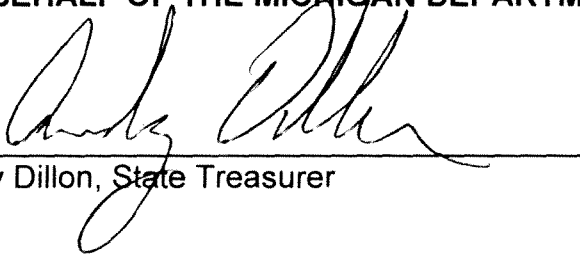


Kirk J. Lewis, Deputy Mayor (Acting As Mayor)



Dave Bing, Mayor

**ON BEHALF OF THE MICHIGAN DEPARTMENT OF TREASURY:**



Andy Dillon, State Treasurer

Consistent with my duty under Section 8 of Article V of the State Constitution to take care that the laws be faithfully executed, I find that this Agreement is in proper form, and is compatible with the laws of the State of Michigan.

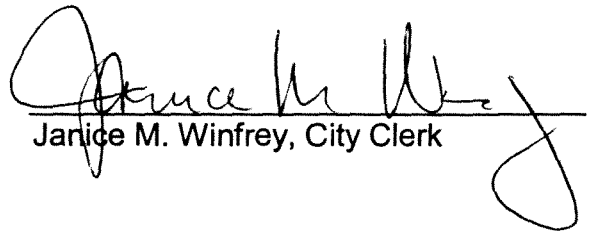
Dated: \_\_\_\_\_

4/5/12

  
\_\_\_\_\_  
Richard D. Snyder, Governor

## CERTIFICATION

I, Janice M. Winfrey, City Clerk for the City of Detroit, hereby certify that the foregoing Agreement has been duly authorized by resolution adopted by the City Council of the City of Detroit, County of Wayne, State of Michigan, at a Special Session held on April 4, 2012, that said resolution remains in effect, and that the foregoing meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



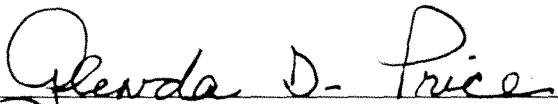
Janice M. Winfrey, City Clerk


Date of Certification: April 9, 2012

Time of Certification: 4:27, p.m.

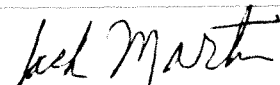
BY THE FINANCIAL REVIEW TEAM FOR THE CITY OF DETROIT:

  
\_\_\_\_\_  
Andy Dillon

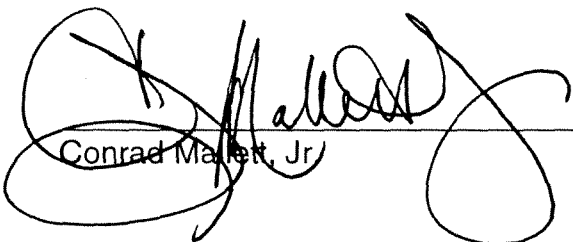
  
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Glenda D. Price

  
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Frederick Headen


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Irvin D. Reid

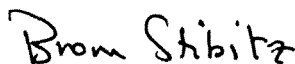
  
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Jack Martin

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Doug Ringler


  
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Conrad Mallett, Jr.

\_\_\_\_\_  
Shirley R. Stancato

  
\_\_\_\_\_  
Isaiah McKinnon

  
\_\_\_\_\_  
Brom Stibitz

APPROVED AS STATE FINANCIAL AUTHORITY:

  
\_\_\_\_\_  
Andy Dillon, State Treasurer

## **ANNEX A-1**

The Triennial Budget and General Appropriations Act shall, at a minimum, include all of the following:

- (a) A detailed projected budget of revenues and expenditures over not less than 3 fiscal years which demonstrates that, subject to exceptions, the City's general fund expenditures will not exceed its general fund revenues and that any existing deficits will be eliminated during the projected budget period.
- (b) A cash flow projection for the budget period.
- (c) An operating plan for the budget period.
- (d) A plan showing reasonable and necessary maintenance and capital expenditures for the budget period.
- (e) An evaluation of the costs associated with pension and postemployment health care obligations for which the City is responsible and a plan for how those costs will be addressed over the budget period.
- (f) A provision for submitting quarterly compliance reports to the Financial Advisory Board demonstrating compliance with the Triennial Budget.

The Triennial Budget shall be updated annually as part of the approval of the annual Budget under Act 2 and the Charter.

**ANNEX A-2**

*[Initial Triennial Budget to be included pursuant to Section 3.7(b)  
upon approval following appointment of CFO]*



## **ANNEX B**

### **City's Operational Reform Program**

**(Prioritization and timing to be mutually agreed upon by Mayor and Council and approved by Financial Advisory Board as provided in the Agreement)**

1. Public safety initiatives;
2. Lighting Department Changes;
3. DDOT Changes;
4. Income tax collection;
5. Implementation of payroll system upgrade if needed – following a review of other options that streamline payroll process and implement;
6. Implementation of new grants management system to streamline requisition and monitoring process of grants;
7. Integration of budgeting, accounting and financial reporting system with appropriate process mapping;
8. Demolition of structures;
9. Implementation of medical and pension changes;
10. Labor reform to streamline and consolidate number of collective bargaining agreements into single template and evaluating integration with statewide plans as available;
11. Health and Wellness Department changes;
12. Human Services Department changes;
13. Real estate management;
14. Workers Compensation Reform;
15. Employee Training;
16. Bank Project to improve AR and AP process;
17. Fire Authority review;
18. Permits;
19. Planning and Development to DEGC;
20. Claim/Risk Management for reducing claims costs;
21. Long-Term Liability Restructuring;

## ANNEX C

### Revenue Estimation and Budget Approval Calendar

Date (on or before)	Action
December 8	All officers, departments, commissions and boards of the City are required to transmit to the Budget Director their estimates of the amounts of money required for each activity within their respective Departments for the ensuing fiscal year.
January 31*	Semi-annual Revenue Conference
February 22	The Budget Director shall transmit to the Mayor an estimated Budget showing the Budget Director's estimate of the total amount of money required to be raised for each of the City's funds.
March 15	Revenue Estimation for next fiscal year established by Financial Advisory Board following Revenue Conference.
March 29	The Mayor shall complete a revision of the Budget and return the Budget to the Budget Director for tabulation.  The Mayor shall submit the proposed Budget and Triennial Budget to Financial Advisory Board
April 12	The Mayor shall transmit the Budget (including Triennial Budget) to City Council.  The Mayor shall transmit the Triennial Budget to the Treasury Department.
May 24	The City Council shall complete its consideration of the Budget.
May 27	The City Council shall transmit the Budget to the Mayor for the Mayor's approval or rejection.
May 27 + 3 business days	The Mayor shall return the Budget to the City Council with the Mayors' approval, or, if the Mayor shall disapprove the whole or any item or items, with a statement of reasons for the disapproval.
Later of 3 calendar days or 2 business days following maximum return date of the Budget by the Mayor	The City Council shall act upon any item that shall have been disapproved by the Mayor.
July 1	Beginning of Fiscal Year
July 31*	Semi-annual Revenue Conference

\* Or as otherwise determined by the Revenue Conference or Financial Advisory Board

## **ANNEX D**

### **Required Provisions of Collective Bargaining Agreements**

On or before July 16, 2012, the City shall have either negotiated or imposed new labor agreements with those Unions whose contracts have expired or will expire on or about June 30, 2012. The newly negotiated agreements shall include among other items the following terms and conditions, which shall set the pattern for future agreements:

1. Uniformity goal: All new labor agreements will be structured so as to achieve the goal of creating a common base form of agreement enabling a known, measurable basis for cost evaluation and comparison.
2. Joint committees, if any, will be patterned in structure and role after the committees included in the contracts recently negotiated between the State and unions representing State employees.
3. Outsourcing will be permitted where service improvements or cost savings can be achieved. Language shall require the City to provide advance notice of competitive bids to its Unions and enabling Unions to bid on the work.
4. Departmental consolidation shall be permitted where service improvements or cost savings can be achieved.
5. There may be no snap-back provisions during the term or at expiration of the agreement. Wage increases shall be subject to negotiation.
6. New hires will have a defined contribution retirement health care benefit.
7. Merit-based promotions shall be permitted for certain key positions (specific positions to be defined by the common agreement form).
8. Current resources should be maximized, therefore to exercise bumping rights an employee must have current or prior year service in the classification into which they are bumping and employees shall be permitted to work outside their classification.
9. Existing favorable concessions negotiated in the TAs shall remain, especially those dealing with wages, benefits and pension multipliers, as approved by the Project Management Director, Labor Relations Director, and the Financial Advisory Board.
10. Multi-year term of the new agreement to be determined by the Labor Relations Director, Project Management Director, and Financial Advisory Board as required to support the City's financial restructuring.
11. Dispute resolution procedures shall be made simpler and the process expedited to achieve predictability for both sides.
12. The parties will agree to address work rule modifications during the first year of the new agreement where changes will support the City's financial restructuring, achieve efficient use of labor resources, and/or improve cost-effective service.

## ANNEX E

### **SUPPORTIVE ACTIVITIES OF TREASURY DEPARTMENT AND STATE**

#### **Introduction**

The Treasury Department and the State remain committed to the overall growth and health of Michigan cities, and particularly so with the city of Detroit, the State's largest municipality. Ways to ensure this growth and health are emerging through a number of supportive initiatives.

Supportive activities already in process include:

#### **Improve Quality of Life and Safety for Detroiters**

- *Street lighting* – Improve public lighting by working with the city to create a separate authority to manage and finance streetlights. State legislation can create a new option for separate governmental authorities (similar to those for sewers) that allow for independent bonding authority against revenue as well as general funds. Detroit can then create such an entity to make financing more attractive to bondholders and thus lower the overall cost of the upgrades. This group would also have to develop multi-year lighting plans with the revenue to support them.
- *Law Enforcement* – As discussed in the governor's public safety message, over the next two years MSP will graduate two trooper classes – meaning approximately 180 troopers will be added, and will support our strategy to increase law enforcement resources in four Michigan cities, including Detroit.
- *Demolition* – Streamline, coordinate and accelerate demolition activities in the city.
- *Land Stewardship* – Improve the state's stewardship of its own land in the city with an emphasis on redevelopment, including undertaking a full review to determine what land can be redeveloped effectively and responsible ways to transition other parcels to successional landscapes.
- *Client Service* – The state will continue to enhance its presence within the city to better serve the client base for both DHS assistance and unemployment insurance.
- *Auto insurance* – Reduce auto insurance costs for residents through the Michigan Automobile Insurance Placement Facility, creating a base rate that reflects a more neutral score, resulting in noticeable rate reductions.

#### **Enhance Education**

- *K-12* – Ensure a quality school for every Detroit child through continued reforms of DPS, a strong start for the Education Achievement Authority, and support for Excellent Schools Detroit. Continue to drive a philanthropic agenda to provide post-secondary scholarship funding to Detroit graduates.
- *Early Childhood Education* – Ensure high quality early childhood education through a partnership with the Office of Great Start and increased collaboration with private and non-profit entities involved in providing these services to Detroiters.
- *Foundations for Learning* – Provide better access to services that enhance a child's learning process by moving DHS family independence specialists out of county offices and stationing them within 50 Detroit elementary schools. This will help eligible families access resources immediately, before barriers such as transportation, child care, housing instability, food insecurity, and access to healthcare impede a child's learning process.

### **Invest in Transportation Infrastructure**

- Move ahead with the New International Trade Crossing project.
- Expand and facilitate the Detroit Intermodal Freight Terminal, ensuring that southeast Michigan has regional facilities with sufficient capacity and interconnectivity to provide for existing and future intermodal demand and reducing time, monetary costs, and congestion.
- Establish the authority and board for, and develop a funding mechanism for, the new Regional Transit Authority. Invest in a regional, multi-modal system including BRT, bike paths and walkability.
- Working with CN and Amtrak, create a commuter rail station and stop at the former state fairgrounds, expand the West Grand Blvd. station to include better facilities for transfers and assist in the rebuilding of the Royal Oak and Troy stops.
- Accelerate a capacity improvement project for I-94 from I-96 to Conner Avenue, supporting more than 13,000 jobs between 2012 and 2020.
- Complete final engineering and start construction this summer for the West Detroit Junction Railroad Project to provide a shorter, faster route for intercity passenger trains, relieve congestion for freight trains, and help lay the groundwork for future commuter rail service between Ann Arbor and Detroit.

### **Invest in Physical Assets and Economic Drivers**

- *Citywide* –
  - Consolidate the planning and economic development functions for the city within the Detroit Economic Growth Corporation to avoid duplication, enable the development of unified strategy and execution, and simplify the process for new economic development within the city.
  - Coordinate and/or consolidate the state, Wayne County and city land banks to ensure the creation and execution of a common plan.
  - Devote \$3 million of state funds to clearing title on parcels identified by DEGC to ready them for speedy economic development.
- *Eastern Market* – Contribute to the revitalization of Eastern Market by investing in the conversion of Shed 1 (including incubator kitchens, entrepreneurial training, and business start-ups) and the renovation of Shed 5 into a full-scale grocery. Position the market as a Regional Food Innovation Cluster, focusing on science, technologies and enhanced management practices that will reshape food production and business. Assist the market in applying for a federal TIGER grant to create a seamless trail system from the Riverfront through the Eastern Market, Brush Park, and Wayne State University areas.
- *Riverfront* – Develop the Globe Building, expand Milliken State Park, dedicate a new launch for citizens near Riverfront Park and assist DEGC with resources and talent to transform Hart Plaza.
- *Belle Isle* – Create park funding for Belle Isle while ensuring continued City ownership by designating Belle Isle as a part of a cooperative relationship with Milliken State Park. This would include a long-term lease that would accrue the cost of the park's maintenance and improvements out of the Park Endowment Fund. We will partner with Belle Isle Conservancy and the City to implement a master plan for the Island.
- *Fairgrounds* – Transfer ownership of the former state fairgrounds to the State Land Bank and create a neighborhood and commercial center on the site.
- *Cobo Center* – Encourage its continued expansion in coordination with the Metropolitan Detroit CVB, and support improvements.

- *Midtown* – Continue to be a key partner in local efforts to create a Regional Innovation Cluster in Midtown through MEDC investments in the incubation and growth of small business, as well as support for residential, commercial and retail development projects.
- *Community Ventures* – A public-private partnership will identify employers willing to create new jobs and organizations that can provide training and other job readiness services for the structurally unemployed. For the first time, state agencies like MEDC, Workforce Development Agency and Department of Human Services will bring together employers, job readiness partners and private funders in a comprehensive and measurable program to assist young people aged 15 to 29 and ex-offenders. The outcome will create new, long-term jobs in Detroit.
- *Detroit-Focused Economic Gardening* – Use a comprehensive set of tools for accelerating entrepreneurship, business growth, access to capital, placemaking and talent enhancement.
- *Detroit Works Project* – Support concentrated services of blight elimination and rehabilitation for four city-targeted neighborhoods contiguous to important economic development anchors. This will be supported through coordination with MSHDA's Neighborhood Stabilization Program and the MEDC's Community Revitalization Program.

#### **Improve Detroit's Capacity to Collect Tax Revenues**

- Enhance city revenue collection capacity as requested by city of Detroit through technical assistance for collections, audit and city income tax administration.
- *Create a common assessment template* – Move the property assessment function from the city to the county to allow for efficiencies, commonality of method and improvements in communication between taxing entities as well as between property owners.

#### **Municipal Assistance/Services Authority**

- The Department of Treasury will partner with municipal governments in this state to establish the Municipal Assistance/Services Authority. The Authority will function as a center of best practices for the delivery of local government services and provide enhanced opportunities for local governments in Michigan to engage in service sharing and consolidation of activities, with State support.

# Exhibit 5





**MICHIGAN COUNCIL 25**  
 American Federation of State, County, and Municipal Employees, AFL-CIO  
 Detroit Office • 600 W. Lafayette, Ste. 500 • Detroit, Michigan 48226  
 Phone: 313.964.1711 • 1.800.AFSCME25 • Fax: 313.964.0230 • www.miafscme.org

Albert Garrett  
 President

Lawrence A. Roehrig  
 Secretary/Treasurer

**Executive Board**

Sylvester Austin  
 Region 2

Carlos Bass  
 Region 3

Mel Brabson  
 Region 1

David Brandt  
 Region 9

Donna Cangelmi  
 Region 3

Susan Christensen  
 Region 11

Sandra Clayton  
 Region 6

Barbara Dauble  
 Region 9

Lorna Davison  
 Region 2

Jonathan Drake  
 Region 2

Caryette Fenner  
 Region 4

Lori Hamilton  
 Region 6

Michael Harris  
 Region 1

Bonnette Henley  
 Region 1

Kath January  
 Region 7

Arlean King  
 Region 7

Phil McGuire  
 Region 2

Dennis Moore  
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Sam Muma  
 Region 6

Doug Murch  
 Region 5

Leslie Murray  
 Region 3

Stephanie Nahas  
 Region 3

Gloria Peterson  
 Region 4

Patricia Ramirez  
 Region 6

James Rhodes, Jr.  
 Region 5

Roger Rice  
 Region 1

Ronnie Skorupski  
 Region 8

Cindy Spurluck  
 Region 2

Chris Vandenburg  
 Region 3

Scott Whitman  
 Region 7

Russell Williams  
 Region 11

Sam Zetner  
 Region 3

RECEIVED

JAN 25 2011

CITY OF DETROIT  
 LABOR RELATIONS DIVISION

January 19, 2011

Joseph P. Martinico  
 Director of Labor Relations  
 City of Detroit  
 Coleman A. Young Municipal Center, Suite 332  
 Detroit, MI 48226

RE: 2008-2012 City of Detroit & AFSCME, Council 25 Labor Contracts

Dear Mr. Martinico:

This letter is intended to clarify AFSCME's position as it relates to bringing closure to the 2008-2012 Labor Agreements between the parties.

As we both know, the City of Detroit and AFSCME have engaged in negotiations over the terms of a collective bargaining agreement for more than two years. The process included mediation and ultimately fact finding before a State appointed Fact Finder. The Fact Finder's report was issued on June 25, 2010 and the parties continued bargaining for more than 60 days following the release of the report, without reaching agreement. Following exhaustion of all of the procedures required by law, the City exercised its right to impose contract terms.

AFSCME understands that the City has lawfully imposed a full agreement on AFSCME and its affiliated units of the City of Detroit. AFSCME understands that this imposition is for the full agreement, including all terms imposed by the City and all other Articles tentatively agreed to by the parties during negotiations, for all five master agreements representing the AFSCME and all units (except the Emergency Services Operators (ESO) unit, as indicated below). AFSCME, and its affiliated City of Detroit unions and locals, accepts the imposed agreements and accepts said terms as final and binding upon the parties and shall withdraw all fact finding petitions filed on behalf of said unions and locals, based upon said understandings.

AFSCME acknowledges that the imposition will be effective for all of its affiliated unions and locals (and their respective bargaining agreements), except for the ESO unit. It is AFSCME's position that ESO's are eligible for arbitration under Act 312 and the City disputes their eligibility at this time. Additionally, the City has informed the union that the application of furlough days for the Crossing Guards (Local 1863), Senior ESOs, Telecommunication Operators (TCOs) and Senior TCOs have been waived for reasons of operational necessity. AFSCME's acceptance of the imposed terms is reliant upon these understandings as well.

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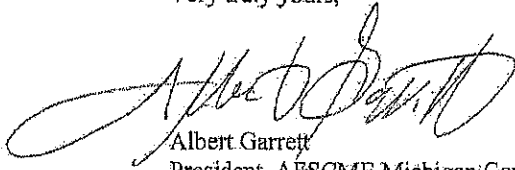
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Page Two

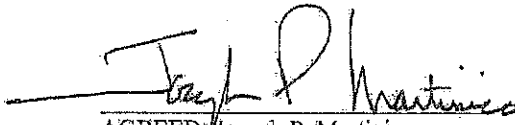
CITY OF DETROIT  
LABOR RELATIONS DIVISION

Finally, AFSCME agrees to withdraw and/or refrain from filing any/all claims, charges, grievances or other litigation related in any way to the negotiation process or the imposition of contract terms by the City. This does not limit the union's right to grieve the City's interpretation or application of any of such terms, or any subsequent unfair labor practice charges or grievances.

Very truly yours,



Albert Garrett  
President, AFSCME Michigan Council 25

  
AGREED: Joseph P. Martinico

# Exhibit 6

CASE_NUM	DEPT	ASSOCIATION	GR_NUM	GR_NAME	GR_TYPE	ISSE_DESC	DISPOSITION	MED_DATE	SUMMARY	CITY COST
15899	POLICE	AFSCME 1023	ESO-30-11	KING, KATHERINE	5 WK DAY SUSP	ATTENDANCE	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15015	POLICE	AFSCME 1023	ESO-05-10	BASS, SHEREE ANN	1 WK DAY SUSP	INSUBORDINATION	GRANTED	12/16/2013	PAY 1 DAY	
15016	POLICE	AFSCME 1023	ESO-02-10	KING, KATHERINE	1 WK DAY SUSP	INSUBORDINATION	DENIED	12/16/2013	NO PAYMENT	
15470	POLICE	AFSCME 1023	ESO-14-11	MYLES, MARQUITA	VOLUNTARY QUIT	ATTENDANCE	RETURN TO WORK - ALL TIME OFF AS SUSPENSION	12/16/2013	NO BACKPAY	
14686	POLICE	AFSCME 1023	ESO-24-09	JOHNSON, PAMELA	1 WK DAY SUSP	FORCED OVERTIME	GRANTED	12/16/2013	PAY 1 DAY	
14212	POLICE	AFSCME 1023	ESO-37-08	MARZETT, ELIZABETH	10 WK DAY SUSP	INSUBORDINATION	REDUCE TO A FIVE WORK DAY SUSPENSION	12/16/2013	PAY 5 DAYS	
14213	POLICE	AFSCME 1023	ESO-36-08	MARZETT, ELIZABETH	1 WK DAY SUSP	FORCED OVERTIME	DENIED	12/16/2013	NO PAYMENT	
14215	POLICE	AFSCME 1023	ESO-35-08	SUTTON, TERRI C.	1 WK DAY SUSP	INSUBORDINATION	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
14616	POLICE	AFSCME 1023	ESO-17-09	REYNOLDS, JUANITA	1 WK DAY SUSP	INSUBORDINATION	RESCINDED	12/16/2013	PAY 1 DAY	\$183.54
15514	POLICE	AFSCME 1023	DPD-03-11	JOHNSON, IVA DALE	PAY SHORTAGE	PAY SHORTAGE OF 5 HOURS	GRANTED - PAY 4 HRS. SICK AND 1 HR COMP TIME	12/16/2013	PAY 5 HOURS	\$77.64
15390	POLICE	AFSCME 1023	ESO-22-10	KING, KATHERINE	10 WK DAY SUSP	INTIMIDATION	REDUCE TO A FIVE WORK DAY SUSPENSION	12/16/2013	PAY 5 DAYS	\$917.60
15446	POLICE	AFSCME 1023	ESO-25-10	KING, KATHERINE	30 WK DAY SUSPENSION	VIOLATION OF GENERAL ORDERS	REDUCE TO A 25 WK DAY SUSPENSION PD IN VAC	12/16/2013	RESTORE 5 DAYS VAC	
15482	POLICE	AFSCME 1023	ESO-09-11	OWENS, EBONY	5 WK DAY SUSP	INSUBORDINATION	DENIED	12/16/2013	NO PAYMENT	
15481	POLICE	AFSCME 1023	ESO-02-11	OWENS, EBONY	1 WK DAY SUSP	INSUBORDINATION	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15480	POLICE	AFSCME 1023	ESO-03-11	FRANCE, LAKISHA D.	1 WK DAY SUSP	INSUBORDINATION	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15483	POLICE	AFSCME 1023	ESO-08-11	JEFFRIES, SHAWNTEE	1 WK DAY SUSP	INSUBORDINATION	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15732	POLICE	AFSCME 1023	DPD-05-11	TREADWELL, TRACY	3 WK DAY SUSP	NOT WEARING PROPER HEADSET	REDUCE TO ONE DAY SUSPENSION	12/16/2013	PAY 2 DAYS	\$235.38
15734	POLICE	AFSCME 1023	ESO-21-11	HUTCHERSON, ANTOINETTE	1 WK DAY SUSP	EXCESSIVE TARDINESS	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15898	POLICE	AFSCME 1023	ESO-29-11	RALLS, N KNGE A	1 WK DAY SUSP	EXCESSIVE TARDINESS	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15697	POLICE	AFSCME 1023	ESO-22-11	WILLIAMS, LISA	1 WK DAY SUSP	EXCESSIVE TARDINESS	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15164	POLICE	AFSCME 1023	DPD-08-10	COSS, PEDRO	LAYOFF/SENIORITY	IMPROPER LAYOFF	WITHDRAWN BY UNION	12/16/2013	NO PAYMENT	
15845	POLICE	AFSCME 1023	ESO-13-11	JACKSON, ALTROSIUS	DISCHARGE	PROBATIONARY DISCHARGE	DENIED	12/16/2013	NO PAYMENT	
15347	POLICE	AFSCME 1023	DPD-09-10	UNION POLICY	RADIO MAINTENANCE TECHNICIAN	OUTSOURCING THE INSTALLATION	DENIED	4/2/2014	NO PAYMENT	
15165	POLICE	AFSCME 1023	DPD-09-11	UNION POLICY	RADIO MAINTENANCE TECHNICIAN	OUTSOURCING THE INSTALLATION	DENIED	4/2/2014	NO PAYMENT	
14049	POLICE	AFSCME 1023	ESO-1308	YOUNG, GWENDOLYN	PAYROLL ERRORS	ADVANCE CHECKS ISSUED FOR SEVERAL WEEKS	GRANTED - TIME TO BE AUDITED FROM 6/2008 - 9/4/2008	4/2/2014	NO PAYMENT	
14286	POLICE	AFSCME 1023	ESO-0309	UNION POLICY	AIR FILTERS	DEPARTMENT FAILED TO CLEAN FILTERS	GRANTED - AIR FILTERS TO BE CLEANED QUARTERLY	4/2/2014	NO PAYMENT	
14630	311 CALL CENTER	AFSCME 1023	311-0509	UNION POLICY	IMPROPER LAY-OFF NOTICE	IMPROPER NOTIFICATION TO UNION	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
15056	POLICE	AFSCME 1023	SPJ-32-09	AYERS-JOHNSON, LOLITA	MANAGEMENT AUTHORITY	FAILURE TO PROCESS STATUS CHANGE	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
15346	POLICE	AFSCME 1023	DPD-14-10	COSS, PEDRO	PAROLL ERRORS	PAY SHORTAGE	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
15388	POLICE	AFSCME 1023	DPD-15-10	UNION POLICY	OUT-OF-CLASS ASSIGNMENTS	DEPARTMENT FAILED TO REQUEST VOLUNTEERS	CEASE AND DESIST OF PICKING ARBITRARILY	4/2/2014	NO PAYMENT	
15469	POLICE	AFSCME 1023	ESO-11-11	CUNNINGHAM, ADRIENNE	MEDICAL BENEFITS	BRAND NAME PRESCRIPTIONS	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
15471	POLICE	AFSCME 1023	ESO-18-11	NEALY, JANISS	OVERTIME POLLING POLICY	DEPARTMENT FAILED TO FOLLOW POLLING	GRANTED - DEPT TO FOLLOW OVERTIME POLLING	4/2/2014	NO PAYMENT	
15517	POLICE	AFSCME 1023	ESO-17-11	LASTER, VERONICA	WRONG PAY RATE	PAY RATE INCORRECT FROM REHIRE DATE	GRANTED - SHOULD HAVE BEEN PAID AT NEW ESO RATE	4/2/2014	\$1,000	\$1,000
15525	POLICE	AFSCME 1023	ESO-16-11	WILLIAMS, LISA	WRONG PAY RATE	PAY RATE INCORRECT - HAD ADVANCES	DENIED	4/2/2014	NO PAYMENT	
16277	MAYOR'S OFFICE	AFSCME 1023	NCH-03-12	UNION POLICY	CONTRACTING OUT	NON BU MEMBERS PERFORMING WORK	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
15590	POLICE	AFSCME 1023	DPD-07-11	UNION POLICY	IMPROPER LAY-OFF NOTICE	IMPROPER NOTIFICATION TO UNION	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
15589	MAYOR'S OFFICE	AFSCME 1023	NCH-01-11	UNION POLICY	IMPROPER LAY-OFF NOTICE	IMPROPER ISSUANCE OF LAYOFF NOTICES	WITHDRAWN BY UNION	4/2/2014	NO PAYMENT	
14687	POLICE	AFSCME 1023	ESO-2509	UNION POLICY	UNION DUES	UNION DUES WRONGFULLY TERMINATED FOR 2 WEEKS	GRANTED	4/2/2014	\$1,000	\$1,000
16149	MPD	AFSCME 62	01-12MPD	TAYLOR, TERRANCE	DISCHARGE	AWOL	DENIED	10/30/2013	NO PAYMENT	
16278	MPD	AFSCME 62	52-12MP	PORTER, LEO	HOURS	SHORTED HOURS	RESOLVED	10/30/2013	NO PAYMENT	
16200	HR	AFSCME 62	04-23-HR	MURRIEL, BRIDGET	IMPROPER LAYOFF	IMPROPER LAYOFF AND WRONG SENIORITY	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	
14820	DPW	AFSCME 62	020609DPW	SMITH, SAMANTHA	DISCHARGE	EXCESSIVE ATTENDANCE & TARDINESS	DENIED	10/30/2013	NO PAYMENT	
14958	BSE	AFSCME 62	07-10-BSE	WATTS, EMILIA	WRITTEN REPRIMAND	MISCONDUCT	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	
16198	ITS	AFSCME 62	40-05-ITS	THOMAS, JOE	LAYOFF & DEMOTION	LAYOFF/ELIMINATION OF JOB	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	
14629	ITS	AFSCME 62	15-09ITS	MCKINNEY, JOEL	DISCHARGE	UNACCEPTABLE WORK BEHAVIOR	DENIED	10/30/2013	NO PAYMENT	
15594	GSD	AFSCME 229	11-16 SM	BIVENS, RODNEY	VOLUNTARY QUIT	FAILURE TO REPORT/NO CALL/NO SHOW	RETURN TO ELIGIBLE REGISTER AS LABORER A	10/30/2013	NO PAYMENT	
15593	GSD	AFSCME 229	11-06V	McCLURE, MARLANDO	15 WK DAY SUSP	CONDUCT UNBECOMING A CITY EMPLOYEE	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	
15595	DPW	AFSCME 229	11-15 SM	GLADNEY, WILLIAM N.	30 WK DAY SUSP	EXCESSIVE ABSENTEEISM	DENIED	10/30/2013	NO PAYMENT	
15586	GSD	AFSCME 229	11-04 V	SMITH, TYRONE	SICK TIME	DENIED SICK TIME USAGE	GRANTED - PAY ONE SICK DAY	10/30/2013	PAY 1 SICK DAY	\$160.32
15027	GSD	AFSCME 229	09-31 V	DANFORTH, ALBERT	10 WK DAY SUSP	UNSATISFACTORY WORK PERFORMANCE	REDUCE TO FIVE WORK DAY	10/30/2013	PAY 5 DAYS	\$832.80
16242	GSD	AFSCME 229	11-11 V	AGENS, THOMAS A.	3 WK DAY SUSP	POOR WORK PERFORMANCE	GRANTED - PAY THREE DAYS	10/30/2013	PAY 3 DAYS	\$500.40
14245	DPW	AFSCME 229	08-28SM	GRAY, BRENDA	5 WK DAY SUSPENSION	INSUBORDINATION	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	
14956	DPW	AFSCME 229	10-05S	PALMER, DEXTER	DISCHARGE	SUBSTANCE ABUSE	RTW ON 2 YR. LCA - ALL TIME OFF AS SUSPENSION	10/30/2013	NO PAYMENT	
15446	HEALTH	AFSCME 457	10-18H	EVANS, LINDA	5 WK DAY SUSP	SLEEPING ON THE JOB	REDUCE TO THREE DAY SUSP - PAY 2 DAYS	10/30/2013	PAY 2 DAYS	\$213.07
15442	HEALTH	AFSCME 457	10-13H	McADORY, TAMMY	15 WK DAY SUSP	INSUBORDINATION	GRANTED - PAY 9 DAYS BACK PAY & 6 VAC DAYS	10/30/2013	PAY 9 DAYS & 6 VAC	\$1,093.82
15443	HEALTH	AFSCME 457	10-14H	UNION POLICY	CONTRACTING OUT	WORK PERFORMED BY NON BU MEMBERS	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	

15445	HEALTH	AFSCME 457	10-16H	UNION POLICY	CONTRACTING OUT	WORK PERFORMED BY NON BU MEMBERS	WITHDRAWN BY UNION	10/30/2013	NO PAYMENT	
15415	RECREATION	AFSCME 836	3-600-2011	WILLIAMS, MIKE	SHIFT PREMIUM	DENIED AFTERNOON SHIFT PREMIUM	GRANTED - PAY 88 HRS OF AFTERNOON SFT. PRE	11/15/2013	PAY 88 HRS SHIFT PREM	\$44.00
15415	RECREATION	AFSCME 836	3-600-2011	WEST, MICHAEL	SHIFT PREMIUM	DENIED AFTERNOON SHIFT PREMIUM	GRANTED - PAY 56 HRS OF AFTERNOON SFT PRE	11/15/2013	PAY 56 HRS SHIFT PREM	\$28.00
15415	RECREATION	AFSCME 836	3-600-2011	JONES, KIM	SHIFT PREMIUM	DENIED AFTERNOON SHIFT PREMIUM	GRANTED - PAY 16 HRS OF AFTERNOON SFT PRE	11/15/2013	PAY 16 HRS SH PREM	\$8.00
15415	RECREATION	AFSCME 836	3-600-2011	JONES, KIM	SHIFT PREMIUM	DENIED HOLIDAY SHIFT PREMIUM	GRANTED - PAY 16 HRS OF AFTERNN HOL. SFT PRE	11/15/2013	PAY 16 HRS HOL SH PREM	\$12.00
15431	RECREATION	AFSCME 836	3-400-2011	JONES, KIM	DENIAL OF SICK TIME	DENIAL OF BENEFITS	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15147	RECREATION	AFSCME 836	10-100-05-08	WILLIAMS, MICHAEL	VACATION TIME	TIME NOT PAID	GRANTED - PAY 46 HRS OF VACATION	11/15/2013	PAY 46 HRS. OF VACATION	\$961.35
15258	RECREATION	AFSCME 836	200-10-10	WILLIAMS, MICHAEL	OT NOT PAID INCORRECTLY	PAID AT STRAIGHT TIME INSTEAD OF 1.5	GRANTED - PAY ADJUSTED OT AMOUNT	11/15/2013	PAY ADJUSTMENT	\$408.98
11834	RECREATION	AFSCME 836	2005-07-200	KOKOSZKA, VALERIE	OUT OF CLASS	NOT PAID OUT OF CLASS	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
11835	RECREATION	AFSCME 836	2005-06-200	KOKOSZKA, VALERIE	OUT OF CLASS	NOT PAID OUT OF CLASS	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
14324	BSE	AFSCME 1227	JW514	BOYD, JAMES	3 WK DAY SUSP	POOR WORKMANSHIP	REDUCE TO ONE AND ONE HALF DAY SUSPENSION	11/15/2013	PAY 1.5 DAYS	\$308.07
14561	BSE	AFSCME 1227	JW517	SOLOMON, JOSEPH	DENIED OVERTIME	DENIED OVERTIME 6/4 AND 6/6/09	GRANTED IN PART - PAY 4 HOURS OVERTIME	11/15/2013	PAY 4 HOURS OT	\$164.42
15301	BSE	AFSCME 1227	JW531	SHARPE, ANTHONY	DISCHARGE	CONFLICT OF INTEREST WITH PRIVATE BS	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15413	BSE	AFSCME 1227	JW 535	REILLY, DAVID	3 WRK DAY SUSPENSION	NEGLIGENCE IN PERFORMANCE	GRANTED BY DEPT. (NOT PAID) - PAY 3 DAYS	11/15/2013	PAY 3 DAYS	\$657.69
15703	BSE	AFSCME 1227	JW522	REILLY, DAVID	OVERTIME	DENIED OVERTIME 8/26/09	GRANTED - PAY 2 HOURS OVERTIME	11/15/2013	PAY 2 HOURS OT	\$82.21
14700	BSE	AFSCME 1227	JW521	SOLOMON, JOSEPH	DENIED OVERTIME	DENIED OVERTIME 6/9/09 & 8/29/09	GRANTED PAY 4 HOURS OVERTIME	11/15/2013	PAY 4 HOURS OT	\$164.42
16528	FINANCE	AFCEM 2799	PA 06-2012	JONES, SHARNISE	DISCHARGE	FRAUD	GIP - RTW ON 3 YR LCA ALL TIME OFF AS SUSPENSION	11/15/2013	NO PAYMENT	
15328	FINANCE	AFSCME 2799	FIN 05-2010	TOLES, JANETTA	DISCHARGE	WILLFUL NEGLECT	GIP - RTW ON 2 YR LCA ALL TIME OFF AS SUSPENSION	11/15/2013	NO PAYMENT	
16257	FINANCE	AFSCME 2799	PA 05-2012	KHADJIAH, AHMAD	DISCHARE	FRAUD	DENIED	11/15/2013	NO PAYMENT	
15753	FINANCE	AFSCME 2799	FIN 07-2011	HALE, MARY	DENIED LEAVE TIME	DENIED SICK LEAVE	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15297	FINANCE	AFSCME 2799	FIN.INT 03-2010	WOODS, TANYA	3 WK DAY SUSP	INSUBORDINATION	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15838	FINANCE	AFSCME 2799	2/28/2000	FOSTER, GEMMA	DEMOTION	IMPROPER DEMOTION	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15073	FINANCE	AFSCME 2799	PA-13-2010	TOLES, JANETTA	HARASSMENT	HARASSMENT	DENIED	11/15/2013	NO PAYMENT	
	LAW	AFSCME 2799	LAW 03-2013	STEWART, SALENE	2 WORK DAY SUSPENSION	UNSATISFACTORY WORK PERFORMANCE	GRANTED BY DEPT. (NOT PAID) - PAY 2 DAYS	2/18/2014	PAY 2 DAYS	\$200.77
14557	PLD	AFSCME 207	0107-09	HORTON, PEAVY	5 WK DAY SUSPENSION	LEAVING WORKSITE WITH PERMISSION	REDUCED TO A TWO WK DAY SUSP. - PAY 3 DAYS	11/15/2013	PAY 3 DAYS	\$422.64
14739	PLD	AFSCME 207	0281-09	HORTON, PEAVY	15 WK DAY SUSPENSION	LEAVING WORKSITE WITH PERMISSION	REDUCED TO A EIGHT DAY SUSP. - PAY 7 DAYS	11/15/2013	PAY 7 DAYS	\$845.28
14747	POLICE	AFSCME 2394	09-24P	MUIR, RONALD D.	3 WK DAY SUSPENSION	UNSATISFACTORY WORK PERFORMANCE	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15408	POLICE	AFSCME 2394	11-02P	STANLEY, DAWNZELLA	3 WK DAY SUSPENSION	UNSATISFACTORY WORK PERFORMANCE	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15711	POLICE	AFSCME 2394	11-07-B	WOODS, ARCHIE	SUSPENSION/DISCHARGE	SUBSTANCE ABUSE	WITHDRAWN BY UNION	11/15/2013	NO PAYMENT	
15298	HUMAN SERVICES	AFSCME 1642	001-JL-06-10TT	TURNER, TERRANCE	5 WK DAY SUSPENSION	OUTSIDE JOB - UNAUTHORIZED BUSINESS	RESCINDED - PAY 5 DAYS	11/15/2013	PAY 5 DAYS	\$532.69
14543	RECREATION	AFSCME 542	721JUN.09	BOOKER, ANESIA	29 1/2 DAY SUSPENSION	UNACCEPTABLE WORK BEHAVIOR	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15534	RECREATION	AFSCME 542	716MAY11	VAUGHN, ALVON	DISCHARGE	SUBSTANCE ABUSE	GIP - ALLOWED TO BE PLACED ON ELIGIBLE REGISTER	11/22/2013	NO PAYMENT	
15535	RECREATION	AFSCME 542	717MAY11	WILSON, RONA A.	29 1/2 WK DAY SUSPENSION	UNACCEPTABLE WORK BEHAVIOR	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15658	RECREATION	AFSCME 542	1004JUL11	RATLIFF, JAMES	3 WK DAY SUSPENSION	TALKING ON CELL PHONE WHILE ON POOL DECK	REDUCED TO A ONE AND ONE-HALF DAY SUSPENSION	11/22/2013	PAY 1.5 DAYS	\$138
15660	RECREATION	AFSCME 542		HAYES, CLARA	DISCHARGE	UNACCEPTABLE WORK BEHAVIOR	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15714	GSD	AFSCME 542	720JUL11	FAVORS, ROBERT	VOLUNTARY QUIT	AVAILABLE FOR WORK - INCARCERATED	DENIED	11/22/2013	NO PAYMENT	
15713	GSD	AFSCME 542	719JUL11	SIMPSON, GARRICK	3 WK DAY SUSPENSION	INSUBORDINATION	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15358	GSD	AFSCME 542	702JAN11	HAYNESWORTH, ROSEMARY	3 WK DAY SUSPENSION	INSUBORDINATION	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15373	GSD	AFSCME 542	1000JAN11	PATTON, JONATHAN	SUSPENSION	MISCONDUCT	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15395	GSD	AFSCME 542	705FEB11	WILSON, RONA A.	10 WK DAY SUSPENSION	MISCONDUCT	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15394	GSD	AFSCME 542	704FEB11	JOHNSON, JAMES	SUSPENSION	INSUBORDINATION	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15293	GSD	AFSCME 542	770OCT10	SMITH, BRADLEY	SUSPENSION	TARDINESS	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
15775	GSD	AFSCME 542	730OCT11	BROWN, RICHARD	SUSPENSION	UNACCEPTABLE WORK BEHAVIOR	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
16264	GSD	AFSCME 542	708MAY13	HOBBS, MARK	WRITTEN REPRIMAND	TARDINESS	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
16244	GSD	AFSCME 542	725NOV12	HOBBS, MARK	SUSPENSION	POOR WORK PERFORMANCE	DENIED	11/22/2013	NO PAYMENT	
16245	GSD	AFSCME 542	726NOV	HOBBS, MARK	SUSPENSION	POOR WORK PERFORMANCE	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
16256	GSD	AFSCME 542	703APR13	FORD, KEISHA	3 WK DAY SUSPENSION	INSUBORDINATION	REDUCED TO A ONE WORK DAY SUSPENSION	11/22/2013	PAY 2 DAYS	\$193.04
16257	GSD	AFSCME 542	704APR13	JOHNSON, DOROTHY	3 WK DAY SUSPENSION	ABSENT WITHOUT LEAVE	REDUCED TO A ONE WORK DAY SUSPENSION	11/22/2013	PAY 2 DAYS	\$193.04
16258	GSD	AFSCME 542	705APR13	JOHNSON, EARL	3 WK DAY SUSPENSION	ABSENT WITHOUT LEAVE	REDUCED TO A ONE WORK DAY SUSPENSION	11/22/2013	PAY 2 DAYS	\$193.04
16259	GSD	AFSCME 542	706APR13	FLOWERS, ROBERT	3 WK DAY SUSPENSION	ABSENT WITHOUT LEAVE	REDUCED TO A ONE WORK DAY SUSPENSION	11/22/2013	PAY 2 DAYS	\$185.28
16262	GSD	AFSCME 542	707APR13	BAILEY, LADENNA	1 WORK DAY SUSPENSION	FAILURE TO WORK MANDATORY OVERTIME	DENIED	11/22/2013	NO PAYMENT	
16263	GSD	AFSCME 542	708APR13	MACK, RODNEY	1 WORK DAY SUSPENSION	FAILURE TO WORK MANDATORY OVERTIME	DENIED	11/22/2013	NO PAYMENT	
16265	GSD	AFSCME 542	709APR13	WILKERSON, ALVIN	1 WORK DAY SUSPENSION	FAILURE TO WORK MANDATORY OVERTIME	DENIED	11/22/2013	NO PAYMENT	
16284	GSD	AFSCME 542	714JUN12	McBRAYER, ROBERT	3 WORK DAY SUSPENSION	INSUBORDINATION	REDUCED TO A TWO WK DAY SUSP. - PAY 1 DAY	11/22/2013	PAY 1 DAY	\$81.04
16251	GSD	AFSCME 542	716OCT10	SMITH, BRADLEY	3 WORK DAY SUSPENSION	UNACCEPTABLE ATTENDANCE	WITHDRAWN BY UNION	11/22/2013	NO PAYMENT	
16133	GSD	AFSCME 542	711APR12	BAILEY, LADENNA	3 WORK DAY SUSPENSION	INSUBORDINATION	REDUCED TO A ONE AND ONE-HALF DAY SUSP	11/22/2013	PAY 1.5 DAYS	\$146.94
15718	GSD	AFSCME 542	724AUG11	ROBINSON, LUCREASIA	3 WORK DAY SUSPENSION	INSUBORDINATION	REDUCED TO A ONE DAY SUSPENSION	12/3/2013	PAY 2 DAYS	\$188.80
15157	RECREATION	AFSCME 542	1011JUL10	NORRIS, MARCUS	3 WORK DAY SUSPENSION	LEAVING WORKSITE WITH PERMISSION	REDUCED TO A ONE AND ONE-HALF DAY SUSP	12/3/2013	PAY 1.5 DAYS	\$138
15158	RECREATION	AFSCME 542	1012JUL10	ROBERTSON, HORACE	5 WORK DAY SUSPENSION	EXCESSIVE TARDINESS	REDUCED TO A TWO AND ONE-HALF DAY SUSP	12/3/2013	PAY 2.5 DAYS	\$156.20

15159	RECREATION	AFSCME 542	1013JUL10	STURDIVANT, IZAAK	3 WORK DAY SUSPENSION	ABSENT WITHOUT LEAVE	REDUCED TO A ONE AND ONE-HALF DAY SUSP	12/3/2013	PAY 1.5 DAYS	\$111.84
15116	RECREATION	AFSCME 542	729JUN10	WILCOXSON-PICKENS, LESLIE	NOT PAID SICK TIME OR SHIFT PR	OWED 4 HRS SICK AND 4 HRS AFT SHIFT PRE	GRANTED - PAY 4 HRS SICK & 4 HRS AFT. SHIFT PRE	2/10/2014	PAY 4 HRS SICK & 4 HRS SP	\$47.36
16101	FIRE	AFSCME 542	14AUG11F	MCGHEE, DARROL	OVERTIME	SHORTED 8 HRS OVERTIME 7/30/11	GRANTED - DEPART APPROVED NOT PAID	2/10/2014	PAY 8 HRS OVERTIME	\$250.20
	GSD	AFSCME 542	714JUL13	WYCHE, YOLANDA	3 WORK DAY SUSPENSION	INSUBORDINATION	RESCINDED - PAY 3 DAYS	2/10/2014	PAY 3 DAYS	\$266.52
15259	RECREATION	AFSCME 542	1027SEPT10	BROWN, DARRYL E.	SUSPENSION	LEAVING WORKSITE WITH PERMISSION	WITHDRAWN BY UNION	2/10/2014	NO PAYMENT	
14980	RECREATION	AFSCME 542	1040OCT09	DRUMGOOLE, DORIS	SHIFT PREMIUM	DENIED SHIFT PREMIUM	WITHDRAWN BY UNION	2/10/2014	NO PAYMENT	
16285	GSD	AFSCME 542	718JUL12	WHEATLEY, OSCAR	OVERTIME	SHORTED 8 HRS OVERTIME 07/07/12	GRANTED - PA Y 8 HRS OVERTIME FOR 7/7/2012	2/10/2014	PAY 8 HRS OVERTIME	\$160.92
16253	RECREATION	AFSCME 542	1008OVT12	BENSON, MARICO	IMPROPER LAYOFF	FAILED TO BE RECALLED TO DEPT	DENIED	2/10/2014	NO PAYMENT	
15787	RECREATION	AFSCME 542	1019SEPT11	STOVALL, PATRICIA	OVERTIME	NOT OFFERED OVERTIME ASSIGNMENT	WITHDRAWN BY UNION	2/10/2014	NO PAYMENT	
16299	GSD	AFSCME 542	701FEB13	UNION POLICY	OVERTIME	EQUALIZATION OF OVERTIME	WITHDRAWN BY UNION	2/10/2014	NO PAYMENT	
15699	RECREATION	AFSCME 542	1010AUG11	TITUS, KIANDRA	OVERTIME	EQUALIZATION OF OVERTIME	WITHDRAWN BY UNION	2/10/2014	NO PAYMENT	
15750	GSD	AFSCME 542	04SEPT11G	POWELL, DAVID	OVERTIME	EQUALIZATION OF OVERTIME	WITHDRAWN BY UNION	2/10/2014	NO PAYMENT	
15320	GSD	AFSCME 542	773DEC10	PERAULT, RENEE	OUT OF CLASS	NOT PAID OUT OF CLASS	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
14789	GSD	AFSCME 542	702JAN10	RIEVES, EDWIN	UNIFORM ALLOWANCE	NOT PAID \$350 UNIFORM ALLOWANCE	GRANTED - PAY UNIFORM ALLOWANCE	2/10/2014	PAY \$350	\$350.00
15597	RECREATION	AFSCME 542	1001MAY11	WALKER, JONATHAN	PUT ON NO WORK STATUS	CERTIFICATION WASN'T EXPIRED	GRANTED IN PART - PAY 1.5 DAYS	2/10/2014	\$138.00	\$138.00
16203	FIRE	AFSCME 542	14JUNE12F	UNION POLICY	PERFORMING BU WORK	OTHER UNION PERFORMING BU WORK	CEASE AND DESIST OF USING NON BU MEMBERS	2/18/2014	NO PAYMENT	
15128	GSD	AFSCME 542	743JULY10	MAY, JR., HARRY	WRITTEN REPRIMAND	UNSATISFACTORY WORK PERFORMANCE	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15407	GSD	AFSCME 542	708FEB11	JOHNSON, ANGELO	WRITTEN REPRIMAND	UNSATISFACTORY ATTENDANCE	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16255	GSD	AFSCME 542	702FEB13	JELKS, NORMA	WRITTEN REPRIMAND	UNSATISFACTORY ATTENDANCE	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
14160	RECREATION	AFSCME 542	1005APR08	BROWN, ALVIN	SUSPENSION	THREATENING PHYSICAL VIOLENCE	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16099	FIRE	AFSCME 542	6MAR12F	UNION POLICY	SUBCONTRACTING	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16100	FIRE	AFSCME 542	09MAR12F	UNION POLICY (Johnny Morrison)	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	GIP - WILL BE PAID 4 HRS OVERTIME	2/18/2014	PAY 4 HOURS OVERTIME	\$125.10
16012	FIRE	AFSCME 542	3FEB12F	UNION POLICY	SUBCONTRACTING	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16014	FIRE	AFSCME 542	5FEB12F	UNION POLICY	SUBCONTRACTING	NON BU EMPLOYEES PERFORMING WORK	CEASE AND DESIST OF USING NON BU MEMBERS	2/18/2014	NO PAYMENT	
16011	FIRE	AFSCME 542	2FEB12F	UNION POLICY	SUBCONTRACTING	NON BU EMPLOYEES PERFORMING WORK	CEASE AND DESIST OF USING NON BU MEMBERS	2/18/2014	NO PAYMENT	
15260	RECREATION	AFSCME 542	1029SEPT10	WOFFORD, MAURICE	BENEFITS	EMPLOYEE BENEFITS NOT ACTIVATED	GRANTED, EMPLOYEE'S BENEFITS RESTORED	2/18/2014	NO PAYMENT	
13922	FIRE	AFSCME 542	752JULY08	UNION POLICY	CONTRACTING OUT	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15396	FIRE	AFSCME 542	706FEB01	UNION POLICY	SUBCONTRACTING	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15419	FIRE	AFSCME 542	05MAR11F	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15418	FIRE	AFSCME 542	06MAR11F	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15126	FIRE	AFSCME 542	735JUN10	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15391	RECREATION	AFSCME 542	795DEC10	WILLIAMS, JULIUS	SUSPENSION	UNSATISFACTORY WORK PERFORMANCE	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15550	FIRE	AFSCME 542	714MAY11	UNION POLICY	CONTRACTING OUT	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15551	FIRE	AFSCME 542	715MAY11	UNION POLICY	CONTRACTING OUT	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15511	FIRE	AFSCME 542	20MAY11F	UNION POLICY	CONTRACTING OUT	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15513	FIRE	AFSCME 542	22MAY.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15467	POLICE	AFSCME 1023	ESO 05-11	BLACK, BRENDA	FMLA LEAVE	EFFECTIVE DATE OF FMLA	GRANTED	4/2/2014	PAY \$500	\$500
15515	POLICE	AFSCME 1023	ESO 06-11	BLACK, BRENDA	DUTY DISABILITY	DENIED DUTY DISABILITY	DENIED	4/2/2014	NO PAYMENT	
15516	POLICE	AFSCME 1023	ESO 15-11	BLACK, BRENDA	LEAVE OF ABSENCE	DENIED LEAVE OF ABSENCE	DENIED	4/2/2014	NO PAYMENT	
15530	FIRE	AFSCME 542	11APR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15531	FIRE	AFSCME 542	12APR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15533	FIRE	AFSCME 542	14APR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15547	GSD	AFSCME 542	16DEC.10	UNION POLICY	SPECIAL CONFERENCE	FAILURE TO FOLLOW PROCEDURES	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
14987	GSD	AFSCME 542	708MAR.10	UNION POLICY	TRANSFER	DEPARTMENT DID NOT FOLLOW CONTRACT	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15508	FIRE	AFSCME 542	15APR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15785	RECREATION	AFSCME 542	1016SEPT.11	AUSTIN, BRANDI	ADVANCE PAYCHECK	EMPLOYEE DID NOT PAID CORRECTLY	DENIED	2/10/2014	NO PAYMENT	
15355	GSD	AFSCME 542	700JAN.11	UNION POLICY	SIGNING FOR DOCUMENTS	VIOLATON OF GRIEVANCE PROCEDURE	DENIED	2/18/2014	NO PAYMENT	
15318	FIRE	AFSCME 542	13DEC.10	UNION POLICY	CONTRACTING OUT	NON BU EMPLOYEES PERFORMING WORK	DENIED	2/18/2014	NO PAYMENT	
15124	GSD	AFSCME 542	736JUL.10	UNION POLICY	CONTRACTING OUT	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15839	GSD	AFSCME 542	11SEPT.11	POWELL, DAVID	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	GIP - WILL BE PAID 2 HRS OVERTIME	2/18/2014	PAY 2 HOURS OVERTIME	\$62.55
15510	FIRE	AFSCME 542	19APR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	CEASE AND DESIST OF USING NON BU MEMBERS	2/18/2014	NO PAYMENT	
16286	RECREATION	AFSCME 542	1004JUL.12	UNION POLICY (DAVID MITCHELL)	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16278	RECREATION	AFSCME 542	1005JUL.12	UNION POLICY	NON WORKING TELEPHONES	HEALTH AND SAFETY CONDITIONS	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16299	GSD	AFSCME 542	701FEB13	UNION POLICY	MANDATORY OVERTIME	EXCESSIVE USAGE BY MANAGEMENT	GRANTED - DEPARTMENT WILL CREATE OT POLICY	2/18/2014	NO PAYMENT	
15739	GSD	AFSCME 542	10AUG.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	CEASE AND DESIST OF USING NON BU MEMBERS	2/18/2014	NO PAYMENT	
15700	RECREATION	AFSCME 542	1012.SEPT.11	UNION POLICY	PROPER LAYOFF NOTICE	EMPLOYEE NOT GIVEN NOTICE OF LAYOFF	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15719	GSD	AFSCME 542	726AUG.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16098	GSD	AFSCME 542	708APR.12	UNION POLICY	JOB SPECIFICATIONS CHANGED	EMPLOYER SHOULD HAVE MET WITH UNION	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16097	GSD	AFSCME 542	706APR. 12	UNION POLICY	DISRESPECTING THE UNION	MANAGEMENT TO RESPECT THE UNION	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	

15841	GSD	AFSCME 542	735NOV.11	UNION POLICY	SPECIAL CONFERENCE	DEPT DID NOT FOLLOW CONTRACT	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15840	GSD	AFSCME 542	731OCT.11	MACK, RODNEY	ATTENDANCE CONTROL	EMPLOYEE HAD NOT RECEIVED AN ORAL	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15512	FIRE	AFSCME 542	21MAY.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15627	FIRE	AFSCME 542	15JULY.11	GAJEWSKI, SANDY	OVERTIME	FAILED TO BE REQUESTED TO WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15626	FIRE	AFSCME 542	30JUN.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15623	FIRE	AFSCME 542	27JUN.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15624	FIRE	AFSCME 542	28JUN.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15625	FIRE	AFSCME 542	29JUN.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15628	FIRE	AFSCME 542	4JUL.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15570	FIRE	AFSCME 542	24MAY.11	UNION POLICY	GAM NOT OFFERED OVERTIME	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15571	FIRE	AFSCME 542	25MAY.11	UNION POLICY	GAM NOT OFFERED OVERTIME	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15204	RECREATION	AFSCME 542	1028SEPT.10	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15569	FIRE	AFSCME 542	23MAY.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15748	FIRE	AFSCME 542	2SEPT.11	UNION POLICY (DAVID POWELL)	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	GIP - WILL BE PAID 2 HRS OVERTIME	2/18/2014	PAY 2 HOURS OVERTIME	\$62.55
15747	FIRE	AFSCME 542	13SEPT.11	UNION POLICY (SAM MOORE)	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	GIP - WILL BE PAID 2 HRS OVERTIME	2/18/2014	PAY 2 HOURS OVERTIME	\$62.55
15744	FIRE	AFSCME 542	7JUL.11	UNION POLICY (Johnny Morrison)	GAM NOT OFFERED OVERTIME	NON BU EMPLOYEES PERFORMING WORK	GIP - WILL BE PAID 2 HRS OVERTIME	2/18/2014	PAY 2 HOURS OVERTIME	\$62.55
15742	FIRE	AFSCME 542	5JUL.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15741	FIRE	AFSCME 542	3JUL.11	UNION POLICY (DARROL McGHEE)	GAM NOT OFFERED OVERTIME	NON BU EMPLOYEES PERFORMING WORK	GIP - WILL BE PAID 2 HRS OVERTIME	2/18/2014	PAY 2 HOURS OVERTIME	\$62.55
15749	FIRE	AFSCME 542	3SEPT.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	CEASE AND DESIST OF USING NON BU MEMBERS	2/18/2014	NO PAYMENT	
16243	FIRE	AFSCME 542	727DEC.12	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	DENIED	2/18/2014	NO PAYMENT	
16251	FIRE	AFSCME 542	20DEC.12	SMITH, BRADLEY	NOT OFFERED OVERTIME	DENIED THE OPPORTUNITY TO WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16250	FIRE	AFSCME 542	19DEC.12	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16247	FIRE	AFSCME 542	21DEC.12	UNION POLICY (GAJEWSKI, SANDY)	OVERTIME	FAILED TO ASK UNION STEWARD	GIP - WILL BE PAID 2 HRS OVERTIME	2/18/2014	PAY 2 HOURS OVERTIME	\$70.00
15842	GSD	AFSCME 542	732OCT.11	ATTENDANCE MONITORING	DID FOLLOW DEPARTMENT RULES	SHOULD NOT HAVE RECEIVED REVIEW	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15319	GSD	AFSCME 542	15DEC.10	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	DENIED	2/18/2014	NO PAYMENT	
15532	FIRE	AFSCME 542	13APR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15417	FIRE	AFSCME 542	07MAR.11	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15123	FIRE	AFSCME 542	737JUL.10	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
14119	FIRE	AFSCME 542	802NOV.08	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
14524	RECREATION	AFSCME 542	1010MAY.09	UNION POLICY	REASSIGNMENT	PLAYLEADER RE-ASSIGNED IN ERROR	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
13798	FIRE	AFSCME 542	1MAR.08	UNION POLICY	POSITION RECALL	SENIOR CLERK NOT RECALL BY SENIORITY	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16204	FIRE	AFSCME 542	15JUNE.12	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16205	FIRE	AFSCME 542	16JUNE.12	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15509	FIRE	AFSCME 542	16APR.12	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
16281	GSD	AFSCME 542	713JUN.13	UNION POLICY	WAGES	NOT OFFERED OVERTIME ASSIGNMENT	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15596	RECREATION	AFSCME 542	03JUNE.12	WIGGINS, CANTELL	SUSPENSION	PARKING VEHICLE IN UNSECURE LOCATION	GIP - REDUCE SUSP TO A ONE AND ONE-HALF DAY	2/18/2014	PAY 1.5 DAYS	\$104.64
15309	RECREATION	AFSCME 542	1031OCT.10	SIMS, JENELLE	NOT OFFERED OVERTIME	DENIED THE OPPORTUNITY TO WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15720	GSD	AFSCME 542	727SEP.11	UNION POLICY	REQUESTED SPECIAL CONFERENCE	DEPARTMENT DID NOT FOLLOW CONTRACT	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15782	GSD	AFSCME 542	811OCT.11	UNION POLICY	IMPROPER LAYOFF	CITY'S FAILURE TO PROPERLY NOTIFY UNION	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15089	GSD	AFSCME 542	721APR.10	UNION POLICY	PERFORMING BU WORK	BU WORK PERFORMED BY CLEAN SWEEF	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
14990	GSD	AFSCME 542	706MAR.10	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15084	GSD	AFSCME 542	710APR.10	UNION POLICY	HEALTH AND SAFETY	VIOLATION OF MIOSHA SANITATION STANDARD	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15529	GSD	AFSCME 542	17DEC.10	UNION POLICY	SCHEDULING	UNION STEWARD SHIFT SCHEDULE	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15305	GSD	AFSCME 542	05DEC.10	UNION POLICY	SPECIAL CONFERENCE	MANAGEMENT AUTHORITY	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15294	GSD	AFSCME 542	771NOV.10	UNION POLICY	SPECIAL CONFERENCE	MANAGEMENT AUTHORITY	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	
15463	GSD	AFSCME 542	711APR.11	UNION POLICY	CONTRACTING OUT	STOEPEL PARK	DENIED	2/18/2014	NO PAYMENT	
16010	FIRE	AFSCME 542	01FEB.12	UNION POLICY	PERFORMING BU WORK	NON BU EMPLOYEES PERFORMING WORK	WITHDRAWN BY UNION	2/18/2014	NO PAYMENT	

\$15,105.80



# Exhibit 7

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

ROSE ROOTS, MARK PHILLIPS, WILLIAM  
HARPER, EARNEST JOHNSON, FELICIA  
JONES, CLARENCE L. WRIGHT, JR., ANGELA  
OBEY-YOUNG, Individually and on behalf of all  
others similarly situated,

Case No. 12-12848-CV

Plaintiffs,

THE CITY OF DETROIT,

Defendant.

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**CLASS ACTION COMPLAINT AND JURY DEMAND**

Plaintiffs, Rose Roots, Mark Phillips, William Harper, Earnest Johnson, Felicia Jones, Clarence L. Wright, Jr., and Angela Obey-Young, on behalf of themselves and all others similarly situated, by and through their attorneys, The Miller Law Firm, P.C., state as follows for their Class Action Complaint:

**INTRODUCTION**

1. This case is brought on behalf of the thousands of individuals who retired from their employment with the City of Detroit ("City") with vested health benefits and who are being denied those vested contractual benefits in breach of: (1) contract, (2) statutory, (3) common law, (4) the City Charter, (5) the Municipal Code of the City of Detroit, (6) Resolutions of the City Council, and (7) fundamental federal Constitutional rights.

2. The City is balancing its budget on the backs of its former employees – retired senior citizens – by making devastating and draconian changes to their promised health care benefits. These seniors have worked for decades, based upon promised health care benefits, and earned the right to these health care benefits. Moreover, the retirees made irrevocable decisions like

selecting survivorship benefits and/or benefit levels, based upon the benefits promised to them. At a time, when they are living on fixed incomes and incurring the medical expenses of old age, the City seeks to deprive them of these promised and earned benefits upon which they so justly relied.

3. The City of Detroit adopted an Employee Health Benefit Plan ("Plan") pursuant to City Charter and the Municipal Code, and the specific terms of that Plan were subject to collective bargaining agreements ("CBAs"), with the CBAs to take precedence over the Plan.

4. Under the terms of the CBAs, individuals, who retired from eligible employment with the City of Detroit, are entitled to fully paid hospitalization and medical insurance, based on ward service under the Michigan Variable Fee coverage (MVF-2), and subject to the benefits and premium contributions in effect at the time of retirement, and Drug Prescription coverage. The prescription drug plan was subject to a \$2.00 deductible for retirees. With the May 9, 1996 execution of the 1995-1998 CBA, the prescription drug deductible was increased to \$3.00 for future retirees. These benefits, co-payments, deductibles and premium contribution rates were part of the contract in force at the time of each employee's retirement from the City.

5. After July 2006, the City began to, and continues to, unilaterally modify the retiree health insurance benefits and premium contribution rates. Health care rates were modified again in 2012. Also, the City has undertaken steps to again unilaterally modify the retiree health insurance benefits and premium contribution rates and these changes are imminent and substantial.

6. These unlawful, unilateral modifications negatively impact retirees who are senior citizens living on fixed incomes and who are among the most vulnerable members of society and, in many instances, residents of the City.

7. Plaintiffs seek a declaration that the City's unilateral changes to the retiree health insurance plan, including but not limited to, changes in covered benefits provided to retirees; increases in deductibles and co-payments assessed to retirees; and increases in premium contribution rates paid by retirees, substantially impair and breach the applicable collective bargaining agreements, and constitute a violation of Plaintiffs' constitutional rights. Plaintiffs seek injunctive relief to prevent further changes and to require the City to return the contractual benefits owed to the retirees. Plaintiffs also seek compensatory damages for all the wrongfully incurred charges caused by Defendant's unlawful policy and practice.

### THE PARTIES

8. Plaintiff Rose Roots is a resident of the City of Detroit, County of Wayne, and State of Michigan. She worked for the City for approximately 28 years, the vast majority of that time as a member of the American Federation of State, County and Municipal Employees ("AFSCME"). She retired from employment with the City of Detroit in 1997. Plaintiff was a member of the Senior Accountants, Analysts and Appraisers Association ("SAAA") bargaining unit.

9. Plaintiff Mark Phillips is a resident of the City of Detroit, County of Wayne, State of Michigan. He worked for the City for approximately 30 years, the vast majority of that time as a member of AFSCME. He retired from employment with the City of Detroit in 2002, at which time he was a member of the Associated Paving Foreman's Association.

10. Plaintiff William Harper is a resident of the City of Detroit, County of Wayne, State of Michigan. He was employed by the City for approximately 31 years until he retired in 1992. For his entire employment, he was a member of AFSCME.

11. Plaintiff Earnest Johnson is a resident of the City of Detroit, County of Wayne, State of Michigan. He was employed by the City for approximately 34 years until he retired in 2002. For his entire employment, he was a member of AFSCME.

12. Plaintiff Felicia Jones is a resident of the City of Detroit, County of Wayne, and State of Michigan. She retired from employment with the City of Detroit in 2010. During her thirty-one and one-half years of employment with the City, she was a member of AFSCME.

13. Plaintiff Clarence L. Wright, Jr. is a resident of the City of Detroit, County of Wayne, State of Michigan. He retired from employment with the City of Detroit in 2005. During his almost 31 year employment with the City, he was primarily a non-union employee. At the time of his retirement, he was employed as a non-union Manager in the Recreation Department.

14. Plaintiff Angela Obey-Young is a resident of the City of Detroit, County of Wayne, State of Michigan. She retired from employment with the City of Detroit in 2009. During her approximately 32-year employment with the City, she was a member of AFSCME for 22 years and of SAAA for approximately two years. At the time of her retirement, she had been employed as a non-union supervisory employee for approximately eight years.

15. Defendant the City of Detroit is a municipal corporation with its principal place of business located at The Coleman Young Municipal Center, Two Woodward Avenue, Detroit, Michigan, the County of Wayne, and State of Michigan. The City of Detroit was established pursuant to the Constitution of the State of Michigan; the Home Rule Cities Act, the Charter of the City of Detroit and governed by applicable state and federal law; the Charter and its Ordinances and the Municipal Code.

### **JURISDICTION AND VENUE**

16. This Court has federal question jurisdiction over the subject matter of the action pursuant to 28 U.S.C. §§ 1331 and 1343. It is a civil action alleging, inter alia, violations of the Fifth and Fourteenth Amendments and impairment of contract arising under Article X of the Constitution of the United States. This is an action for, inter alia, declaratory, injunctive and monetary relief pursuant to 28 U.S.C. §§ 2201 and 2202 and money damages to redress the Defendant's deprivation of Plaintiffs' rights pursuant to the Contracts Clause (Article 1, Section 10, Clause 1) and the Due Process Clause (Amendments V and XIV of the United States Constitution) and violations of 42 U.S.C. § 1983.

17. This Court has supplemental jurisdiction over Plaintiffs' state law claims pursuant to U.S.C. § 1367.

18. Venue is proper in this Court because the municipal corporation Defendant and Plaintiffs are located in this District and a substantial part, if not all, of the events or omissions giving rise to the claims arose in the Eastern District of Michigan. 28 U.S.C. § 1391(b).

### **GENERAL ALLEGATIONS – PART I** **THE ESTABLISHMENT OF THE EMPLOYEE HEALTH BENEFIT PLAN**

19. The City adopted its first Home Rule City Charter in 1918. That charter was amended on July 1, 1974, January 1, 1997 and January 1, 2012.

20. The City Employee Health Benefit Plan was established by Title 9, Chapter 8 of the 1918 City Charter as amended. *See also* Charters 1974, 1997 and 2012, Article 13-105.

21. Further, since at least some time at around June 1, 1946, the City provided for the establishment of an Employee Health Benefit Plan “for the purpose of providing hospital, surgical and death benefits” to eligible employees and retirees. *City of Detroit Municipal Code [Code], Chapter 13, Article VIII, Division 1, Sec. 13-8-1; (Charter of the City of Detroit*

[Charter] 1918, T-IX, C-VIII, § 1). See also Charter, Art. 13, Sect. 13-10; Code, Chapter 13, Art VIII, Division 1, Sec. 13-8-6(b). (Charter 1918, T-I, C-VIII, § 11; Code 1964; 16-9-4).

22. A “[m]ember [of the plan] shall mean any person included in the membership of the plan” and “[s]ubscriber [of the plan] shall mean a member of the plan or his family as defined in section 13-8-7 who is receiving a retirement allowance from the city.” Code, Chapter 13, Art VIII, Division 1, Sec. 13-8-2. (Charter 1918, T-IX, -VIII, § 2; Code 1964, § 16-9-1).

23. An individual remains a member in the plan “[a]fter his retirement from city service with a pension or workman’s compensation benefits paid in whole or in part out of funds provided by the city...” Code, Chapter 13, Art. VIII, Division 1, Sec. 13-8-3(e) (Charter 1918, T-IX, C-VII, § 8).

24. A city employee who retires with a pension shall continue to be a member of the city employees benefit plan. Code, Chapter 13, Article 8-3(e), 8-10; Charter 1918, T-IX, C-VIII, § 8, 12; Code 1964 § 16-9-7; Ord. No. 22-97 § 1, 7-2-97.

25. “The governing board of the city employees’ benefit plan shall pay to the insurer providing the hospital and surgical, and, if applicable major medical services to the members the cost of such services, as provided by contract.” Code, Chapter 13, Article 8-5 (Code 1964 § 16-9-10)

26. The Code provides in pertinent part that the City shall pay “the full cost of surgical and hospitalization coverage and major medical coverage, if applicable for individual employees....” Code, Chapter 13, Article 8-11 (Charter 1918, T-IX, C-VIII, § 13; Code 1964 § 16-9-8).

27. Further, effective July 1, 1976, the City Council passed a resolution providing for “Drug Prescription” coverage for active employees and retirees who had retired since July 1,



1974. That prescription drug coverage provided for a \$2.00 deductible and payment of premiums by the City.

28. In December, 1976, the City Council passed a resolution to provide the same Drug Prescription coverage with a \$2.00 deductible to be effective January 1, 1977, for those retirees of the City who had retired prior to July 1, 1974.

**GENERAL ALLEGATIONS – PART II**  
**THE BENEFITS AND PROVISIONS OF THE EMPLOYEE HEALTH BENEFIT PLAN**  
**WERE SUBJECT TO COLLECTIVE BARGAINING FOR EMPLOYEES WHO WERE**  
**MEMBERS OF A UNION**

29. The Public Employment Relations Act “PERA” provides that public employees have the right to “bargain collectively with their public employers through representatives of their own free choice.” Mich. Comp. Laws § 423.209, Public Act 379 of 1965.

30. The City Charter provides that “[e]mployees of the City have the right to collective organization and collective bargaining.” *Charter of 1997, Article. 6, Chapter 5, Human Resources Department, Sect. 6-507; Charter 2012, Article 6, Chapter 4, Sect. 4-407.*

31. “The terms of any collective bargaining contract, and all rules and rulings made under it, shall take precedence over any inconsistent classifications, rules or policies of the human resources department.” *Charter of 1997, Art. 6, Chapter 5, Human Resources Department, Sect. 6-508; Charter of 2012, Art. 6, Chapter 4, Human Resources Department, Sect. 4-408.*

32. The employees of the City are represented by many different unions and bargaining units.

33. Historically, to establish a uniform bargaining policy as to matters such as issues related to the Employee Health Benefit Plan, the City through its labor relations personnel, have

always bargained first with AFSCME the union which has the largest enrollment of City employees.

34. Then, the same bargained-for provisions are applied uniformly to other collective bargaining agreements. Indeed, many of the contracts contain "me too" provisions which call for identical provisions across bargaining groups.

35. Upon information and belief, such collective bargaining contracts have been negotiated regarding the terms of the Employee Health Benefit Plan since at least 1947. Mich. Comp. Laws § 423.201, et. seq., Act 336 of Public Act of 1947. See also Exhibit 1, Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State County and Municipal Employees, AFL-CIO, 1977-80 (Michigan District Council 77 prior to March 3, 1978), Article 1.<sup>1</sup> The various Master Agreements are within the City of Detroit's possession.

36. The negotiated contractual terms of the collective bargaining contracts have consistently provided that the retiree healthcare benefits, co-payments and deductibles applicable to Plaintiffs and other similarly situated class members were established through the collectively bargained labor agreements in force at the time of their retirements.

37. Under the terms of all contracts, including the Agreements entered into between the City and AFSCME, the retirees' health care plan, benefits, deductibles, co-payments and premium contributions were governed by the CBA in effect at the time of retirement.

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<sup>1</sup> Memorandum of Understanding Between the City of Detroit and Michigan Council 25, American Federation of State, County and Municipal Employees, dated 3-22-78, provided that AFSCME 25 was the successor in interest to AFSCME 77, and that the agreement between the City and Council 77 which was effective 9-7-77 and which expires on 6-30-80 shall be the City and Council 77, which was effective 9-7-77 and which expires on 6-30-80, shall be the Master Agreement between the parties for its term and otherwise in accordance with Article 47 of the adopted Master Agreement.

38. The specific CBA under which each retiree retired established vested rights to the healthcare coverage in effect at the time of retirement and the City promised to continue these vested rights the entire period of retirement.

39. Once the employee retires, the employee is no longer a member of the Union and is no longer subject to future CBAs.

40. The retired employees are entitled to these benefits for life and they are vested at retirement, and not subject to unilateral modification and/or revocation.

41. Non-union employees received the same benefits as union employees with regard to Health Care Benefits.

42. Article 34 of each of the CBAs (Article 36 in the 1977-1980 and 1980-1983 Agreements) consistently provided that retirees would receive fully paid hospitalization and medical insurance, including prescription drug coverage.

43. Plaintiffs set forth in Subsections A-I below the provisions in the Agreements from 1977 to 2005. To the extent that there may be retirees subject to Agreements that pre-dated the Agreements cited in Subsections A-I below, upon information and belief, those contracts are in the possession of Defendant and also provided for fully paid hospitalization and medical insurance.

#### **A. The 1977-1980 Master Agreement**

44. Article 36 of the 1977-1980 Master Agreement between the City and Michigan Council 25 of AFSCME provided in pertinent part:

The City shall provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87), known as the two dollar (\$2) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries

and their legal dependents, as provided by Chapter 16, Article 9 of the Municipal Code for the City of Detroit.

Employees shall have the option of choosing alternative hospitalization medical coverage made available by the City. For those employees selecting the optional Metropolitan Health Plan of Blue Cross/Blue Shield the coverage shall be the MHP "AA" program with the City's contribution limited to the premium cost for Blue Cross/Blue Shield health insurance, ward service rates.

\* \* \*

For employees who retire on or after July 1, 1977, the City will pay the premium for regular retirees and their spouses effective as provided by City Council in 1977-78 closing resolutions.

\* \* \*

If, during the term of this Agreement, a Federal Health Security Act is enacted, the City of Detroit will pay during the term of the Agreement any premium, taxes or contributions employees may be required to pay under a Federal Health Security Act that are specifically earmarked or designated for the purpose of the Federal Program.

\* \* \*

The City agrees to institute a Health Maintenance Organization insurance plan prior to June 30, 1980. The employees shall have the further option of choosing this alternative. The City's contribution to this plan shall be limited to the premium cost for Blue Cross/Blue Shield health insurance, ward service rates.

(See Exhibit, Article 36, ¶¶ A, C, D and E.)

45. The Agreement also provided for Optical Care Insurance through the Employee Benefit Board. (Id., ¶ B.)

#### **B. The 1980-1983 Master Agreement.**

46. Article 36 of the 1980-1983 Master Agreement between the City and Michigan Council 25 of AFSCME provided in pertinent part:

The City shall provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate

with two dollar (\$2.00) co-pay (Certificate #87), known as the two dollar (\$2.00) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 16, Article 9 of the Municipal Code for the City of Detroit.

\* \* \*

Employees shall have the option of choosing alternative hospitalization medical coverage made available by the City. The City's contribution to the alternative plans shall be limited to the premium cost for Blue Cross/Blue Shield ward service rates, excluding dental insurance. Total Health Alliance Plan shall comprise the list of alternative hospitalization plans. If at the end of any fiscal year an alternative hospitalization plan has failed to enroll 5% of the bargaining unit employees, the City shall have the option of removing that plan from the list of eligible carriers.

\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87) known as the two dollar (\$2.00) deductible Drug Rider as provided by City Council in the 1977-78 closing resolution. **The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.** (Emphasis added.)

(See Exhibit 2, Article 36, ¶¶ A, B, and C.)

47. The CBA also provided (1) effective 7-1-81, the City would improve its BC hospitalization plan for active employees and their dependents by providing BC Master Medical insurance with a 20% copay benefit and a fifty dollar (\$50) per person annual deductible (\$100.00) for two or more in a family; (2) a Dental Plan effective 7-1-80; (3) the continuation of Optical Care Insurance and (4) that the City would pay the costs if a Federal Health Security Act was enacted. (*Id.*, ¶¶ D, E, F and G.)

**C. The 1983-1986 Master Agreement**

48. Article 34 of the 1983-1986 Master Agreement between the City of Detroit and Michigan Council 25 of AFSCME provided in pertinent part:

Not later than January 1, 1984, for active employees and employees who retire on or after January 1, 1984, coverage shall be as described in the Memorandum of Understanding re: Health Care Cost Containment and Exhibit III.

\* \* \*

The City shall provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87), known as the two-dollar (\$2.00) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 16, Article 9 of the Municipal Code for the City of Detroit.

\* \* \*

Employees shall have the option of choosing alternative hospitalization medical coverage made available by the City. The City's contribution to the alternative plans shall be limited to the premium cost of Blue Cross/Blue Shield ward service rates, excluding dental insurance. Total Health Care, Michigan Health Maintenance Organization and Health Alliance Plan shall comprise the list of alternative hospitalization plans. If at the end of any fiscal year an alternative hospitalization plan has failed to enroll 5% of the bargaining unit employees, the City shall have the option of removing that plan from the list of eligible carriers.

\* \* \*

The City will pay the premium for regular retirees and their spouses for hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with the two dollar (\$2.00) co-pay (Certificate #87) known as the two dollar (\$2.00) deductible Drug Rider as provided by City Council in the 1977-78 closing resolution. **The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.** (Emphasis added)

(See Exhibit 3, Article 34, ¶¶ A, B, C and D.)

49. The 1983-1986 Agreement also provided that (1) the hospitalization plan for active employees and their dependents would include Blue Cross Master Medical Insurance with a 20% copay benefit and a fifty dollar (\$50) per person annual deductible (\$100) for two or more in a family; (2) a Dental Plan for actives effective 7-1-80; (3) the continuation of Optical Care Insurance; (4) effective 11-1-83, employees who wish to insure sponsored dependents were required to pay the premium cost of that coverage and "the City will pay the health insurance premium for dependents who are 19 to 25 as long as they are regularly attending an accredited vocational school, college...and are dependent....Employees at their own expense may provide coverage for these dependents; and (5) the City would pay the costs if a Federal Health Security Act was enacted. (*Id.*, ¶¶ E, F, G, H and I.)

50. The 1983-1986 Contract included a Memorandum of Understanding Re: Health Care Cost Containment signed 11-28-1983 which provided:

...[t]he parties agree that the most effective way to control health care costs is to limit the choice of hospitals, out-patient laboratories, providers of prescription drugs and other medical services to those who deliver quality care at reasonable prices. In order to achieve this goal the parties agree to implement the following plan, in lieu of Article 36, not later than January 1, 1984:

A. The parties agree to create a Health Care Cost Containment Committee made up of an equal number of members from the City and from the Union. The committee will agree on securing the services of a health care consultant or administrator to assist the committee in designing and implementing a health care cost containment program. This committee shall review and agree to a health care cost containment plan which will cover active AFSCME employees and future retirees and will be implemented by the City no later than January 1, 1984. The plan will provide for quality health care and will limit the fees of physicians, hospitals, laboratories and druggists to those that charge reasonable fees including approved H.M.O.'s, health care networks and preferred drug providers. Further cost containment alternatives such as preferred providers, generic mail order drugs, a maintenance drug program,



restrictive weekend admission rules, preadmission certification for elective surgery, second opinions, ambulatory surgery, control of out-patient psychiatric care, birthing centers, hospice care coverage other than hospitals, patient incentive audit of hospital bills, worksite blood pressure tests and employee health care education programs will be reviewed and implemented by the Committee. No insurance carrier shall be allowed to underwrite City Health Care insurance unless they offer coordination of benefits. Any savings realized from this effort will be disposed of in accordance with paragraph B.

B. The Committee will review the costs of this program, on an annual basis, and will report to the Union and the City the amount of savings which the plan has generated. The accounting will be performed by a CPA mutually agreed upon by the parties if so desired to assure accuracy. A similar review and report will be made thereafter on an annual basis. The City and the Union agree that savings associated with this program will be shared equally by the employer and active AFSCME employees. The percentage of savings to be credited to the AFSCME bargaining unit employees shall be equal to one-half of the percentage of the difference in cost per employee of the active and **future retirees** of AFSCME in the general City hospitalization plan during the 1982-83 fiscal year versus the same base and equivalent accounting period in subsequent years. The general City hospitalization plan includes all active AFSCME employees **and future retirees** including those at the Department of Transportation and civilian employees of the Police and Fire Departments. Distribution of the savings attributed to the employees will be used as a bonus."

C. In the event that the January 1 – June 30, 1984 premium cost exceeds the 1982-83 base year cost, the City will pay up to 50% over the 1982-83 base year costs. In the event that the July 1, 1984 – June 30, 1985 premium cost exceeds the 1982-83 base year cost the City will pay up to 50% over the 1982-83 base year cost. In the event that the July 1, 1985 – June 30, 1986 premium cost exceeds the 1982-83 base year cost the City will pay up to 50% over the 1982-83 base year cost.

D. Effective July 1, 1983, the health care coverage premium for sponsored dependents must be borne by the employee.

E. No later than January 1, 1984, the City will also implement a cost containment dental and optical insurance program. The City and the Union agree that savings associated with this program will be shared equally by the employer and the employees in accordance with the formula shown in paragraph B." (Emphasis added.)

51. Exhibit III to the 1983-1986 Agreement provided "Re: HEALTH CARE PLAN" and outlined the health care benefits under the program:

The following is a description of the City of Detroit's Basic Health Care Plan for employees and retirees. They may choose to elect coverage under this plan or they may choose alternative coverage through one of the Health Maintenance Organizations offered by the City. The City will pay the premium for this alternative health care coverage up to an amount equal to the amount the City pay (sic) for the Basic Plan.

The basic plan described herein will give member coverages, which are nearly the same as they currently enjoy. It does, however, include several cost containment features not found in our current program which will control costs of hospitalization and other medical services. Furthermore, the joint union/management health cost containment committee will be studying additional cost containment programs which shall include prescreening and employee awareness programs during the term of the agreement and will implement them if they fulfill or object of quality health care at reasonable prices. In the event that different optical, dental or prescription drug programs are less costly than the current ones used, they may be adopted in lieu of them." (Emphasis added.)

(See Exhibit 3, which lists the benefits provided by the Plan.)

**D. The 1986-1989 Master Agreement**

52. Article 34 to the 1986-1989 Master Agreement between the City Council 25 of AFSCME provided in pertinent part:

The City shall provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87), known as the two-dollar (\$2.00) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 13, Article 11 of the Municipal Code of the City of Detroit.

\* \* \*

The City's contribution for the cost of hospitalization on a monthly basis shall be as follows:

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent of any premium charges that exceed the above amounts will be paid by the employees and fifty percent shall be paid by the employer.

\* \* \*

Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.

\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87) known as the two dollar (\$2.00) deductible Drug Rider as provided by City Council in the 1977-78 closing resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For persons who retire (except for vested retirees) on or after July 1, 1986 the City will pay the following amounts for hospitalization and medical insurance:

Single person	\$100.06
Two person	\$238.29

Fifty percent of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

\* \* \*

The City Blue Cross hospitalization plan for active employees and their dependents shall include Blue Cross Master Medical Insurance with a twenty percent (20%) co-pay benefit and a fifty

dollar (\$50.00) per person annual deductible (\$100.00) for two or more in a family.

\* \* \*

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from any plan or program made available by the City. The City's contribution to the alternative plans or programs shall be limited to the premium cost for the level of benefits provided in Paragraphs B and D, as applicable. If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees citywide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

Single Person  
Two persons  
Family.

\* \* \*

Effective January 1, 1987, the City shall implement a Preferred Provider Prescription Drug program in its traditional hospitalization plan.

(See Exhibit 4, Article 34, ¶¶ A, B, C, D, F and L.)

53. The 1986-1989 Agreement also provided a dental plan for active employees and their dependents; continued optical care insurance; that the City would pay the costs if a Federal Health Security Act was enacted and that any insurer would be required to offer coordination of benefits (*Id.*, ¶¶ G, H, I and J)

54. The parties also agreed to form a "Health Care Cost Containment Committee:

...made up of an equal number of members from the City and the Union which will review and agree to further cost containment programs to cover both active employees and future retirees during the term of the Contract. Said cost containment programs shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits. If premium levels remain below the amounts listed in the 1982-83 base premium levels for insurance listed in paragraph "B" the City will pay

fifty percent (50%) of that amount to an escrow account which shall be used to offset health care costs or increase health care benefits.

(*Id.*, ¶ K.)

55. Exhibit III "RE: HEALTH CARE PLANS" included as part of the 1986-1989 Agreement provided that:

[T]he City of Detroit offers a traditional hospitalization plan for employees and retirees plus they may choose alternative coverage through one of the health maintenance organizations or preferred provider plans offered by the City. The City will pay the premium for this alternative health care coverage up to an amount equal to amount equal to the amount the City pays for the traditional Plan. A list of the City's current hospitalization carriers and coverage descriptions is contained herein.

(See Exhibit 4.)

**E. The 1989-1992 Master Agreement**

56. Article 34 to the 1989-1992 Master Agreement provided in pertinent part:

The City shall provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87), known as the two-dollar (\$2.00) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 13, Article 11 of the Municipal Code of the City of Detroit.

\* \* \*

The City's contribution for the cost of hospitalization on a monthly basis shall be as follows:

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent (50%) of any premium charges that exceed the above amounts will be paid by the employees and fifty percent (50%) shall be paid by the employer.

\* \* \*

Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.

\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) known as the two dollar (\$2) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For persons who retire (except for vested retirees) on or after July 1, 1986 the City will pay the following amounts for hospitalization and medical insurance:

Single person \$100.06

Two person \$238.29

Fifty percent (50%) of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

\* \* \*

The City Blue Cross hospitalization plan for active employees and their dependents shall include Blue Cross Master Medical Insurance with a twenty percent (20%) co-pay benefit and a fifty dollar (\$50) per person annual deductible (\$100 for two or more in a family).

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from any plan or program made available by the City. The City's contribution to the alternative plans or programs shall be limited to the premium cost for the level of benefits provided in Paragraphs B and D, as applicable. If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees citywide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

Single Person

Two persons  
Family.

\* \* \*

Effective January 1, 1987, the City shall implement a Preferred Provider Prescription Drug program in its traditional hospitalization plan.

(See Exhibit 5, Article 34, ¶¶ A, B, C, D, E, F and L.)

57. The 1989-1992 Agreement provided a dental plan for active employees and their Dependents; continued optical care insurance; that the City would pay the costs if a Federal Health Security Act was enacted and that any insurer would be required to offer coordination of benefits. (*Id.*, ¶¶ G, and H, I and J.)

58. The parties agreed to form a Health Care Cost Containment Committee:

...made up of an equal number of members from the City and the Union which will review and agree to further cost containment programs to cover both active employees and future retirees during the term of the Contract. Said cost containment programs shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits. If premium levels remain below the amounts listed in the 1982-83 base premium levels for insurance listed in paragraph B the City will pay fifty percent (50%) of that amount to an escrow account which shall be used to offset health care costs or increase health care benefits. Furthermore, the parties agree during the term of this agreement to continue to discuss the City's hospitalization plans. The parties are committed to investigate programs which will reduce costs and bring about a corresponding reduction in premium sharing by employees. Programs to be considered would include alternative health care providers, additional cost containment programs, and alternative traditional plans. Any programs agreed to by the parties will be implemented during the term of this agreement.

(*Id.*, ¶ K.)

59. Exhibit III "Re: HEALTH CARE PLANS" to the 1989-1992 Agreement provides:

[T]he City of Detroit offers a traditional hospitalization plan for employees and retirees plus they may choose alternative coverage through



one of the health maintenance organizations or preferred provider plans offered by the City. The City will pay the premium for this alternative health care coverage up to an amount equal to amount equal to the amount the City pays for the traditional Plan. A list of the City's current hospitalization carriers and coverage descriptions is contained herein.

(See Exhibit 5.)

**F. The 1992-1995 Master Agreement.**

60. Upon information and belief, the City imposed an Agreement for the 1992-1995 Plan year which contained the exact or substantially similar language in Article 34. It is believed that a copy of this document is in the possession of Defendant.

**G. The 1995-1998 Master Agreement.**

61. Article 34 of the 1995-1998 Agreement which was executed on May 9, 1996 provided in pertinent part:

The City shall continue to provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87), known as the two-dollar (\$2) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 13, Article 8 of the Municipal Code of the City of Detroit until such time during this agreement cost containment/reduction modifications are implemented pursuant to the Memorandum of Understanding Re; Lowered Health Care Costs dated August 31, 1995. Such modifications may impact all or part of the provisions contained, including but not limited to medical, dental and optical care coverages.

\* \* \*

The City's contribution for the cost of hospitalization on a monthly basis shall be as follows:

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent (50%) of any premium charges that exceed the above amounts will be paid by the employees and fifty percent (50%) shall be paid by the employer.

\* \* \*

Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.

\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) known as the two dollar (\$2) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For persons who retire (except for vested retirees) on or after July 1, 1986 the City will pay the following amounts for hospitalization and medical insurance:

Single person \$100.06  
Two person \$238.29

Fifty percent (50%) of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

\* \* \*

The City Blue Cross hospitalization plan for active employees and their dependents shall include Blue Cross Master Medical Insurance with a twenty percent (20%) co-pay benefit and a fifty dollar (\$50) per person annual deductible (\$100 for two or more in a family).

\* \* \*

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from any plan or program made available by the City. The City's contribution to the alternative plans or programs shall be limited to the premium cost for the level of benefits provided in Paragraphs B and D, as applicable. If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50

employees city-wide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

Single Person  
Two persons  
Family.

\* \* \*

Effective January 1, 1995 the City shall implement a Preferred Provider Prescription Drug program in its traditional hospitalization plan.

(See Exhibit 6, Article 34, ¶¶ A, B, C, D, E, F and L.)

62. The Agreement provided a dental plan for active employees, duty disability retirees and their dependents; continued optical care insurance; that the City would pay the costs if a Federal Health Security Act was enacted; and that any insurer would be required to offer coordination of benefits. (Id., ¶¶ G, H, I, J and M.)

63. The parties also agreed to form a Health Care Cost Containment Committee:

...made up of an equal number of members from the City and the Union which will review and agree to further cost containment programs to cover both active employees and future retirees during the term of the Contract. Said cost containment programs shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits. If premium levels remain below the amounts listed in the 1982-83 base premium levels for insurance listed in paragraph B the City will pay fifty percent (50%) of that amount to an escrow account which shall be used to offset health care costs or increase health care benefits. Furthermore, the parties agree during the term of this agreement to continue to discuss the City's hospitalization plans. The parties are committed to investigate programs which will reduce costs and bring about a corresponding reduction in premium sharing by employees. Programs to be considered would include alternative health care providers, additional cost containment programs, and alternative traditional plans. Any programs agreed to by the parties will be implemented during the term of this agreement.

(*Id.*, ¶ K.)

64. The 1995-1998 Agreement included a “MEMORANDUM OF UNDERSTANDING INITIATIVE NO. 6 RE: LOWERED HEALTH CARE COSTS” which provided:

The parties agree to negotiate agreements which will achieve cost savings on the following four initiatives. It is understood, however, that in addition to these mandatory cost reducing changes, the parties’ Health Care Cost Reductions Committee (HCCRC) will continue to pursue potential means of further reducing costs or stunting their escalation in the future through other initiatives.

A. Health Insurance Premiums, Employee Portions Paid with “125K Pre-Tax” Dollars (This will be instituted forthwith, as soon as possible, upon ratification of the labor agreement.)

B. Prescription Drugs at \$3.00

C. Mail-Order Prescription Drugs Program

D. COB Administrative Change (Verify then Pay)

The following issues are **NOT AGREED TO** but are still being mutually examined by the Committee with regard to the parameters of such a rule as stated:

E. Emergency Room “Non-Admitting Usage Fee”

F. Opt-Out Payments When Alternate Coverage Exists

Further, this HCCRC will endeavor to coordinate its activities with and make its efforts compatible with any beneficial outcomes from the operations between the City and the AFL-CIO Coalition of Unions Committee on Health Care Issues. In that regard, the union has already expressed at the contract bargaining table its interest in adopting the potential lower-costing “HMO/POS” program now being carefully considered by that City/Coalition Committee, subject to the Union’s concerns about maintenance of the present benefits in the traditional BC/BS.

The benefits of this initiative will be initially realized in Year I for initiative A and in Year II for initiatives B, C and D. For initiatives E and F, if the parties should come to agreement on them, the benefits will take

effect in accordance with the understanding reached between the parties. And lastly, further benefits will be realized to the extent the HMO/POS program is adopted and saves the parties health care costs.

(See Exhibit 6.)

65. The 1995-1998 Agreement included A Memorandum of Understanding between the parties applied to National Health Care, "[I]f, during the term of this Agreement, a Federal Health Care Law is enacted, the parties shall enter into immediate collective bargaining negotiations over the impact of such a law on the existing arrangements for funding and providing health care benefits." (See Exhibit 6.)

66. Exhibit II "RE: HEALTH CARE PLANS" to the 1995-1998 Agreement provides:

[T]he City of Detroit offers a traditional hospitalization plan for employees and retirees plus they may choose alternative coverage through one of the health maintenance organizations or preferred provider plans offered by the City. The City will pay the premium for this alternative health care coverage up to an amount equal to amount equal to the amount the City pays for the traditional Plan. A list of the City's current hospitalization carriers and coverage descriptions is contained herein.

(See Exhibit 6.)

#### **H. The 1998-2001 Master Agreement.**

67. Article 34 to the 1998-2001 Master Agreement executed on March 8, 2000 provided in pertinent part:

The City shall continue to provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) [fn1], known as the two dollar (\$2) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 13, Article 8 of the Municipal Code of the City of Detroit.

fn 1: the \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$3.

Retirees shall be responsible for the co-pay amount in effect at the time of retirement.)

\* \* \*

The City's contribution for the cost of hospitalization on a monthly basis shall be as follows:

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent of any premium charges that exceed the above amounts will be paid by the employees and fifty percent shall be paid by the employer.

\* \* \*

Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.

\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) [fn1] known as the two dollar (\$2) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For persons who retire (except for vested retirees) on or after July 1, 1986 the City will pay the following amounts for hospitalization and medical insurance:

Single person	\$100.06
Two person	\$238.29

Fifty percent of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

fn 1: the \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$3.

Retirees shall be responsible for the co-pay amount in effect at the time of retirement.)

\* \* \*

The City Blue Cross hospitalization plan for active employees and their dependents shall include Blue Cross Master Medical Insurance with a twenty percent (20%) co-pay benefit and a fifty dollar (\$50) per person annual deductible (\$100 for two or more in a family).

\* \* \*

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from any plan or program made available by the City. The City's contribution to the alternative plans or programs shall be limited to the premium cost for the level of benefits provided in Paragraphs B and D, as applicable. If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees city-wide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

Single Person  
Two persons  
Family.

(See Exhibit 7, Article 34, ¶¶ A, B, C, D, E, and F.)

68. The 1998-2001 Agreement also provided a dental plan for active employees, their dependents and duty disability retirees; continued optical care insurance; that the City would pay the costs if a Federal Health Security Act was enacted; that any insurer would be required to offer coordination of benefits and an opt-out program if the employee was covered by another health insurance plan. (Id., ¶¶ G, H, I, J and L.)

69. The parties also agreed to form a Health Care Cost Containment Committee:

...made up of an equal number of members from the City and the Union which will review and agree to further cost containment programs to cover both active employees and future retirees during the term of the Contract. Said cost containment programs shall not diminish the levels of benefits



provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits. If premium levels remain below the amounts listed in the 1982-83 base premium levels for insurance listed in paragraph B the City will pay fifty percent (50%) of that amount to an escrow account which shall be used to offset health care costs or increase health care benefits. Furthermore, the parties agree during the term of this agreement to continue to discuss the City's hospitalization plans. The parties are committed to investigate programs which will reduce costs and bring about a corresponding reduction in premium sharing by employees. Programs to be considered would include alternative health care providers, additional cost containment programs, and alternative traditional plans. Any programs agreed to by the parties will be implemented during the term of this agreement.

(*Id.*, ¶ K.)

70. A Memorandum of Understanding between the parties applied to National Health Care provided that "[I]f, during the term of this Agreement, a Federal Health Care Law is enacted, the parties shall enter into immediate collective bargaining negotiations over the impact of such a law on the existing arrangements for funding and providing health care benefits." (*See* Exhibit 7.)

71. Exhibit II "RE: HEALTH CARE PLANS" to the 1998-2001 Agreement provides that:

[T]he City of Detroit offers a traditional hospitalization plan for employees and retirees plus they may choose alternative coverage through one of the health maintenance organizations or preferred provider plans offered by the City. The City will pay the premium for this alternative health care coverage up to an amount equal to amount equal to the amount the City pays for the traditional Plan. A list of the City's current hospitalization carriers and coverage descriptions is contained herein.

(*See* Exhibit 7.)

**I. The 2001-2005 Master Agreement.**

72. Article 34 of the 2001-2005 Master Agreement, which was executed on July 1, 2003, provided in pertinent part:

34. Hospitalization, Medical, Dental and Optical Care insurance Status quo of existing hospitalization, medical dental and optical care benefits will be maintained while the parties work cooperatively to institute mutually agreeable changes.

The City shall continue to provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) [fn1], known as the two dollar (\$2) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 13, Article 8 of the Municipal Code of the City of Detroit.

fn 1: the \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$3. Retirees shall be responsible for the co-pay amount in effect at the time of retirement.)

\* \* \*

The City's contribution for the cost of hospitalization on a monthly basis shall be as follows:

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent of any premium charges that exceed the above amounts will be paid by the employees and fifty percent shall be paid by the employer. When the City's payroll system has the capability of allowing employees to pay these amount (sic) through the pre-tax IRS code 1225K mechanism, all bargaining unit members shall be entitled to participate.

\* \* \*

Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.

\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) [fn1] known as the two dollar (\$2) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City. For persons who retire (except for vested retirees) on or after July 1, 1986 the City will pay the following amounts for hospitalization and medical insurance:

Single person \$100.06

Two person \$238.29

Fifty percent of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

fn 1: the \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$3. Retirees shall be responsible for the co-pay amount in effect at the time of retirement.)

\* \* \*

The City Blue Cross hospitalization plan for active employees and their dependents shall include Blue Cross Master Medical Insurance with a twenty percent (20%) co-pay benefit and a fifty dollar (\$50) per person annual deductible (\$100 for two or more in a family).

\* \* \*

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from any plan or program made available by the City. The City's contribution to the alternative plans or programs shall be limited to the premium cost for the level of benefits provided in Paragraphs B and D, as applicable. If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees city-wide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year all alternate carriers must account for their premium charges

without distinguishing between active and retired employees using the following format:

Single Person  
Two persons  
Family.

(See Exhibit 8, Article 34, ¶¶ A, B, C, D, E, and F.)

73. The 2001-2005 Agreement also provided a dental plan for active employees and duty disability retirees and their dependents; continued optical care insurance; that the City would pay the costs if a Federal Health Security Act was enacted; that any insurer would be required to offer coordination of benefits and an opt-out program if the employee was covered by another health insurance plan. (I. (Id., ¶¶ G, H, I and J.)

74. The parties agreed to form a Health Care Cost Containment Committee:

...made up of an equal number of members from the City and the Union which will review and agree to further cost containment programs to cover both active employees and future retirees during the term of the Contract. Said cost containment programs shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits. If premium levels remain below the amounts listed in the 1982-83 base premium levels for insurance listed in paragraph B the City will pay fifty percent (50%) of that amount to an escrow account which shall be used to offset health care costs or increase health care benefits. Furthermore, the parties agree during the term of this agreement to continue to discuss the City's hospitalization plans. The parties are committed to investigate programs which will reduce costs and bring about a corresponding reduction in premium sharing by employees. Programs to be considered would include alternative health care providers, additional cost containment programs, and alternative traditional plans. Any programs agreed to by the parties will be implemented during the term of this agreement.

(Id., ¶ K.)

75. The Agreement included a Memorandum of Understanding between the parties

which applied to National Health Care, “[I]f, during the term of this Agreement, a Federal Health Care Law is enacted, the parties shall enter into immediate collective bargaining negotiations over the impact of such a law on the existing arrangements for funding and providing health care benefits.” (*Id.*, ¶ I.)

76. Exhibit II “Re: Health Care Plans” to the 2001-2005 Agreement provides that:

[T]he City of Detroit offers a traditional hospitalization plan for employees and retirees plus they may choose alternative coverage through one of the health maintenance organizations or preferred provider plans offered by the City. The City will pay the premium for this alternative health care coverage up to an amount equal to amount equal to the amount the City pays for the traditional Plan. A list of the City’s current hospitalization carriers and coverage descriptions is contained herein.

(See Exhibit 8.)

**J. In 2006, the City Unilaterally Modified the Retirees’ Health Care Plan.**

77. Subsequent to the 2001-2005 CBA, when it came time to negotiate the terms of the 2005-2008 CBA, the collective bargaining representatives for AFSCME engaged in negotiations with the City’s labor relations personnel. The City unilaterally imposed contract terms for the 2005-2008 CBA, effective September 2006.

78. Notwithstanding the absence of a contract, in 2006, the City unilaterally and improperly modified the terms of the Employee Health Care Plan for union and non-union active employees and retirees although such a move was illegal.

79. The new plan changed the contribution rates, deductibles and benefits for retirees who had retired under prior collective bargaining agreements and had vested benefits in effect prior to July 2006.

80. Notwithstanding that the City had no right to change the terms of the Health Care plan as to those retirees who had retired with vested rights to retiree health care, the City unilaterally changed the terms of the health care plan.

81. The terms of the health care plan were mandatory subjects of collective bargaining under the state labor law, past practice and the agreements between the parties.

82. Yet, after the imposition of the contract, which was accepted by the Union as to the active employees only, the City impermissibly continued to make changes to the imposed contract, including unlawful changes as to retiree health care.

83. Under the City's new unilateral health care plan, co-payments and contributions were changed for retirees. By way of example and not limitation, changes to the Blue Cross traditional plan included the following:

BLUE CROSS TRADITIONAL	Prior to change	Post change
Annual Deductible/Individual	\$50	\$175
Annual Deductible/Family	\$100	\$350
Urgent care	100%	80% after deductible co-payment
Prescription Drug Co-pay Generic	\$2	\$5
Prescription Brand	\$2	\$15
Mail Order Generic (90 days)	\$2	\$10 copay
Mail Order Brand (90 days)	\$2	\$30 copay

(See Exhibit 9.)

84. These changes were effective in the latter half of 2006.

85. The City continued to make unilateral, illegal and improper changes to the terms of the health care plan, adversely affecting the retirees.

86. Thereafter, the City prepared a draft of the Master Agreement dated October 24, 2006 which provided in Article 33:

*The parties have reached an agreement in regard to health care plan changes in accordance with MOU Re: Concession Agreement. However, the hospitalization, medical, dental and optical care benefits as of June 30, 2005, will be maintained until the new care design plan changes are implemented. That implementation is to occur on or after July 17, 2006. Changes to this article are reflected in the Memorandum of Understanding RE: Alternative Health Care Plan.*

\* \* \*

The City shall continue to provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87), known as the two dollar (\$2) deductible Drug Rider for employees and their legal dependents, duty disability retirees and their legal dependents and duty death beneficiaries and their legal dependents, as provided by Chapter 13, Article 8 of the Municipal Code of the City of Detroit.

fn 1: The \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$3. Retirees shall be responsible for the co-pay amount in effect at the time of retirement.)

\* \* \*

The City's contribution for the cost of hospitalization on a monthly basis shall be as follows:

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent of any premium charges that exceed the above amounts will be paid by the employees and fifty percent shall be paid by the employer. When the City's payroll system has the capability of allowing employees to pay these amounts through the pre-tax IRS code 125K mechanism, all bargaining unit members shall be entitled to participate.

\* \* \*

Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.



\* \* \*

The City will pay the premium for regular retirees and their spouses hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87) [fn1] known as the two dollar (\$2) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The city will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For persons who retire (except for vested retirees) on or after July 1, 1986 the City will pay the following amounts for hospitalization and medical insurance:

Single person \$100.06  
Two person \$238.29

Fifty percent of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

fn 1: The \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$3. Retirees shall be responsible for the co-pay amount in effect at the time of retirement.)

\* \* \*

The City Blue Cross hospitalization plan for active employees and their dependents shall include Blue Cross Master Medical Insurance with a twenty percent (20%) co-pay benefit and a fifty dollar (\$50) per person annual deductible (\$100 for two or more in a family).

\* \* \*

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from any plan or program made available by the City. The City's contribution to the alternative plans or programs shall be limited to the premium cost for the level of benefits provided in Paragraphs B and D, as applicable. If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees city-wide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88

fiscal year all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

Single Person

Two persons

Family. (Emphasis added)

(See Exhibit 10, Article 33, ¶¶ A, B, C, D, E and F.)

87. The October 24, 2006 draft agreement provided a dental plan for active employees and duty disability retirees; continued optical coverage; that the City would pay the costs if a Federal Health Security Act was enacted; and that any insurer would be required to offer coordination of benefits and an opt-out program if the employee was covered by another health insurance plan. (*Id.*, ¶¶ G, H, I, J and L.)

88. The October 24, 2006 draft agreement included a provision for a Health Care Cost Containment Committee:

...made up of an equal number of members from the City and the Union which will review and agree to further cost containment programs to cover both active employees and future retirees during the term of the Contract. Said cost containment programs shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits. If premium levels remain below the amounts listed in the 1982-83 base premium levels for insurance listed in paragraph B the City will pay fifty percent (50%) of that amount to an escrow account which shall be used to offset health care costs or increase health care benefits. Furthermore, the parties agreed during the term of this agreement to continue to discuss the City's hospitalization plans. The parties are committed to investigate programs which will reduce costs and bring about a corresponding reduction in premium sharing by employees. Programs to be considered would include alternative health care providers, additional cost containment programs, and alternative traditional plans. Any programs agreed to by the parties will be implemented during the term of this agreement.

(*Id.*, ¶ K.)

89. The October 24, 2006 draft included Exhibit II, "RE: HEALTH CARE PLANS," which added "SECTION VIII, City Alternative Health Care Plan." In pertinent part, it provided that "Currently, all retirees and their dependents who are eligible for Medicare regardless of age must enroll in Medicare Parts A and B at their own expense to be eligible for continued coverage, and this provision shall remain unchanged and applicable to all persons who retire in the future." (*Id.*, § 8, ¶E at p 154.)

90. The City did not have the right to unilaterally change the terms of the Employee Health Care Plan for these retirees who had retired with vested benefits.

91. Even more improperly, the City reduced the health care plan in 2008 from what it unilaterally imposed in 2006.

92. The City specifically promised the retirees that they would enjoy the medical benefits and contribution rates applicable at the time of their retirements.<sup>2</sup>

93. Retiree medical benefits are vested lifetime benefits. Once the City of Detroit received the benefit of the retirees' completed service, it could not unilaterally alter or revoke the terms.

94. The health benefits that are at issue had remained the same until the City of Detroit unilaterally and improperly modified the health care benefits.

**K. In 2009, 2010, 2011 and 2012 the City Again  
Unilaterally Changed the Retirees' Health Care Plan.**

95. In 2009, 2010, 2011 and 2012 the City continued to unilaterally raise premiums and make other improper changes to the retirees' health care benefits.

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<sup>2</sup> For example, the website for the General Retirement System City of Detroit provides that the benefits applicable to a retiree are those that were in effect at the time of the retiree's retirement. Other documents published by the City of Detroit and provided to the retirees set forth this same information to retirees.

**L. The City Imminently Plans to Implement Substantial Modifications to the Retirees' Health Care Plan to the Detriment of Retirees.**

96. The City imminently plans to unilaterally and wrongfully further modify the employee benefit plan applicable to these retirees including increasing premiums and changing the value of the contracted for benefits.

**GENERAL ALLEGATIONS – PART III**  
**THE NON-UNION RETIREES HAVE THE SAME VESTED BENEFITS AS THOSE**  
**RETIREES WHO WERE COVERED BY A COLLECTIVE BARGAINING**  
**AGREEMENT**

97. The City agreed to provide non-Union employees with the same Employee Benefit Plan and same terms and provisions as employees who were members of a Union and subject to collective bargaining agreements. In fact, the Code and Charter make no distinction.

98. The non-Union employees who retired with vested benefits were unlawfully subject to modifications in July, 2006 and thereafter. Further, additional unlawful changes were made in 2012.

99. The City promised these non-Union retirees that they would enjoy the medical benefits and contribution rates applicable at the time of their retirements.

100. The City as a matter of practice provided the non-Union retirees with the same benefits as the Union retirees and represented that they would continue to obtain the same benefits as Union retirees.

**CLASS ACTION ALLEGATIONS**

101. This is a class action suit which seeks injunctive and declaratory relief and damages in the amount of wrongfully incurred sums paid by retirees for contributions to both

premiums and deductibles and other health care costs due to Defendant's unilateral breaches of the contracts and violations of Plaintiffs' constitutional rights.

102. Plaintiffs bring this action on behalf of themselves and all other similarly situated individuals and seek to represent a class comprised of all persons who have been or will be subject to Defendant's unlawful policy, practice, procedure of breaching the contracts between the parties and also depriving them of their constitutional rights.

103. During the periods at issue, Plaintiffs were retirees covered under the City of Detroit Employee Health Care Plan.

104. Plaintiffs bring this action on their own behalf and on behalf of the following proposed class:

All persons who retired from the City of Detroit with vested health care benefits and whose health care plan, including, premium contributions, benefits and deductibles, were unilaterally changed by the City of the Detroit.

105. The class is so numerous that joinder of all members is impracticable. Class members number in the thousands. The precise number of Class members and their addresses are unknown to the Plaintiffs, but can be obtained from the records of the City of Detroit.

106. There are questions of law or fact common to the Class, including at least the following:

a. Whether the City's retirees had vested health care benefits that could not retroactively changed by the City.

b. Whether the City unilaterally modified the health care plan, including health care benefits, prescription drug benefits, deductibles and premium contributions applicable to the benefit program for retirees;

c. Whether such unilateral modification of the health care plan, including health care benefits, prescription drug benefits, deductibles and premium contributions applicable to the benefit program for retirees breached the vested rights of the retirees;

d. Whether such unilateral modification of the health care plan, including health care benefits, prescription drug benefits, deductibles and premium contributions applicable to the benefit program for retirees, violated the retirees' constitutional rights under the Contract Clause of the U.S. Constitution and the 5<sup>th</sup> and 14<sup>th</sup> Amendments of the U.S. Constitution;

e. Whether Plaintiffs were harmed as a result of the City's wrongful conduct; and

f. What relief should be imposed in favor of the Plaintiffs and the Class, including declaratory and injunctive relief.

107. Plaintiffs' claims are typical of the claims of the other members of the Class. Plaintiffs have the same interests in this matter as all other members of the Class, and their claims are substantially identical to and typical of the claims of all members of the Class. Plaintiffs do not have interests antagonistic to or in conflict with those of the other members of the Class.

108. Plaintiffs are committed to pursuing this action and have retained competent counsel experienced in class actions. Plaintiffs will fairly and adequately represent the interests of the Class members.

109. The prosecution of separate actions by members of the Class could create a risk of establishing incompatible standards of conduct for Defendant.

110. Overall, the claims of the individual class members may be too small to warrant individual litigation, especially as to a group of retirees on fixed incomes, but cumulatively the

amount of potential damage is significant and injunctive relief is required to preclude the City's on-going wrongful conduct.

111. The prosecution of individual actions may, as a practical matter, be dispositive of the interests of the Class.

112. Defendants' actions are generally applicable to the Class as a whole, and Plaintiffs seek, *inter alia*, equitable remedies with respect to the Class as a whole.

113. The common questions of law and fact at issue here, some of which have been enumerated above, predominate over questions affecting only individual members of the Class, and a class action is the superior method for fair and efficient adjudication of the controversy.

114. The likelihood that individual members of the Class will prosecute separate actions is remote due to the time and expense necessary to conduct such litigation, particularly when Plaintiffs are retirees living on fixed incomes.

115. Plaintiffs are not likely to be able to vindicate and enforce their constitutional and contractual and statutory rights unless this action is maintained as a class action.

116. The issues raised can be more fairly and efficiently resolved in the context of a single action rather than piece-meal litigation in the context of separate actions.

117. The resolution of litigation in a single forum will avoid the danger and resultant confusion of possible inconsistent determinations

118. Defendant has acted and will act on grounds applicable to all class members, making final declaratory and injunctive relief on behalf of all members necessary and appropriate.

119. To Plaintiffs' knowledge, no similar litigation is currently pending by other members of the Class.



120. Plaintiffs' counsel, who is highly experienced in class actions, foresees little difficulty in the management of this case as a class action.

**COUNT I --BREACH OF CONTRACT**

121. Plaintiffs repeat and re-allege all of the preceding paragraphs as if full set forth herein.

122. Plaintiffs rendered services to the City of Detroit and performed their duties pursuant to the applicable Agreements.

123. The maintenance of the contribution rate, employee health insurance benefits, and coverage for medical and prescription drugs is a bargained for part of the compensation for services rendered by these Plaintiffs and the Class Members to the City.

124. Each of the Agreements under which these Plaintiffs and the Class Members retired is a binding and enforceable agreement between them and the City to provide health insurance and prescription drug benefits and coverage at the benefit and contribution levels during the term of the Contract then in effect when each Plaintiff and Class Member retired.

125. The City is thereby obligated to maintain the same health insurance and prescription drug benefits and coverage at the same contribution levels as in effect when each Plaintiff and Class Member retired.

126. For decades, the City engaged in the practice of providing health insurance to all of its retirees, union and non-union, at the benefit levels and contribution rates applicable at the time of their retirements.

127. This practice was based on mutual agreement and was a term and condition of employment that cannot be changed without the consent of the parties.

128. The retirees did not consent to the change.

129. The City has violated its promise to the retirees to provide these benefits for life as applicable at the time of retirement.

130. Plaintiffs and the Class Members relied on the CBAs in good faith and fully performed all of their obligations under them.

131. The Plaintiffs and Class Members relied on Defendant's past practice and promises.

132. The City breached its contractual obligations to Plaintiffs and the Class Members by failing to maintain the required contribution levels for health insurance and the same benefit levels in effect at the time of retirement, when the City unilaterally changed same benefits effective first in July 2006 and each time thereafter.

133. Plaintiffs and the Class Members have each been damaged by Defendant's breaches of the referenced CBAs and past practice and will continue to sustain injury and further damage if Defendant is allowed to continue to breach the terms and conditions of the CBAs.

134. Plaintiffs and the Class Members are entitled to relief because of Defendant's breaches of the CBAs, and breaches of past practice, including the modification of benefits and contribution rates.

WHEREFORE, Plaintiffs respectfully request: (a) certification of this action as a class action under Fed. R. Civ. P. 23, (b) a declaration that Defendant's actions are unconstitutional and/or constitute a breach of the collective bargaining agreements at issue, (c) permanent injunctive relief to prevent further irreparable Constitutional injury and breaches of the collective bargaining agreements, (d) entry of Judgment in Plaintiffs' favor in whatever amount Plaintiffs may be found to be entitled, plus interest, costs and attorneys' fees, and (e) any and all other relief which Plaintiffs are found to be entitled.

**COUNT II – BREACH OF IMPLIED CONTRACT**

Plaintiffs repeat and re-allege all of the preceding paragraphs as if full set forth herein.

135. Plaintiffs rendered services to the City of Detroit and performed their duties pursuant to the applicable agreements.

136. The maintenance of the contribution rate, employee health insurance benefits, and coverage for medical and prescription drugs is an agreed upon part of the compensation for services rendered by these Plaintiffs and the Class Members to the City.

137. For decades, the City engaged in the practice of providing health insurance to all of its retirees, union and non-union, at the benefit levels and contribution rates applicable at the time of their retirements.

138. This practice was based on mutual agreement and was a term and condition of employment that cannot be changed without the consent of the parties.

139. The retirees did not consent to the change.

140. The retirees relied on these agreements and past practices in good faith and fully performed all of their obligations under these agreements.

141. The City has violated its promise to the retirees to provide these benefits for life as applicable at the time of retirement.

142. The City breached its contractual obligations to Plaintiffs and the Class Members by failing to maintain the required contribution levels for health insurance and the same benefit levels in effect at the time of retirement, when the City unilaterally changed same benefits effective first in July, 2006 and each time thereafter.

143. Plaintiffs and the Class Members have each been damaged by Defendant's breaches of these promises and will continue to sustain injury and further damage if Defendant is allowed to continue to breach the terms and conditions of the agreement between the parties.

144. Plaintiffs and the Class Members are entitled to relief because of Defendant's breaches of the agreements and breaches of past practice, including the modification of benefits and contribution rates.

WHEREFORE, Plaintiffs respectfully request: (a) certification of this action as a class action under Fed. R. Civ. P. 23, (b) a declaration that Defendant's actions are unconstitutional and/or constitute a breach of the collective bargaining agreements at issue, (c) permanent injunctive relief to prevent further irreparable Constitutional injury and breaches of the collective bargaining agreements, (d) entry of Judgment in Plaintiffs' favor in whatever amount Plaintiffs may be found to be entitled, plus interest, costs and attorneys' fees, and (e) any and all other relief which Plaintiffs are found to be entitled.

**COUNT III - VIOLATION OF THE CONTRACTS**  
**CLAUSE OF THE UNITED STATES**  
**CONSTITUTION (U.S. CONST. ART I, SEC. 10, CL. 1)**

145. Plaintiffs repeat and re-allege all the preceding paragraphs as if fully set forth herein.

146. At all times relevant hereto, Defendant and its agents and employees were individuals acting under color of State and Municipal law.

147. At all times relevant hereto, Plaintiffs and the putative Class Members were "citizen(s) of the United States or other person(s) within the jurisdiction" entitled to bring suit pursuant to 42 U.S.C. § 1983.

148. The Constitution of the United States provides that “[n]o State shall....pass any...law impairing the obligation of contracts.” U.S. Const. Article I, Sec. 10, Cl. 1

149. Defendant violated the contract clause of the United States Constitution when it took actions impairing its contractual obligations to vested retirees by unilaterally increasing the contribution rates for premiums, the co-payments and deductibles, and other modifications to the health care plan to which it was contractually bound.

150. Under the collective bargaining agreements, Defendant is contractually obligated to provide health insurance and ancillary benefits at the same levels as the effective date of the CBAs under which the retirees retired.

151. Defendant’s unilateral increases and modifications to the contribution rates, premiums and benefits for health insurance prescription drug benefits for retired union and non-union members and their dependents substantially impaired the contractual obligations under the parties’ CBAs, and violated past practice and federal, state and municipal law.

152. Defendant’s unilateral increases and modifications to the contribution rates, premiums and benefits for health insurance and prescription drug coverage for retired union and non-union members and their dependents contravened the **reasonable expectations** of Plaintiffs and the Class of retired individuals and their dependents under the CBAs, past practice, and federal, state and municipal law.

153. Defendant’s unilateral increases and modifications to the contribution rates, premiums and benefits for health insurance and prescription drug coverage for retired union and non-union members and their dependents violated essential terms and conditions under the CBAs, past practice and federal, state and municipal law upon which Plaintiffs and the Class of retired individuals they seek to represent reasonably and materially relied.

154. Defendant's unilateral increase and modification of contribution rates, co-payments and deductibles diminish the benefit coverage and the contracts with these retirees and has no legitimate public purpose and/or constitutes an abuse of power.

155. The actions at issue substantially impair the provisions in Plaintiffs' contractual agreements.

156. As a direct and proximate result of Defendant's actions, Plaintiffs sustained and will continue to sustain injury and damages, including but not limited, to the deprivation of their rights under the U.S. Constitution.

157. Defendant's substantial impairment of these contractual obligations has proximately caused, and will continue to cause Plaintiffs and their dependents and the putative Class Members irreparable injury and damage, including (1) denial of their **reasonable expectations** under the CBAs, past practice and Municipal and State law, that Defendant would continue to comply with its contractual obligations; (2) interference with the protections under Municipal and State law to collectively bargain under the procedures provided under state law and municipal law; and (3) denial of their constitutional rights under the U.S. Constitution.

WHEREFORE, Plaintiffs respectfully request: (a) certification of this action as a class action under Fed. R. Civ. P. 23, (b) a declaration that Defendant's actions are unconstitutional and/or constitute a breach of the collective bargain agreements at issue, (c) permanent injunctive relief to prevent further irreparable Constitutional injury and breaches of the collective bargaining agreements, (d) entry of Judgment in Plaintiffs' favor in whatever amount Plaintiffs may be found to be entitled, plus interest, costs and attorneys' fees, and (e) any and all other relief which Plaintiffs are found to be entitled.

**COUNT IV -- VIOLATION OF THE PROCEDURAL AND SUBSTANTIVE DUE  
PROCESS CLAUSES OF THE 5<sup>TH</sup> AND 14<sup>TH</sup> AMENDMENTS.**

158. Plaintiffs repeat and re-allege all preceding paragraphs as if fully set forth herein.

159. At all times relevant hereto, Defendant and its agents and employees were individuals acting under color of State and Municipal law.

160. At all times relevant hereto, Plaintiffs and the putative Class Members were "citizen(s) of the United States or other person(s) within the jurisdiction" entitled to bring suit pursuant to 42 U.S.C. § 1983.

161. The Constitution of the United States provides that no person "shall be deprived of life, liberty, or property, without due process of law..." U.S. Const. Amendment V.

162. The rights and protections of the Fifth Amendment are fully applicable to state action. U.S. Const. Amendment XIV.

163. Plaintiffs have a vested contractual and constitutionally protected property interest in Defendant's compliance with its contractual obligations; to wit, to continue providing the same retiree contribution rate, co-payments, deductible and benefits under the CBAs and past practice; to return the retiree contribution rate, co-payments, deductible and benefits under the CBAs and past practice to the agreed upon rates and benefits; and to refrain from unilaterally altering and modifying the contribution rates, deductibles, benefits and financial obligations under the collective bargaining agreements and past practice as provided to retired employees.

164. Under the collective bargaining agreement and past practice, Defendant is contractually obligated to provide health insurance and ancillary benefits at the same levels as the effective date of the CBAs under which the retirees retired.

165. Plaintiffs vested contractual and constitutionally protected interests derive from, inter alia, the CBA's, the past practice, municipal, state and federal law.



166. Defendant does not have the right to unilaterally modify the contractual obligations.

167. Defendant deprived Plaintiffs and the retired Class Members of these vested contractual and constitutionally protected interests without notice and without an opportunity to be heard before the deprivation took place, thus, causing a forfeiture of property without due process in violation of the due process clause.

168. Plaintiffs did not waive their right to adequate notice or the reasonable opportunity to be heard before being deprived of their vested contractual and constitutionally protected interest.

169. The risks of depriving Plaintiffs and retired Class members of these vested contractual and constitutionally protected interests without first providing notice and a reasonable opportunity to be heard are high.

170. Defendant's interest to deprive Plaintiffs without first providing notice and a reasonable opportunity to be heard are non-existent or minimal.

171. The actions at issue substantially impair the provisions in Plaintiffs' contractual agreements and deprive them of a constitutionally protected property interest.

172. As a direct and proximate result of Defendant's actions, Plaintiffs sustained and will sustain injury and damages, including but not limited, to the deprivation of their rights under the US Constitution.

173. Defendant's substantial impairment of these contractual obligations has proximately caused, and will continue to cause Plaintiffs and their dependents and the putative Class Members irreparable injury and damage, including (1) denial of their reasonable expectations under the CBAs, past practice and State law, that Defendant would continue to

comply with its contractual obligations; (2) interference with the protections under the law to collectively bargain under the procedures provided under state law and municipal law; and (3) denial of their constitutional rights under the U.S. Constitution.

174. Plaintiffs have a Constitutionally-protected property interest in the health care benefits and contribution rates that they are entitled to receive.

175. Defendant has denied Plaintiffs the health care benefits and contribution rates without any cognizable procedure whatsoever.

176. The Charter for the City of Detroit recognizes that these retirees are entitled to representation, to wit, “[r]etired general city employees are entitled to be represented in the city legislative and budgetary proceedings on issues affecting their interest by persons elected by them,” but such representation was not given. *Charter, Article 9, Chapter 6.*

177. Defendant’s actions in unilaterally modifying the retirees’ health care benefits and contributions, as set forth herein, deprives and continues to deprive Plaintiffs of their constitutionally protected right to equal protection of the laws and substantive due process as secured by the Fourteenth Amendment of the United States Constitution.

178. Plaintiffs have been subject to adverse treatment by Defendant as set forth and described herein.

179. As a direct and proximate result of the Defendant’s unfair treatment, Plaintiffs have suffered and will continue to suffer substantial injury, including but not limited to irreparable harm.

180. As a direct and proximate result of Defendant’s failure to provide adequate due process, Plaintiffs have suffered and will continue to suffer substantial injury, including but not

limited to irreparable harm by the City's continued implementation of unilateral changes to the retirees' property interest in their health care benefits.

WHEREFORE, Plaintiffs respectfully request: (a) certification of this action as a class action under Fed. R. Civ. P. 23, (b) a declaration that Defendant's actions are unconstitutional and/or constitute a breach of the collective bargain agreements at issue, (c) permanent injunctive relief to prevent further irreparable Constitutional injury and breaches of the collective bargaining agreements, (d) entry of Judgment in Plaintiffs' favor in whatever amount Plaintiffs may be found to be entitled, plus interest, costs and attorneys' fees, and (e) any and all other relief which Plaintiffs are found to be entitled.

#### **COUNT V -- VIOLATION OF 42 U.S.C. § 1983**

181. Plaintiffs repeat and re-allege all the preceding paragraphs as if fully set forth herein.

182. The City through its actions and decisions has deprived Plaintiffs and the Class Members of their federally protected rights, provided by federal law and the United States Constitution.

183. The policies, decisions and actions of the City were based on considerations other than those proper to the good faith administration of justice.

184. The City's actions constitute a deliberate denial, under color of law, of Plaintiffs' federal rights guaranteed under the 5<sup>th</sup> Amendment Due Process and Equal Protection Clauses of the 14<sup>th</sup> Amendment of the United States Constitution, as well in violation of 42 U.S.C. § 1983.

185. Plaintiffs have, as a direct and proximate result of the City of Detroit's action, suffered and will continue to suffer substantial and irreparable harm and injury.

186. Defendant's actions have substantially harmed Plaintiffs and the putative Class Members and the City has announced future actions which will irreparably harm Plaintiffs and the putative Class Members. Thus, injunctive relief is required.

187. The City acted in an arbitrary, capricious and discriminatory manner and their actions show a reckless disregard and callous indifference for Plaintiffs' federally protected rights. Plaintiffs are therefore entitled to exemplary damages, costs and attorney fees pursuant to 42 U.S.C. § 1983.

WHEREFORE, Plaintiffs respectfully request: (a) certification of this action as a class action under Fed. R. Civ. P. 23, (b) a declaration that Defendant's actions are unconstitutional and/or constitute a breach of the collective bargain agreements at issue, (c) permanent injunctive relief to prevent further irreparable Constitutional injury and breaches of the collective bargaining agreements, (d) entry of Judgment in Plaintiffs' favor in whatever amount Plaintiffs may be found to be entitled, plus interest, costs and attorneys' fees, and (e) any and all other relief which Plaintiffs are found to be entitled.

#### **COUNT VI - INJUNCTIVE RELIEF AND IRREPARABLE HARM**

188. Defendant has undertaken steps to increase the rates of contribution and increase the co-payments and deductibles and otherwise unilaterally modify the agreed upon contractual terms of the retirees health care. Upon information and belief, such changes are scheduled to be implemented in July 2012 or some time shortly thereafter to union retirees and have already been implemented as to non-union retirees.

189. The City Administration, Labor Relations and City Council have authorized these changes.

190. These changes impair the obligation of contract as to Plaintiffs and the proposed class members.

191. It is also an unconstitutional impairment of obligation of contract in violation of Section 10 of the United States Constitution.

192. It is also an unconstitutional impairment of obligation in violation of the City Charter.

193. It is also an unconstitutional impairment of obligation in violation of the Municipal Code.

194. The retirees will be forced to make choices to allocate sparse resources, including foregoing health care coverage, prescriptions and medical care which will result in irreparable harm, and a permanent detrimental impact on health and well-being.

195. The imposition of additional insurance costs on retirees constitutes irreparable harm because of the financial hardship on retirees on fixed incomes, emotional distress and possible deprivation of life's necessities by reallocating scant resources to pay for needed healthcare. They will have to choose between medical care, food or other life essentials.

196. These retirees cannot afford to contribute the increased amounts, thus, they may have to reduce their health insurance or lose their level of coverage.

197. Even if the retirees prevail, reimbursing them at the end of the litigation will not compensate them for the impact on their health in the interim.

198. The balance of hardships weigh in favor of granting Plaintiffs injunctive relief because the harm to Plaintiffs cannot be undone.

199. Despite the manifest illegality, invalidity and unconstitutionality of these actions, Defendant, its officials, agents, and employees, unless restrained by order of this Court, will

enforce these changes against Plaintiffs, causing them irreparable injury, including the fact that they will be deprived of the ability to afford adequate health care and by reason of which Plaintiffs do not have an adequate remedy at law.

200. The Plaintiffs are likely to succeed on the merits as Plaintiffs have vested contractual rights to the health care benefits at issue.

201. A preliminary injunction is not contrary to the public interest.

WHEREFORE, Plaintiffs respectfully request the Court to issue a temporary injunction restraining Defendant from enforcing its resolution and these changes in the Employee Health Benefit Plan as to retirees and restore the non -union retirees to the status quo prior to the 2012 changes.

#### **RELIEF REQUESTED**

WHEREFORE, Plaintiffs respectfully request that this Court grant the following relief:

- A. Certify this action as a class action under Rule 23 of the Federal Rules of Civil Procedure;
- B. Declare that the actions of Defendant described constitute violations of the Contracts Clause of the United States Constitution and the 5<sup>th</sup> and 14<sup>th</sup> Amendments to the Constitution;
- C. Enter a permanent injunction prohibiting Defendant from engaging in the violations of the Contracts Clause of the United States Constitution and the 5<sup>th</sup> and 14<sup>th</sup> Amendments;
- D. Enter a Judgment finding that Defendant's actions in unilaterally changing the retirees' health care plan, modifying the contribution rate, benefits, deductibles and other terms of the plan constitutes a breach of the parties' CBAs;

- E. Award Plaintiffs and the Class they seek to represent compensatory damages in an amount to be determined at trial to fully compensate them for their injuries;
- F. Award any other damages that are permissible;
- G. Award attorneys' fees and costs; and
- H. Award such other relief as the Court deems appropriate and just.

**JURY DEMAND**

Plaintiffs hereby demand a trial by jury.

Respectfully submitted,

**THE MILLER LAW FIRM, P.C.**

/s/ E. Powell Miller

E. Powell Miller (P39487)

Ann L. Miller (P43578)

Sharon S. Almonrode (P33938)

950 West University Dr. Ste. 300

Rochester, MI 48307

(248) 841-2200

Dated: June 27, 2012



**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

ROSE ROOTS, MARK PHILLIPS, WILLIAM  
HARPER, EARNEST JOHNSON, FELICIA  
JONES, CLARENCE L. WRIGHT, JR., ANGELA  
OBEY-YOUNG, Individually and on behalf of all  
others similarly situated,

Case No. 12-12848-CV

Plaintiffs,

THE CITY OF DETROIT,

Defendant.

---

THE MILLER LAW FIRM, P.C.  
E. Powell Miller (P39487)  
Ann L. Miller (P43578)  
Sharon S. Almonrode (P33938)  
950 West University Dr. Ste. 300  
Rochester, MI 48307  
(248) 841-2200  
(248) 652-2852 fax

**INDEX OF EXHIBITS**

- Exhibit 1- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1977-1980
- Exhibit 2- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1980-1983
- Exhibit 3- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1983-1986
- Exhibit 4- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1986-1989
- Exhibit 5- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1989-1992
- Exhibit 6- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1995-1996

- Exhibit 7- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 1998-2001
- Exhibit 8- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 2001-2005
- Exhibit 9- City of Detroit health care plan options 2006
- Exhibit 10- Master Agreement between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees 2005-2008

# Exhibit 8

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

ROSE ROOT, MARK PHILLIPS,  
WILLIAM HARPER, EARNEST JOHNSON,  
FELICIA JONES, CLARENCE L. WRIGHT, JR.  
ANGELA OBEY-YOUNG

Case No. 12-12848-AC-DRG  
Hon. AVERN COHN

Plaintiffs,

v.

CITY OF DETROIT,

a Municipal Corporation,

---

E. POWELL MILLER (P39487)  
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JUNE ADAMS (P43283)  
ANDREW JARVIS (P59191)  
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Attorneys for Defendant  
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(313) 224-5505 (facsimile)  
[adamj@detroitmi.gov](mailto:adamj@detroitmi.gov)  
[jarva@detroitmi.gov](mailto:jarva@detroitmi.gov)

---

**DEFENDANT'S ANSWER TO PLAINTIFFS' COMPLAINT  
AND RELIANCE ON JURY DEMAND**

1. Defendant denies.
2. Defendant denies.
3. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
4. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

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5. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
6. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
7. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

#### **THE PARTIES**

8. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
9. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
10. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
11. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
12. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
13. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
14. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
15. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

#### **JURISDICTION AND VENUE**

16. Defendant denies.
17. Defendant denies.
18. Defendant denies.

#### **GENERAL ALLEGATIONS- PART I** **THE ESTABLISHMENT OF THE EMPLOYEE HEALTH BENEFIT PLAN**

19. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

20. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
21. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
22. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
23. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
24. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
25. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
26. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
27. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
28. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**GENERAL ALLEGATIONS- PART II**  
**THE BENEFITS AND PROVISIONS OF THE EMPLOYEE HEALTH BENEFIT PLAN**  
**WERE SUBJECT TO COLLECTIVE BARGAINING FOR EMPLOYEES WHO WERE**  
**MEMBERS OF A UNION**

29. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
30. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
31. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
32. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
33. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
34. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
35. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
36. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
37. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

- 38. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 39. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 40. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 41. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 42. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 43. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**A. THE 1977-1980 MASTER AGREEMENT**

- 44. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 45. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**B. THE 1980-1983 MASTER AGREEMENT**

- 46. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 47. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**C. THE 1983-1986 MASTER AGREEMENT**

- 48. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 49. Defendant neither admits nor denies but leave Plaintiff to their proofs.
- 50. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 51. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**D. THE 1986-1989 MASTER AGREEMENT**

- 52. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 53. Defendant neither admits nor denies but leave Plaintiffs to their proofs.



54. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

55. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**E. THE 1989-1992 MASTER AGREEMENT**

56. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

57. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

58. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

59. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**F. THE 1992-1995 MASTER AGREEMENT**

60. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**G. THE 1995-1998 MASTER AGREEMENT**

61. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

62. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

63. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

64. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

65. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

66. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**H. THE 1998-2001 MASTER AGREEMENT**

67. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

68. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

69. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

70. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

71. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**I. THE 2001-2005 MASTER AGREEMENT**

72. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

73. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

74. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

75. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

76. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**J. IN 2006, THE CITY UNILATERALLY MODIFIED THE RETIREES' HEALTH CARE PLAN**

77. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

78. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

79. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

80. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

81. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

82. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

83. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

84. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

85. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

86. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

87. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

88. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

89. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

- 90. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 91. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 92. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 93. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 94. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**K. IN 2009, 2010, 2011 AND THE 2012 THE CITY AGAIN  
UNILATERALLY CHANGED THE RETIREES' HEALTH CARE PLAN**

- 95. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**L. THE CITY IMMINENTLY PLANS TO IMPLEMENT SUBSTANTIAL MODIFICATIONS TO  
THE RETIREES' HEALTH CARE PLAN TO THE DETRIMENT OF RETIREES**

- 96. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**GENERAL ALLEGATIONS- PART III**  
**THE NON-UNION RETIREES HAVE THE SAME VESTED BENEFITS AS THOSE RETIREES  
WHO WERE COVERED BY A COLLECTIVE BARGAINING AGREEMENT**

- 97. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 98. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 99. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 100. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**CLASS ACTION ALLEGATIONS**

- 101. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 102. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 103. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

104. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
105. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
106. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
107. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
108. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
109. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
110. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
111. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
112. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
113. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
114. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
115. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
116. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
117. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
118. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
119. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
120. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**COUNT I-BREACH OF CONTRACT**

121. Defendant restates its answers to paragraphs 1 through 120 as if fully stated herein.
122. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

123. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
124. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
125. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
126. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
127. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
128. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
129. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
130. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
131. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
132. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
133. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
134. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

WHEREFORE, Defendant respectfully requests that this Honorable Court dismiss this complaint with prejudice and award costs and attorney fees to Defendant for defense of these claims.

**COUNT II - BREACH OF IMPLIED CONTRACT**

Defendant restates its answers to paragraphs 1 through 134 as if fully stated herein.

135. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
136. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
137. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

138. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

139. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

140. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

141. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

142. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

143. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

144. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

WHEREFORE, Defendant respectfully requests that this Honorable Court dismiss this complaint with prejudice and award costs and attorney fees to Defendant for defense of these claims.

**COUNT III - VIOLATION OF THE CONTRACTS CLAUSE OF THE UNITED STATES**  
**CONSTITUTION U.S. CONST., ART 1., SEC. 10, CL. 1**

145. Defendant restates its answers to paragraphs 1 through 144 as if fully stated herein.

146. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

147. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

148. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

149. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

150. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

151. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

152. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

153. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

- 154. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 155. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 156. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 157. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

WHEREFORE, Defendant respectfully requests that this Honorable Court dismiss this complaint with prejudice and award costs and attorney fees to Defendant for defense of these claims.

**COUNT IV-VIOLATION OF THE PROCEDURAL AND SUBSTANTIVE DUE  
PROCESS CLAUSES OF THE 5<sup>TH</sup> AND 14<sup>TH</sup> AMENDMENTS**

- 158. Defendant restates its answers to paragraphs 1 through 157 as if fully stated herein.
- 159. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 160. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 161. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 162. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 163. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 164. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 165. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 166. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 167. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 168. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
- 169. Defendant neither admits nor denies but leave Plaintiffs to their proofs.



170. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
171. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
172. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
173. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
174. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
175. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
176. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
177. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
178. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
179. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
180. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**COUNT V - VIOLATION OF 42 U.S.C. §1983**

181. Defendant restates its answers to paragraphs 1 through 180 as if fully stated herein.
182. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
183. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
184. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
185. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
186. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
187. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

**COUNT VI-INJUNCTIVE RELIEF AND IRREPARABLE HARM**

188. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
189. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
190. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
191. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
192. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
193. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
194. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
195. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
196. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
197. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
198. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
199. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
200. Defendant neither admits nor denies but leave Plaintiffs to their proofs.
201. Defendant neither admits nor denies but leave Plaintiffs to their proofs.

WHEREFORE, Defendant respectfully requests that this Honorable Court dismiss this complaint with prejudice and award costs and attorney fees to Defendant for defense of these claims.

**RELIEF REQUESTED**

- A. Defendant request that the relief requested be denied.
- B. Defendant request that the relief requested be denied.
- C. Defendant request that the relief requested be denied.

- D. Defendant request that the relief requested be denied.
- E. Defendant request that the relief requested be denied.
- F. Defendant request that the relief requested be denied.
- G. Defendant request that the relief requested be denied.
- H. Defendant request that the relief requested be denied.

**WHEREFORE**, Defendant requests that this court dismiss plaintiff's complaint in its entirety and award attorney fees, costs and interest incurred in defense of this frivolous claim.

Respectfully submitted,

**CITY OF DETROIT LAW DEPARTMENT**

July 20, 2012

/s/June Adams (P43283)  
Assistant Corporation Counsel  
660 Woodward Avenue, Suite 1650  
Detroit, Michigan 48226  
(313) 237-0540  
Adamj@detroitmi.gov

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

ROSE ROOT, MARK PHILLIPS,  
WILLIAM HARPER, EARNEST JOHNSON,  
FELICIA JONES, CLARENCE L. WRIGHT, JR.  
ANGELA OBEY-YOUNG

Case No. 12-12848-AC-DRG  
Hon. AVERN COHN

Plaintiffs,

v.

CITY OF DETROIT,

a Municipal Corporation,

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ANDREW JARVIS (P59191)  
**CITY OF DETROIT LAW DEPARTMENT**  
Attorney for Defendant  
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(313) 224-5505 (facsimile)  
[Adamj@detroitmi.gov](mailto:Adamj@detroitmi.gov)  
[jarva@detroitmi.gov](mailto:jarva@detroitmi.gov)

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**DEFENDANT'S SPECIAL AND AFFIRMATIVE DEFENSES**

In further answer, and by way of special and affirmative defenses (in addition to or in conjunction with the defenses set forth in the foregoing Answer) Defendant, by and through their undersigned counsels, state that they will rely upon the following special and affirmative defenses, if applicable, and if supported by facts to be determined through appropriate discovery:

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1. Defendant had a legitimate, non-discriminatory reason for its employment actions.
2. Plaintiffs have failed to set forth any direct or circumstantial evidence of a violation of 42 USC §1983.
3. Plaintiff has failed to state a claim upon which relief may be granted.
4. There are no genuine issues of fact.
5. Defendant, City of Detroit is entitled to absolute immunity in actions alleging violations of 42 U.S.C. §1983.
6. Plaintiff has suffered no constitutional deprivations visited through a governmental custom and no such custom has received approval, whether formal or informal through the City of Detroit's official decision-making channels.
7. Plaintiffs have failed to demonstrate that they suffered any federal constitutional deprivations.
8. Plaintiffs have failed to plead sufficient facts of constitutionally-protected activity under the Fourteenth Amendment; they have failed to plead that they did not receive due process to which they may have been due and these claims must be dismissed.
9. Plaintiffs have failed to plead a *prima facie* underlying claim of any cause of action to support an allegation of violation of 42 U.S.C. §1983.
10. Plaintiffs have received all of the procedural due process to which they are entitled.
11. Plaintiffs have received all of the substantive due process to which they are entitled.
12. Plaintiffs have not established and cannot establish irreparable harm.
13. Plaintiffs' claims are barred by the applicable statute of limitations.
14. Plaintiffs have failed to establish a viable federal question.
15. Defendant City of Detroit reserves the right to supplement and/or modify

these Special and Affirmative Defenses.

**WHEREFORE**, Defendant prays that this Honorable Court grant its prayer for dismissal of Plaintiff's Complaint for the reasons asserted hereinabove. Further, Defendant prays that this Court award its costs, expenses and actual attorney fees incurred in the defense of this action. Finally, Defendant prays that this Court enter such other orders and judgments as it deems appropriate.

Respectfully submitted,

**CITY OF DETROIT LAW DEPARTMENT**

July 20, 2012

/s/June Adams (P43283)  
Assistant Corporation Counsel  
660 Woodward Avenue, Suite 1650  
Detroit, Michigan 48226  
(313) 237-0540  
Adamj@detroitmi.gov



UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

ROSE ROOT, MARK PHILLIPS,  
WILLIAM HARPER, EARNEST JOHNSON,  
FELICIA JONES, CLARENCE L. WRIGHT, JR.  
ANGELA OBEY-YOUNG

Case No. 12-12848-AC-DRG  
Hon. AVERN COHN

Plaintiffs,

v.

CITY OF DETROIT,  
a Municipal Corporation,

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Attorney for Plaintiffs  
950 W. University Drive  
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Rochester, MI 48307  
(248) 841-2200  
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JUNE ADAMS (P43283)  
ANDREW JARVIS (P59191)  
**CITY OF DETROIT LAW DEPARTMENT**  
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[Adamj@detroitmi.gov](mailto:Adamj@detroitmi.gov)

**RELIANCE ON JURY DEMAND**

Defendant CITY OF DETROIT, by and through its attorney, JUNE ADAMS  
(P43283) files its reliance on the jury demand filed by plaintiff.

Respectfully submitted,  
**CITY OF DETROIT LAW DEPARTMENT**

July 20, 2012

/s/June Adams (P43283)  
Assistant Corporation Counsel  
660 Woodward Avenue, Suite 1650  
Detroit, Michigan 48226  
(313) 237-0540

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Adamj@detroitmi.gov

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**CERTIFICATE OF SERVICE**

STATE OF MICHIGAN     )  
  )ss.  
COUNTY OF WAYNE     )

I hereby certify that on July 20, 2012, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such filing to the following: \_\_\_\_\_

E. POWELL MILLER (P39487)  
Attorney for Plaintiffs  
950 W. University Drive  
Suite 300  
Rochester, MI 48307  
(248) 841-2200  
(248) 652-2852 (facsimile)  
Epm@millerlawpc.com

Date: July 20, 2012

/s/June Adams (P43283)  
Assistant Corporation Counsel  
660 Woodward Avenue, Suite 1650  
Detroit, Michigan 48226  
(313) 237-0540  
Adamj@detroitmi.gov

**ITEM 12**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:  
City of Detroit, Michigan,  
Debtor.

---

Chapter 9  
Case No. 13-53846  
Hon. Steven W. Rhodes

**Order Regarding City's Objection to Proof of Claim #2958**  
**Filed by AFSCME Council 25 and its Affiliated Detroit Locals**  
**(Dkt. #4876)**

For the reasons set forth in open Court on October 20, 2014, AFSCME's claim entitled "AFSCME Council 25 (13<sup>th</sup> Check ULP). MERC Case No. C12-E-092" set forth on line #7 of its proof of claim shall be in Class 11. AFSCME's claim entitled "City of Detroit Retirees Health Care: Grievance No. C10 A-025" set forth on line #17 shall be in Class 12.

It is so ordered.

Signed on October 20, 2014

/s/ Steven Rhodes  
Steven Rhodes  
United States Bankruptcy Judge

**ITEM 13**

Hon. Steven W. Rhodes

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# **EXHIBIT A**

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
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**Exhibit A**  
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**Exhibit A**  
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Counsel to Certain Significant Holders of the COPs	Kramer Levin Naftalis & Frankel LLP	Thomas Moers Mayer	stephen.hackney@kirkland.com;
Special Assistant Attorney General to State of Michigan	LAMBERT LESER	Rozanne M. Giunta and Winnifred P. Boylan	noah.ornstein@kirkland.com
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Counsel for the Detroit Fire Fighters Association IAFF Local 344	Leggchio & Israel PC	Christopher P. Leggchio & Alidz Oshagan	tmayer@kramerlevin.com
Interested Party	Linebarger Goggan Blair & Sampson LLP	John P Dillman	rgiunta@lambertleser.com;
Counsel for the Retired Detroit Police and Fire Fighters Association; Donald Taylor; Detroit Retired City Employees Association; and Shirley V Lightsey	Lippitt O Keefe PLLC	Attn Brian O Keefe	wboylan@lambertleser.com
Counsel for the Retired Detroit Police and Fire Fighters Association; Donald Taylor; Shirley V Lightsey; and Detroit Retired City Employees Association	Lippitt O Keefe PLLC	Att Ryan C Plecha	mlee@leeandcorrell.com
Counsel for Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	Lowenstein Sandler LLP	Sharon L Levine & Phillip J Gross	CPL@legghioisrael.com;
Counsel for FK Park, LLC and FK South, LLC	Maddin, Hauser, Roth & Heller, P.C.	Ian S Bolton & David E. Hart	oshagan@legghioisrael.com
Interested Party	Maddin, Hauser, Wartell, Roth & Heller, P.C.	Michael S Leib	john.dillman@lgs.com
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Counsel for Syncora Guarantee Inc	Mantese Honigman Rossman and Williamson PC	Ian M Williamson	ibolton@maddinhauser.com;
Counsel for The Allen Park Retirees Association Inc and Russell Pillar	Mark A Porter & Associates PLLC	Mark A Porter	dhart@maddinhauser.com
Counsel for Amalgamated Transit Union Local 26	Mark H Cousens	John E. Eaton, Esq.	msl@maddinhauser.com
Counsel for the Detroit Police Lieutenants and Sergeants Association	Matheson Parr Osmer & Stevens PLC	John A Stevens	bfrey@manteselaw.com
Counsel for Hercules & Hercules Inc	Maxwell Dunn PLC	Attn Ethan D Dunn	iwilliamson@manteselaw.com
Interested Party	McAlpine PC	David M Zack	
Counsel for US Bank National Association	McDermott Will & Emery LLP	Jeffrey A Rossman	jrossman@mwe.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	McDermott Will & Emery LLP	Attn: William P. Smith, Esq.	wsmith@mwe.com
Counsel for U.S. Bank National Association	McDermott Will & Emery LLP	William P Smith & Nathan F Coco	wsmith@mwe.com;
Counsel for Syncora Holdings Ltd Syncora Guarantee Inc and Syncora Capital Assurance Inc	McDonald Hopkins PLC	Joshua A Gadharf	ncoco@mwe.com
Counsel for Bishop Real Estate, L.L.C.	McDonald Hopkins PLC	Jason L Weiner	
Counsel for Syncora Holdings Ltd Syncora Guarantee Inc and Syncora Capital Assurance Inc and Bishop Real Estate, L.L.C.	McDonald Hopkins PLC	Stephen M Gross	jgadharf@mcdonaldhopkins.com
Counsel for CSX Transportation Inc	McGuireWoods LLP	John H Maddock	jweiner@mcdonaldhopkins.com
Counsel for Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	McKnight McCow Canzano Smith & Radtke PC	John R Canzano	sgross@mcdonaldhopkins.com
Counsel to Michael J. Karwoski	Michael J. Karwoski, Esq.		jaddock@mcguirewoods.com
Counsel to City of Detroit Michigan	Miller Canfield Paddock & Stone PLC	Stephen S LaPlante	
Counsel for Meijer, Inc	Miller Canfield Paddock & Stone, PLC	Timothy A Fusco	jcanzano@michworklaw.com
Counsel for Michigan American Federation of State, County and Municipal Employees Local 3308 and Local 917	Miller Cohen PLC	Robert D Fetter	mjkarwoski@alumni.nd.edu
Counsel to the City	Miller, Canfield, Paddock and Stone, P.L.C.	Jonathan S. Green, Esq. Stephen S. LaPlante Marc N. Swanson & Eric D Carlson	laplante@millercanfield.com
Counsel for Fidelity Management & Research Company and Eaton Vance Management	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.	William W Kannel & Adrienne K Walker	carlson@millercanfield.com
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Proposed Counsel for Committee of Unsecured Creditors [motion denied]	Morrison & Foerster, LLP	Brett H. Miller and Lorenzo Marinuzzi	awalker@mintz.com
Office of the United States Trustee	Office of the United States Trustee	Maria D Giannirakis	dpospiech@morganmeyers.com
Office of the United States Trustee	Office of the United States Trustee	Sean Cowley	brettmiller@mof.com;
Counsel for Richard Mack and Dwayne Provience; Gerald and Alecia Wilcox	Olsman Mueller Wallace & MacKenzie PC	Wolfgang Mueller	lmarinuzzi@mof.com
Counsel for Federal National Mortgage Association, creditor c/o Seterus, Inc., in the entitled action; and Everhome Mortgage Company as servicing agent for Everbank	Orlans Associates, P.C	Caleb J. Shureb, Craig B. Rule, Elizabeth M. Abood-Carroll, Heather D. McGivern, and Heather M. Dickow	maria.d.giannirakis@usdoj.gov
Counsel for Xerox Corporation	Osipov Bigelman PC	Jeffrey H Bigelman	sean.cowley@usdoj.gov



**Exhibit A**  
**Served via Email**

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Counsel for UBS AG (COP Swap Counterparties)	Paul Weiss Rifkind Wharton & Garrison LLP	Daniel J Kramer & Kelley a Cornish	kcornish@paulweiss.com; dkramer@paulweiss.com
Counsel for Fountain Park Court Consumer Housing Cooperative; LaSalle Town Houses Cooperative Association, Nicolet Town Houses Cooperative Association, Lafayette Town Houses, Inc., Joliet Town Houses Cooperative Association, St. James Cooperative, Individually and on Behalf of all Similarly Entities	Pentiuk Couvreur & Kobiljak PC	Randall A Pentiuk & Michael A Karman	rpentiuk@pck-law.com
Counsel for Debtor City of Detroit Michigan; Michigan, Kevyn D. Orr, John Naglick, Michael Jamison, and Cheryl Johnson	Pepper Hamilton LLP	Robert S Hertzberg	hertzberg@pepperlaw.com
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Counsel for Debtor City of Detroit Michigan	Pepper Hamilton LLP	Kay Standridge Kress	kressk@pepperlaw.com
Counsel for Community Foundation for Southeast Michigan; William Davidson Foundation; The Fred A. and Barbara M. Erb Family Foundation; Max M. and Marjorie S. Fisher Foundation; The Ford Foundation; Hudson-Webber Foundation; W.K. Kellogg Foundation; McGregor Fund; Charles Stewart Mott Foundation; and A. Paul and Carol C. Schaap Foundation (Collectively, the "Foundations")	Plunkett Cooney	Douglas C Bernstein	dbernstein@plunkettcooney.com
Counsel for Waste Management, Inc.	Plunkett Cooney	David A. Lerner & Patrick C Lannen	dlermer@plunkettcooney.com; plannen@plunkettcooney.com
Top 20 Creditor - City's Pension Trusts	Police and Fire Retirement System of the City of Detroit	Attn: Joseph E. Turner, Esq.	jturner@clarkhill.com
Union Representative	Police Officers Association of Michigan	Attn: John Barr	poam@poam.net
Union Representative	Police Officers Labor Council	Attn: Chet Kulesza	ck445polc@yahoo.com
Union Representative	Police Officers Labor Council	Attn: Marvin Hansberry	HansberryM@detroitmi.gov
Union Representative	Police Officers Labor Council	Attn: Jan Zaleski	presidentjan@aol.com
Interested Party	Primeshares World Markets, LLC		jd@primeshares.com; transfer@primeshares.com
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Counsel enters an appearance for The Bank of New York Mellon (successor by operation of law to The Bank of New York), as custodian of the Police and Fire Retirement System of the City of Detroit Fund and as custodian of the General Retirement System of the City of Detroit Fund	Reed Smith LLP	Amy M Tonti	atonti@reedsmith.com
Attorneys for Creditors: Carlton Carter, Bobby Jones, Roderick Holley and Richard T. Weatherly	Resnick & Moss PC	H Nathan Resnick	hnresnick@resnicklaw.net
Retiree Representative	Retired Detroit Police and Fire Fighters Association	Attn: Donald Taylor	rdpffa@hotmail.com
Counsel to Eric Kimbrough, Leinathian Jelks, Brandon Brooks, Phyllis Tharpe, Rodney Heard, Clenette Harris, Gregory Brazell, Jennifer Harris-Barnes, Henry Hassan, Melvin Miller, Terry Hardison, Velma, Denson, Raymond Thompson, Lucy Flowers, Brandon Gilbert, Brady Johnson, Quentin King, Sharon Pettway, Taralyn Smith, Donna Weatherspoon, Tarita Wilburn, Joseph Wright, Laverne Covington, James Matson, Kevin McGillivray, Rhonda Craig, Orlando Marion, John Collins, Terry Hardison, Carolyn Harp, Jeffrey Peterson, Clementine Stephens, Ezekiel Davis, Michael McKay, David Both, Raymond Thompson, Jr., Doug Taylor, Shumithia Baker, Floyd Brunson, Jerry Ashley, Anthony Harmon, Shelton Bell, Jr., Jeremiah Duren, Otis Evans, Wendy Jefferson, Gary Musser, Mario Littlejohn, Angela Davis, Jeffrey Theriot, Bernard White, Eddie Moore, Robert McGowen, Curtis Morris, Hondra Porter, Kevin McDonald, Jay Woods, Taesean Parnell, Yvette Spencer, Viena Lowe, Landon Banks, Darchella Lattner, Micholas Martin, Marilyn Cloyd, Robert Hall, Victoria Wilson, Theresa Chalch, Angela Davis, Jamie Jackson, Donald Harris, Winter Owens, Samiya Speed, Teran Brown,	Romano Law PLLC	Attn Daniel G Romano & Trevor J. Zamborsky	tzamborsky@romanolawpllc.com; dromano@romanolawpllc.com
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Contract Counterparty	SBS Financial Products Company, LLC	Attn: John Carter	jcarter@sbsco.com
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Counsel for DEPFA Bank PLC	Schiff Hardin LLP	Suzanne L Wahl	swahl@schiffhardin.com
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Counsel for Schneiderman and Sherman PC; Attorney for U.S. Bank National Association as servicer for Michigan State Housing Development Authority; Flagstar Bank, FSB; Counsel for Kondaur Capital Corporation	Schneiderman & Sherman PC	Brett A Border	bborder@sspclegal.com
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**Exhibit A**  
**Served via Email**

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Union Representative	Senior Water Systems Chemist Association	Attn: Andrew Ross	aross@dwsd.org
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Counsel for National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn James F Bendernagel	jbendernagel@sidley.com
Counsel for National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn Jeffrey E Bjork	jbjork@sidley.com
Counsel for National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn Peter L Canzano	pcanzano@sidley.com
Counsel for Retired Detroit Police and Fire Fighters Association ("RDPFFA"); 2) Donald Taylor, President of RDPFFA; 3) Detroit Retired City Employees Association ("DRCEA"); and 4) Shirley V. Lightsey, President of DRCEA	Silverman & Morris PLLC	Thomas R Morris and Karin F. Avery	morris@silvermanmorris.com; avery@silvermanmorris.com
Counsel for Unisys Corporation	Sirlin Lesser & Benson PC	Dana S Plon	dplon@sirlinlaw.com
Counsel for Airgas USA LLC	Smith Katzenstein & Jenkins LLP	Kathleen M Miller	kmiller@skjlaw.com
State of Michigan Chief Legal Counsel	State of Michigan Chief Legal Counsel	Matthew Schneider	Schneiderm7@michigan.gov
State of Michigan Assistant Attorney General, Counsel to State of Michigan	State of Michigan Revenue & Collections Division	Steven B Flancher & Matther Schneider	flanchers@michigan.gov; schneiderm7@michigan.gov
The Office of the Treasurer for the State of Michigan	State Treasurer		MIStateTreasurer@michigan.gov
Counsel for Nuveen Asset Management and BlackRock Financial Management, Inc.	Steinberg Shapiro & Clark	Mark H Shapiro & Geoffrey T. Pavlic	shapiro@steinbergshapiro.com; pavlic@steinbergshapiro.com
Counsel for Gabriel, Roeder, Smith & Company	Stevenson & Bullock PLC	Charles D Bullock Elliot G Crowder & Sean M Walsh	cbullock@sbplclaw.com; ecrowder@sbplclaw.com; swalsh@sbplclaw.com
Interested Party	Stradling Yocca Carlson & Rauth PC	Fred Neufeld	fneufeld@syer.com
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Counsel for the Retired Detroit Police Members Association	Strobl & Sharp PC	Attn: Mallory A. Field	mfield@stroblpc.com
Counsel for the Retired Detroit Police Members Association	Strobl & Sharp PC	Attn Meredith E Taunt	mtaunt@stroblpc.com
Counsel for the Detroit Police Lieutenants and Sergeants Association	Sudnick Law PC	Peter P Sudnick	psudnick@sudnicklaw.com
Counsel for Syncora Guarantee Inc	Susheel Kirpalani Quinn Emanuel Urquhart & Sullivan, LLP		susheelkirpalani@quinnemanuel.com
Sylvia Jean Brown Jones, Pro Se	Sylvia Jean Brown Jones		bjdelta55@gmail.com
Union Representative	Teamsters Local #214	Attn: Joseph Valenti	tl214teams@teamsters214.org
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City's Secured & Unsecured Bonds	The Bank of New York Mellon Trust Company, National Association, as trustee	Attn: Eduardo Rodriguez	eduardo.rodriguez@bnymellon.com
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Counsel for Kevin Lewis & Jeremy Morris	The Markowitz Law Office	Carolyn B Markowitz PC	bankruptcy@markowitzlegal.com
Counsel for Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	The Sanders Law Firm PC	Herbert A Sander	hsanders@miafscme.org
Counsel for Michigan Auto Recovery Service Inc; Wayne County Circuit Court, Hyde Park Cooperative, et al. v. City of Detroit, by and through its Buildings and Safety Engineering Department, Case No. 10-005687-CZ	Thornbladh Legal Group PLLC	Kurt Thornbladh	kthornbladh@gmail.com; thornbladh.kurt3@gmail.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan T. Brown	susan.brown5@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan E. Jacobsen VP	susan.jacobsen2@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water Bonds)	U.S. Bank National Association, as trustee, for the Detroit Sewer and Water Bonds	Attn: Lawrence J. Bell	lawrence.bell@usbank.com
Union Representative	UAW - Local # 412	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - Local #212	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW – PAA Local #2211	Attn: Robyn Brooks	BrooR@detroitmi.gov
Union Representative	UAW – WWTP Local #2200	Attn: Laurie Stuart	mimilaurie@yahoo.com; ltownse@detroitpubliclibrary.org
Union Representative	United Auto Workers Union	Attn: Michael Nicholson	mnicholson@uaw.net
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Union Representative	Utility Workers Union of America	Attn: James Harrison	jharrison@uwua.net
Union Representative	Utility Workers Union of America Local #488	Attn: Carl Anderson	canderson@dwsd.org
Union Representative	Utility Workers Union of America Local #504	Attn: Curlisa Jones	mcqueen@dwsd.org
Union Representative	Utility Workers Union of America Local #531	Attn: Samuel Wilson	swilson@dwsd.org
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Interested Party	Vanguardians	Barry Allen	pra@vanguardians.org
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Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Michael R Paslay Ryan K Cochran	Mike.Paslay@wallerlaw.com; Ryan.Cochran@wallerlaw.com
Counsel for UBS AG and Merrill Lynch Capital Services, Inc. (COP Swap Counterparties)	Warner Norcross & Judd LLP	Charles N Ash Jr	cash@wnj.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
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Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Attn: Gary T. Holtzer, Esq. & Alfredo R. Pérez, Esq.	gary.holtzer@weil.com; alfredo.perez@weil.com
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Counsel for Financial Guaranty Insurance Company	Williams Williams Rattner & Plunkett PC	Ernest J Essad Jr & Mark R James	ejessad@wwrplaw.com; mrjames@wwrplaw.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Attn: Lawrence A. Larose Samuel S. Kohn Carrie V. Hardman	llarose@winston.com; skohn@winston.com; chardman@winston.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Sarah T. Foss	sfoss@winston.com
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Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	dls@wmlaborlaw.com
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# **EXHIBIT B**

**Exhibit B**  
**Served via Overnight Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
Interested Party	Ricoh USA Inc	Recovery & Bankruptcy Group	3920 Arkwright Rd Ste 400		Macon	GA	31210
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

**ITEM 14**

1 UNITED STATES BANKRUPTCY COURT  
2 EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

3 IN THE MATTER OF, Case No. 13-53846  
4 CITY OF DETROIT, MI Detroit, Michigan  
October 20, 2014  
\_\_\_\_\_/ 9:00 a.m.

5  
6 IN RE: CONTINUED TRIAL RE: OBJECTIONS TO CHAPTER 9 PLAN  
BEFORE THE HONORABLE STEVEN W. RHODES  
7 TRANSCRIPT ORDERED BY: ROBIN WYSOCKI

8 APPEARANCES:

9 For the City of Detroit, MI: HEATHER LENNOX, ESQ.  
Jones, Day  
222 East 41<sup>st</sup> Street  
10 New York, NY 10017-6702  
212-326-3939

11 For AFSCME: RICHARD MACK, JR., ESQ.  
12 (P58657)  
Miller, Cohen  
13 6700 West Lafayette Blvd.  
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14 Detroit, MI 48226-3191  
313-964-4454

15 For the Official Committee: SAM ALBERTS, ESQ.  
16 Dentons, US, LLP  
1301 K Street, N.W.  
17 Suite 600, East Tower  
Washington, D.C. 20005-3364  
18 202-408-6400

19 Court Recorder: Letrice Calloway

20 Transcriber: Deborah L. Kremlick

21  
22 Proceedings recorded by electronic sound recording, transcript  
23 produced by transcription service.  
24  
25

1 (Court in Session)

2 THE CLERK: All rise. Court is in session. Please  
3 be seated. Case number 13-53846, City of Detroit, Michigan.

4 MS. LENNOX: Good morning, Your Honor. Heather  
5 Lennox of Jones, Day on behalf of the city.

6 I thought I would start this morning by reporting to Your  
7 Honor that the UAW and AFSCME have informed the city that they  
8 will each withdraw their objections to the plan confirmation  
9 with prejudice as to the city only.

10 And the city will amend the plan of adjustment in the  
11 Detroit general VEBA trust to add language to make clear that  
12 the library retirees and six Cobo Hall retirees will be in the  
13 general retiree VEBA.

14 Now we have negotiated the plan language with the library  
15 and with the UAW and AFSCME, so we are all agreed on that. I  
16 understand now that the retiree committee may have an issue  
17 with some of this language but as to the city and the library  
18 unions we are agreed.

19 THE COURT: Will there be a process to bring a final  
20 conclusion to that?

21 MS. LENNOX: Well, we were certainly discussing that  
22 issue before Court today and I don't -- I don't think the  
23 language in the plan is going to change. That's what we've  
24 negotiated. The issue is -- is frankly that is coming up is  
25 an issue that is beyond the scope of the plan.



1       It involves what -- what benefits will be provided by the  
2       VEBA trust and that is not something that the city decides.  
3       So to me it's not a plan issue.

4               THE COURT:   How many library employees are there?

5               MS. LENNOX:   We -- we expect that there will be  
6       about 330 or so library retirees that are in the VEBA and six  
7       Cobo Hall retirees.

8               THE COURT:   Who is here for the retiree committee?  
9       I just have one question for you.   Sir, for the record, sir --

10              MR. ALBERTS:   Sam Alberts from Dentons.

11              THE COURT:   Here's my question.

12              MR. ALBERTS:   Yes.

13              THE COURT:   Really?

14              MR. ALBERTS:   Yes.   And I'll -- and I'll --

15              THE COURT:   Seriously?

16              MR. ALBERTS:   Yes.

17              THE COURT:   Three hundred and thirty-six employees  
18       out of --

19              MR. ALBERTS:   Yes.

20              THE COURT:   -- 10,000?

21              MR. ALBERTS:   Yes.   May I explain?

22              THE COURT:   I don't want an explanation, I want you  
23       to resolve it.

24              MR. ALBERTS:   Well, Your Honor, I actually offered  
25       that --

1 THE COURT: I want you to resolve it now, go resolve  
2 it.

3 MR. ALBERTS: Your Honor, we tried this morning. We  
4 have a mediation at 1:30. I would suggest that the parties  
5 meet in mediation to try to resolve the issue.

6 THE COURT: Go resolve it. Okay. Okay. Anything  
7 further before I give my decision regarding the AFSCME matter?

8 MS. LENNOX: No, Your Honor. That was the only  
9 other matter on for this morning.

10 THE COURT: All right. May I have appearances  
11 regarding the AFSCME matter?

12 MS. LENNOX: Heather Lennox for the city.

13 MR. MACK: Richard Mack, Your Honor, AFSCME.

14 THE COURT: This matter is before the Court on the  
15 city's action to proof of claim number 2958 filed by AFSCME 25  
16 and its affiliated locals.

17 The core of the dispute is whether the settlement entered  
18 into between the city and AFSCME early in the case includes  
19 AFSCME's thirteenth check claim and related claims and its  
20 health care modification claim. The parties refer to this as  
21 Line 7 and 17 on AFSCME's proof of claim.

22 AFSCME filed its proof of claim on February 21<sup>st</sup>, 2014 in  
23 the total amount of over 8.7 billion dollars. This includes  
24 several claims other than the two that are presently before

25 the Court. In April of 2014, AFSCME and the city reached a  
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1 settlement agreement.

2 On May 15, 2014 the city filed its fourth amended plan in  
3 which it provides for the allowance of Class 11, the GRS  
4 pension claims in the amount of \$8,879,000,000 and the  
5 allowance of Class 12, the OPEB claims in the amount of  
6 \$4,303,000,000.

7 The plan provides the definition of the GRS pension claim  
8 as follows:

9 "Any claim (other than an OPEB claim), whether asserted  
10 by current or former employees of the city, their heirs or  
11 beneficiaries, or by the GRS, or any trustee thereof, or any  
12 other entity acting on the GRS' behalf against the city, or  
13 any fund managed by the city (including but not limited to the  
14 general fund, the water fund, the sewage disposal fund, the  
15 Detroit General Retirement System Service Corporation fund, or  
16 the pension funds), based upon, arising under, or related to  
17 any agreement, commitment, or other obligation whether  
18 evidenced by contract, agreement, rule, regulation, ordinance,  
19 or statute -- statute or law for A, any pension, disability,  
20 or other post-retirement payment or distribution in respect of  
21 the employment of current or former employees, or B, the  
22 payment by the GRS to persons who may at any time participated  
23 in, were beneficiaries of, or accrued post-retirement pension  
24 or financial benefits under the GRS".

1 provides the definition of OPEB claims as:

2 "Any claim against the city for OPEB benefits held by a  
3 retiree who retired on or before December 31, 2014 and is  
4 otherwise eligible for OPEB benefits and any eligible  
5 surviving beneficiaries of such retiree". This is at plan  
6 Section (I)(A)255.

7 The plan further states at (I)(A)254:

8 "OPEB benefits means collectively post-retirement health,  
9 vision, dental, life and death benefits provided to retired  
10 employees of the city and their surviving beneficiaries  
11 pursuant to employee health life -- health and life insurance  
12 benefit plan, and employee's death benefits plan, including  
13 the members of the certified class in the action captioned  
14 Weiler, et al v City of Detroit, case number 06-619737-CK  
15 (Wayne County Circuit Court), pursuant to the 'consent  
16 judgment and order of dismissal' entered in that action on  
17 August 26<sup>th</sup>, 2019".

18 The Bankruptcy Code defines a claim as:

19 "A, right to payment whether or not such right is reduced  
20 to judgment, liquidated, unliquidated, fixed, contingent,  
21 matured, unmatured, disputed, undisputed, legal, equitable,  
22 secured or unsecured. Or B, right to an equitable remedy for  
23 breach of performance if such breach gives rise to a right to  
24 payment whether or not such right to an equitable remedy is

1 disputed, undisputed, secured, or unsecured". And that's in  
2 11 USC Section 105(5).

3 The city asserts that pursuant to the plain language of  
4 the plan, the pension claim in the claim at issue is included  
5 in Class 11. Likewise the city argues that AFSCME's health  
6 care modification claim in the proof of claim before the  
7 Court, is included in Class 12.

8 AFSCME contends that both claims were intended to be in  
9 Class 14 which is the class for unsecured claims. It asserts  
10 that the language in the plan is at the very least ambiguous  
11 and that the Court should consider the way the phrase GRS  
12 pension claim is used throughout the plan and its context in  
13 the plan.

14 AFSCME contends that the definition of pension claim is  
15 intended to include only the claimant's rights to prospective  
16 plan payments, rather than the credits and disbursements that  
17 should have been made in the past that were covered in its  
18 proof of claim.

19 Likewise with respect to the health care modification  
20 claim, AFSCME asserts that it is not included in Class 12  
21 because Class 12 deals exclusively with prospective payments  
22 or distributions and is not intended to include past due  
23 benefits.

24 In the Official Committee of Unsecured Creditors v Dow

1 Circuit, 2006, the Court stated:

2 "In interpreting a confirmed plan, Courts use contract  
3 principals since the plan is effectively a new contract  
4 between the debtor and its creditors".

5 Absent ambiguity the plan, "is to be enforced as written  
6 unless -- I'm sorry, regardless of whether it is in line with  
7 the parties' prior obligations". Id. The Court concludes  
8 that the language of the plan is not ambiguous and that the  
9 definitions of GRS claim and OPEB claim in the plan plainly  
10 include the claims at issue here.

11 The Court finds that AFSCME's attempt to distinguish  
12 between the claimant's rights to prospective payments, and the  
13 rights to past due claims is not consistent with the broad  
14 definitions of the claims in Classes 11 and 12, or with the  
15 broad definition of a claim in the Bankruptcy Code.

16 By operation of Section 944(b) of the Bankruptcy Code,  
17 the debts that AFSCME seeks to assert through these two claims  
18 will be discharged. By operation of Section 944(a), the  
19 city's only debts coming out of bankruptcy will be those set  
20 forth in the confirmed plan if of course it is confirmed.

21 AFSCME relies in part upon the city's May 15, 2014  
22 objection to its proof of claim in support of its argument  
23 that the pension claim at issue here was not included in the  
24 settlement. Specifically it asserts that the city's objection

1 Class 11 as the city now asserts.

2 It also argues that the Court should consider evidence  
3 from the confidential mediations regarding the negotiations  
4 that led to the settlement. The Court rejects this argument.

5 First, the Court finds that the city did raise this issue  
6 in Paragraph 19 of its objection. Second, and more important,  
7 in Shachachner v Blue Cross and Blue Shield of Ohio, 77 F 3d  
8 889, 6<sup>th</sup> Circuit 1996.

9 The 6<sup>th</sup> Circuit held that extrinsic evidence of contract  
10 intent is admissible only if the contract is ambiguous on its  
11 face. Meaning that it is subject to -- to two reasonable  
12 interpretations.

13 And the Court further held that extrinsic evidence cannot  
14 be used to create an ambiguity. Further, the mere fact that  
15 the parties argue two different interpretations is not  
16 sufficient to establish that the contract is ambiguous.

17 As found earlier, the Court finds no ambiguity here.  
18 Accordingly, the task before the Court is only to determine  
19 the intent of the plan from its language and to apply it.

20 AFSCME also relies on its proof of claim as classifying  
21 these pensions -- pension and health care claims in Class 14.  
22 However, under Section 941 only the city can propose a plan  
23 and under Section 1123(a)(1), only the plan can classify  
24 claims.



1 classification of claims and not AFSCME's proof of claim. The  
2 Court will enter an appropriate order. Is there anything else  
3 on our agenda for today?

4 MS. LENNOX: No, Your Honor.

5 THE COURT: All right. I'd like to review with you  
6 the balance of our schedule here. What does the city foresee  
7 for tomorrow, please?

8 MS. LENNOX: My understanding for tomorrow, Your  
9 Honor, is that we will introduce -- I'm not sure if we've  
10 confirmed whether it's three or four witnesses, but we'll have  
11 obviously just the witnesses required to substantiate the FGIC  
12 settlement that we announced in Court last week. And we would  
13 expect that, I would think not to take much time at all.

14 THE COURT: Okay. All right. And then Wednesday we  
15 will take the testimony of Ms. Kopacz.

16 MS. LENNOX: Uh-huh.

17 THE COURT: And then if it's okay with everyone we  
18 will have closing arguments a week from today at 8:30. I  
19 assume that will be arguments on behalf of the city plan  
20 supporters and whatever pro se objectors the Court concludes  
21 should be given an opportunity for closing argument.

22 And then the Court will foresee giving an oral decision  
23 on the record here in open Court, one second, I don't want to  
24 pin myself down exactly at this point in time, but sometime

1 that schedule?

2 MS. LENNOX: No, Your Honor.

3 THE COURT: Okay. If there is nothing further,  
4 we'll be in recess for today.

5 THE CLERK: All rise.

6 MR. ALBERTS: Your Honor, is it 8:30 on Wednesday?

7 THE COURT: Yes, 8:30 Wednesday, please.

8 MR. ALBERTS: Thank you.

9 THE COURT: So 9:00 tomorrow, 8:30 Wednesday. No,  
10 what? What? Well, if it won't take very long, can we start  
11 at 9:00 instead of 8:30?

12 MS. LENNOX: That's fine, Your Honor.

13 MR. ALBERTS: Sure. So 9:00 tomorrow, 9:00  
14 Wednesday.

15 THE COURT: No. I don't know how long Ms. Kopacz is  
16 going to take, so I want to start at 8:30 on Wednesday.

17 MR. ALBERTS: Okay. 9:00.

18 THE COURT: 9:00 tomorrow.

19 MR. ALBERTS: That's perfect, Your Honor.

20 THE COURT: All right.

21 THE CLERK: Court is adjourned.

22 (Court Adjourned at 9:15 a.m.)

23

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7 We certify that the foregoing is a correct transcript from the  
8 electronic sound recording of the proceedings in the  
9 above-entitled matter.  
10

11 /s/Deborah L. Kremlick, CER-4872  
12 Letrice Calloway  
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Dated: 10-21-14

**ITEM 15**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN**

-----	X	
	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
	:	
-----	X	

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**EIGHTH AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT  
(October 22, 2014)**

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## INTRODUCTION

The City of Detroit proposes the following plan for the adjustment of its debts pursuant to and in accordance with chapter 9 of the Bankruptcy Code.

A discussion of the City's organizational structure, operations, capital structure and events leading to the commencement of the City's Chapter 9 Case, as well as a summary and description of the Plan, risk factors and other related matters, is included in the Disclosure Statement. Retirees of the City will receive a supplement summarizing important information relevant to their entitlement to benefits (the "Retiree Supplement"). Other agreements and documents, which have been or will be Filed with the Bankruptcy Court, are referenced in the Plan or the Disclosure Statement and are available for review.

The City encourages all of its creditors to read the Plan, the Disclosure Statement and the other material that has been approved for use in soliciting votes on the Plan and encourages holders of claims for pensions and other post-employment benefits to read the Retiree Supplement and to consider the information included on the Ballot before casting a vote to accept or reject the Plan and before choosing among available treatment options.

## ARTICLE I DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

### A. Defined Terms.

Capitalized terms used in the Plan have the meanings set forth in this Section I.A. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules.

1. "2005 COPs" means, collectively, the Detroit Retirement Systems Funding Trust 2005 Certificates of Participation Series 2005-A, issued by the Detroit Retirement Systems Funding Trust 2005 pursuant to the 2005 COPs Agreement, in an initial principal amount of \$640 million, bearing interest at 4.0% to 4.948%.

2. "2005 COPs Agreement" means the Trust Agreement by and between the COP Service Corporations and U.S. Bank National Association, as trustee, dated June 2, 2005, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

3. "2006 COPs" means, collectively, the (a) Detroit Retirement Systems Funding Trust 2006 Certificates of Participation Series 2006-A, issued by the Detroit Retirement Systems Funding Trust 2006 pursuant to the 2006 COPs Agreement, in an initial principal amount of \$148.5 million, bearing interest at 5.989%; and (b) Detroit Retirement Systems Funding Trust 2006 Certificates of Participation Series 2006-B, issued by the Detroit Retirement Systems Funding Trust 2006 pursuant to the 2006 COPs Agreement, in an initial principal amount of \$800 million, bearing interest at a floating rate.

4. "2006 COPs Agreement" means the Trust Agreement by and between the COP Service Corporations and U.S. Bank National Association, as trustee, dated June 12, 2006, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

5. "2014 DWSD Refinancing Obligations" means, collectively, the (i) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014D, (ii) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014E, (iii) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014F, (iv) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014G, (v) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014A, (vi) City of Detroit, Michigan, Detroit Water and Sewerage

Department Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014B, (vii) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Bonds, Series 2014C, and (viii) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Bonds, Series 2014D.

6. "2014 Revenue and Revenue Refinancing Bonds" means, collectively, one or more series of Sewage Disposal System Revenue and Revenue Refunding Bonds and Water Supply System Revenue Refunding Bonds.

7. "2014 Revenue Refinancing Bonds" means, collectively, the Michigan Finance Authority's (i) Local Government Loan Program Revenue Bonds, Series 2014C-4 (Insured) (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (ii) Local Government Loan Program Revenue Bonds, Series 2014C-5 (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (iii) Local Government Loan Program Revenue Bonds, Series 2014C-6 (Insured) (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (iv) Local Government Loan Program Revenue Bonds, Series 2014C-7 (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (v) Local Government Loan Program Revenue Bonds, Series 2014D-1 (Insured) (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (vi) Local Government Loan Program Revenue Bonds, Series 2014D-2 (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (vii) Local Government Loan Program Revenue Bonds, Series 2014D-3 (Insured) (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, and (viii) Local Government Loan Program Revenue Bonds, Series 2014D-4 (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds.

8. "36th District Court" means the district court for the thirty-sixth judicial district of the State.

9. "36th District Court Settlement" means the settlement between the City and the Settling 36th District Court Claimants, substantially on the terms set forth on Exhibit I.A.9.

10. "Active Employee" means an active employee of the City on and after the Confirmation Date.

11. "Actual Return" means, for each Fiscal Year during the period beginning July 1, 2003 and ending June 30, 2013, the actual net return percentage on invested GRS assets for that Fiscal Year; provided that, if the actual net return percentage on invested GRS assets for any given Fiscal Year is greater than 7.9%, the Actual Return for that Fiscal Year shall be 7.9%, and if the actual net return percentage on invested GRS assets for any given Fiscal Year is less than 0.0%, the Actual Return for that Fiscal Year shall be 0.0%.

12. "Ad Hoc Committee of DWSD Bondholders" means, collectively, Blackrock Financial Management, Inc., Eaton Vance Management, Fidelity Management & Research Company, Franklin Advisers, Inc. and Nuveen Asset Management.

13. "Adjusted Pension Amount" means the GRS Adjusted Pension Amount or the PFRS Adjusted Pension Amount, as applicable.

14. "Administrative Claim" means a Claim against the City arising on or after the Petition Date and prior to the Effective Date for a cost or expense of administration related to the Chapter 9 Case that is entitled to priority or superpriority under sections 364(c)(1), 503(b) or 507(b)(2) of the Bankruptcy Code, including (a) Claims, pursuant to section 503(b)(9) of the Bankruptcy Code, for the value of goods received by the City in the 20 days

immediately prior to the Petition Date and sold to the City in the ordinary course of the City's operations and (b) any Allowed Claims for reclamation under section 546(c)(1) of the Bankruptcy Code or section 2-702 of the Uniform Commercial Code; provided that no claim for professional fees or any other costs or expenses incurred by any official or unofficial creditors' committee or any member thereof shall be considered an Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order.

15. "ADR Injunction" means the injunction set forth at Section I.B of the ADR Procedures.

16. "ADR Procedures" means the alternative dispute resolution procedures approved by the ADR Procedures Order, as such procedures may be modified by further order of the Bankruptcy Court.

17. "ADR Procedures Order" means the Order, Pursuant to Sections 105 and 502 of the Bankruptcy Code, Approving Alternative Dispute Resolution Procedures to Promote the Liquidation of Certain Prepetition Claims (Docket No. 2302), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on December 24, 2013, as it may be subsequently amended, supplemented or otherwise modified.

18. "Affiliate" shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

19. "Allowed Claim(s)" means: (a) a Claim, proof of which has been timely Filed by the applicable Bar Date (or for which Claim under express terms of the Plan, the Bankruptcy Code or a Final Order of the Bankruptcy Court, a proof of Claim is not required to be Filed); (b) a Claim (i) that is listed in the List of Creditors, (ii) that is not identified on the List of Creditors as contingent, unliquidated or disputed and (iii) for which no proof of Claim has been timely Filed; (c) a Claim allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; (d) a Claim designated as allowed in a stipulation or agreement between the City and the Holder of the Claim that is Filed; or (e) a Claim designated as allowed in a pleading entitled "Designation of Allowed Claims" (or a similar title of the same import) that is Filed; provided that with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered allowed only if and to the extent that (x) no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (y) if an objection is so interposed, the Claim shall have been allowed by a Final Order. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed to be an Allowed Claim unless and until such Entity pays in full the amount that it owes the City. "Allow" and "Allowing" shall have correlative meanings.

20. "Ambac" means Ambac Assurance Corporation.

21. "Annuity Savings Fund" means that sub-account and pension benefit arrangement that is part of the GRS and operated by the trustees of the GRS.

22. "Annuity Savings Fund Excess Amount" means the following: (a) for an ASF Current Participant who has not received any distributions from the Annuity Savings Fund, the difference between (i) the value of such participant's Annuity Savings Fund account as of June 30, 2013 and (ii) the value of such participant's Annuity Savings Fund account as of June 30, 2013 calculated using the Actual Return; (b) for an ASF Current Participant who has received any distribution from the Annuity Savings Fund other than a total distribution, the difference between (i) the sum of (A) the value of such participant's Annuity Savings Fund account as of June 30, 2013 and (B) all distributions received by such participant from the Annuity Savings Fund during the ASF Recoupment Period and (ii) the sum of (A) the value of such participant's Annuity Savings Fund account as of June 30, 2013 calculated using the Actual Return and (B) the value of the participant's distribution calculated as of the date of distribution using the Actual Return through such date; and (c) for an ASF Distribution Recipient, the difference between (i) the value of such ASF Distribution Recipient's Annuity Savings Fund account as of the date of distribution from the Annuity Savings Fund, provided such date falls within the ASF Recoupment Period, and (ii) the value of such participant's Annuity Savings Fund account as of such date, calculated using the Actual Return. For purposes of this definition, the value of a participant's Annuity Savings Fund account as of any date will include the principal amount of any loans to the participant from his Annuity Savings Fund account that are outstanding as of such date or that were defaulted during the ASF Recoupment Period.



23. "ASF/GRS Reduction" means, with respect to a Holder of a GRS Pension Claim who is a retiree who is receiving a monthly pension as of June 30, 2014 or such retiree's later-surviving beneficiary, the 4.5% reduction in the Current Accrued Annual Pension amount described in Section I.A.211, plus the ASF Recoupment.

24. "ASF Current Participant" means a person who (a) participates in the GRS, (b) participated in the Annuity Savings Fund at any time during the ASF Recoupment Period and (c) is not an ASF Distribution Recipient.

25. "ASF Distribution Recipient" means a person who (a) participates in the GRS, (b) participated in the Annuity Savings Fund at any time during the ASF Recoupment Period and (c) has received a total distribution from the Annuity Savings Fund.

26. "ASF Election Date" means the date that is 35 days after the date on which the ASF Election Form is mailed.

27. "ASF Election Form" means a form to be mailed to each ASF Distribution Recipient with the ASF Election Notice to allow such ASF Distribution Recipient to elect the ASF Recoupment Cash Option.

28. "ASF Election Notice" means a notice to be mailed to each ASF Distribution Recipient notifying such ASF Distribution Recipient of the ASF Recoupment Cash Option and providing such recipient with an ASF Election Form.

29. "ASF Final Cash Payment Date" means the later of (a) 90 days after the Effective Date or (b) 50 days after the date of mailing of an ASF Final Cash Payment Notice.

30. "ASF Final Cash Payment Notice" means a notice to be provided by GRS to each ASF Distribution Recipient who timely elects the ASF Recoupment Cash Option indicating the amount of such ASF Distribution Recipient's ASF Recoupment Cash Payment.

31. "ASF Recoupment" means the amount to be deducted from an ASF Current Participant's Annuity Savings Fund account or an ASF Distribution Recipient's monthly pension check, as applicable, pursuant to the formulae set forth in Section II.B.3.r.ii.D.

32. "ASF Recoupment Cap" means, for both ASF Current Participants and ASF Distribution Recipients, 20% of the highest value of such participant's Annuity Savings Fund account during the ASF Recoupment Period plus an interest component of 6.75% if the amount recouped is amortized over time. For purposes of this definition, the value of a participant's Annuity Savings Fund account as of any date will include the principal amount of any loans to the participant from such participant's Annuity Savings Fund account that are outstanding as of such date or that were defaulted during the ASF Recoupment Period.

33. "ASF Recoupment Cash Option" means an election that may be exercised by an ASF Distribution Recipient to pay the total amount of such ASF Distribution Recipient's ASF Recoupment in a single lump sum.

34. "ASF Recoupment Cash Payment" means the amount of the cash payment that an ASF Distribution Recipient who elects the ASF Recoupment Cash Option will be required to pay on account of such ASF Distribution Recipient's ASF Recoupment.

35. "ASF Recoupment Period" means the period beginning July 1, 2003 and ending June 30, 2013.

36. "Assigned UTGO Bond Tax Proceeds" means the rights to the proceeds of the UTGO Bond Tax Levy in an amount equal to the principal and interest payable on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation), which rights shall be assigned to a designee or designees of the City pursuant to the UTGO Settlement Agreement, substantially on the terms set forth on Exhibit I.A.360.

37. "Assured" means, together, Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc., and Assured Guaranty Corp.

38. "Ballot" means the ballot upon which a Holder of an Impaired Claim entitled to vote shall cast its vote to accept or reject the Plan and make certain elections provided for in the Plan.

39. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as now in effect or hereafter amended.

40. "Bankruptcy Court" means the United States Bankruptcy Court for the Eastern District of Michigan having jurisdiction over the Chapter 9 Case, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 or the General Order of the District Court pursuant to § 151 of title 28 of the United States Code, the District Court.

41. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the general, local and chambers rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to the Chapter 9 Case.

42. "Bar Date" means the applicable bar date by which a proof of Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including a Bar Date Order and the Confirmation Order.

43. "Bar Date Order" means any order of the Bankruptcy Court establishing Bar Dates for Filing proofs of Claim in the Chapter 9 Case, including the Order, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (Docket No. 1782), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on November 21, 2013, as it may be amended, supplemented or otherwise modified.

44. "Bond Agent" means a trustee, paying agent or similar Entity, as applicable, under the Bond Documents.

45. "Bond Claims" means, collectively, the DWSD Bond Claims, the DWSD Revolving Bond Claims, the General Obligation Bond Claims, the HUD Installment Note Claims and the Secured GO Bond Claims.

46. "Bond Documents" means, collectively, the DWSD Bond Documents, the DWSD Revolving Bond Documents, the General Obligation Bond Documents, the HUD Installment Note Documents and the Secured GO Bond Documents.

47. "Bond(s)" means, individually or collectively, the DWSD Bonds, the DWSD Revolving Bonds, the General Obligation Bonds, the HUD Installment Notes or the Secured GO Bonds.

48. "Bondholder" means any beneficial or record holder of a Bond.

49. "Bond Insurance Policies" means those policies, surety policies or other instruments insuring any Bond and obligations related thereto, including all ancillary and related documents that may obligate the City to pay any amount to a Bond Insurer for any reason.

50. "Bond Insurance Policy Claim" means a Claim held by a Bond Insurer arising under or in connection with a Bond Insurance Policy.

51. "Bond Insurer" means any party, other than the City, that has issued a Bond Insurance Policy.

52. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

53. "Cash" means legal tender of the United States of America and equivalents thereof.

54. "Causes of Action" means, without limitation, any and all actions, causes of action, controversies, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether known or

unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Effective Date, including without limitation (a) claims and causes of action under sections 502(d), 510, 544, 545, 547, 548, 549(a), 549(c), 549(d), 550, 551 and 553 of the Bankruptcy Code and (b) any other avoidance or similar claims or actions under the Bankruptcy Code or under similar or related state or federal statutes or common law, and, in the case of each Cause of Action, the proceeds thereof, whether received by judgment, settlement or otherwise.

55. "CFSEM Supporting Organization" means the Foundation for Detroit's Future, a supporting organization of, and an Entity legally separate from, the Community Foundation for Southeast Michigan, solely in its capacity as a participant in the DIA Settlement.

56. "Chapter 9 Case" means the bankruptcy case commenced by the City under chapter 9 of the Bankruptcy Code, captioned as *In re City of Detroit, Michigan*, Case No. 13-53846 (Bankr. E.D. Mich.), and currently pending before the Bankruptcy Court.

57. "City" means the City of Detroit, Michigan.

58. "City Council" means the duly-elected City Council of the City.

59. "City Parking Assets" means, collectively, the City's right, title and interest in (a) the Parking Garages, (b) operating revenue received by the City generated by the Parking Garages, (c) revenues collected from fines received by the City related to tickets issued for parking violations (other than any such revenue that would otherwise be paid to the 36th District Court), (d) revenue received by the City generated by parking meters owned by the City and (e) revenue received by the City generated by "boot and tow" operations conducted by the City.

60. "Claim" means a claim, as defined in section 101(5) of the Bankruptcy Code, against the City.

61. "Claims and Balloting Agent" means Kurtzman Carson Consultants, LLC, in its capacity as Bankruptcy Court-appointed claims and balloting agent for the Chapter 9 Case.

62. "Claims Objection Bar Date" means the deadline for objecting to a Claim, which shall be on the date that is the latest of (a) 180 days after the Effective Date, subject to extension by an order of the Bankruptcy Court, (b) 90 days after the Filing of a proof of Claim for such Claim and (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court, which other period may be set without notice to Holders of Claims.

63. "Claims Register" means the official register of Claims maintained by the Claims and Balloting Agent.

64. "Class" means a class of Claims, as described in Section II.B.

65. "Class 9 Settlement Asset Pool" means (a) either: (i) the New C Notes or (ii) in the event of a disposition or monetization of the City Parking Assets prior to distribution of the New C Notes, the proceeds from such disposition or monetization, in an amount not less than \$80 million; and (b) the Class 9 Settlement Credits.

66. "Class 9 Eligible City Asset" means those assets identified on Exhibit I.A.66.

67. "Class 9 Settlement Credits" means assignable, transferable settlement credits in the aggregate amount of \$25 million that may be applied to offset not more than 50% of the purchase price of a Class 9 Eligible City Asset; provided that, in all cases, to apply a Class 9 Settlement Credit, the owner thereof must (a) be the final party selected in a procurement process or auction conducted by the City and (b) otherwise satisfy all other elements of the procurement or auction process applicable to a particular Class 9 Eligible City Asset (in each of (a) and (b), without regard to such owner's offsetting any portion of the purchase price with such Class 9 Settlement Credit and irrespective of such owner's ability to apply to apply any Class 9 Settlement Credit).

68. "COLAs" means the cost of living adjustments made to annual pension benefits pursuant to collective bargaining agreements, other contracts or ordinances (as applicable) to account for the effects of inflation, which adjustments sometimes are called "escalators" in such collective bargaining agreements, other contracts or ordinances.

69. "Confirmation" means the entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 9 Case.

70. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket in the Chapter 9 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

71. "Confirmation Hearing" means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued.

72. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 943 of the Bankruptcy Code, as it may be subsequently amended, supplemented or otherwise modified.

73. "Contract Administration Agreement 2005" means the Contract Administration Agreement dated June 2, 2005, by and among the COP Service Corporations, the Detroit Retirement Systems Funding Trust 2005, the COP Contract Administrator and the COP Swap Counterparties.

74. "Contract Administration Agreement 2006" means the Contract Administration Agreement dated June 12, 2006, by and among the COP Service Corporations, the Detroit Retirement Systems Funding Trust 2006, the COP Contract Administrator and the COP Swap Counterparties.

75. "Contract Administration Agreements" means, together, the Contract Administration Agreement 2005 and the Contract Administration Agreement 2006.

76. "Convenience Claim" means a Claim that would otherwise be an Other Unsecured Claim that is (a) an Allowed Claim in an amount less than or equal to \$25,000.00; or (b) in an amount that has been reduced to \$25,000.00 pursuant to an election made by the Holder of such Claim; provided that, where any portion(s) of a single Claim has been transferred, (y) the amount of all such portions will be aggregated to determine whether a Claim qualifies as a Convenience Claim and for purposes of the Convenience Claim election and (z) unless all transferees make the Convenience Claim election on the applicable Ballots, the Convenience Claim election will not be recognized for such Claim.

77. "COP Agent" means a contract administrator, trustee, paying agent or similar Entity, as applicable, under the COP Documents.

78. "COP Agent Fees" means reasonable, actual and documented fees payable to the COP Agent for services rendered or expenses incurred in accordance with and pursuant to the terms of the COPs Documents.

79. "COP Claim" means a Claim under or evidenced by the COP Service Contracts. For the avoidance of doubt, except as provided in any Final Order of the Bankruptcy Court, the definition of COP Claim shall include any Claim (other than a COP Swap Claim) on account of any act, omission or representation (however described) based upon, arising out of or relating to: (a) the issuance, offering, underwriting, purchase, sale, ownership or trading of any COPs (to the extent any such Claim is not a Subordinated Claim); (b) the COP Service Corporations; (c) any COP Service Contracts; (d) the 2005 COPs Agreement; (e) the 2006 COPs Agreement; (f) the Detroit Retirement Systems Funding Trust 2005; (g) the Detroit Retirement Systems Funding Trust 2006; (h) the Contract Administration Agreement 2005; (i) the Contract Administration Agreement 2006; (j) any allegations that have been made or could have been made by or against the City or any other person in the COP Litigation; or (k) any policy of insurance relating to the COPs.

80. "COP Contract Administrator" means Wilmington Trust, National Association, as successor to U.S. Bank, N.A.

81. "COP Documents" means, collectively, the COP Service Contracts, the 2005 COPs Agreement, the 2006 COPs Agreement and the Contract Administration Agreements.

82. "COP Insurance Policies" means those certain policies or other instruments insuring the 2005 COPs issued under the 2005 COPs Agreement and the 2006 COPs issued under the 2006 COPs Agreement, including all ancillary and related documents that may obligate the City to pay any amount to a COP Insurer for any reason.

83. "COP Insurance Policies Claim" means a Claim held by a COP Insurer arising under or in connection with a COP Insurance Policy.

84. "COP Insurer" means any party, other than the City, that has issued a COP Insurance Policy.

85. "COP Litigation" means the adversary proceeding captioned as *City of Detroit, Michigan v. Detroit General Retirement System Service Corporation, Detroit Police and Fire Retirement System Service Corporation, Detroit Retirement Systems Funding Trust 2005 and Detroit Retirement Systems Funding Trust 2006*, Case No. 14-04112 (Bankr. E.D. Mich.), filed in the Chapter 9 Case on January 31, 2014.

86. "COP Service Contracts" means, collectively, the (a) the GRS Service Contract 2005, dated May 25, 2005, by and between the City and the Detroit General Retirement System Service Corporation; (b) the PFRS Service Contract 2005, dated May 25, 2005, by and between the City and the Detroit Police and Fire Retirement System Service Corporation; (c) the GRS Service Contract 2006, dated June 7, 2006, by and between the City and the Detroit General Retirement System Service Corporation; and (d) the PFRS Service Contract 2006, dated June 7, 2006, by and between the City and the Detroit Police and Fire Retirement System Service Corporation, as each of the foregoing may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

87. "COP Service Corporations" means, collectively, the Detroit General Retirement System Service Corporation and the Detroit Police and Fire Retirement System Service Corporation.

88. "COP Swap Agreements" means the 1992 ISDA Master Agreements (Local Currency Single Jurisdiction) between the COP Service Corporations and the COP Swap Counterparties, as set forth on Exhibit I.A.88, together with all ancillary and related instruments and agreements, as the same may have been subsequently amended, restated, supplemented or otherwise modified.

89. "COP Swap Claim" means a Claim by the COP Swap Counterparties arising under the COP Swap Documents.

90. "COP Swap Collateral Agreement" means the Collateral Agreement among the City, the COP Service Corporations, the COP Swap Collateral Agreement Custodian and the COP Swap Counterparties, together with all ancillary and related instruments and agreements.

91. "COP Swap Collateral Agreement Custodian" means U.S. Bank National Association as custodian under the COP Swap Collateral Agreement or any successor custodian.

92. "COP Swap Counterparties" means UBS AG and Merrill Lynch Capital Services, Inc., as successor to SBS Financial Products Company LLC, under the COP Swap Documents.

93. "COP Swap Documents" means the COP Swap Agreements and the COP Swap Collateral Agreement.

94. "COP Swap Exculpated Parties" means the COP Swap Counterparties and their affiliates and each of their respective present and former (a) officers, (b) directors, (c) employees, (d) members, (e) managers, (f) partners and (g) attorneys, attorneys-in-fact and other advisors, in each case solely in their capacity as such.

95. "COP Swap Settlement" means that Settlement and Plan Support Agreement among the City and the COP Swap Counterparties filed with the Bankruptcy Court on the docket of the Chapter 9 Case on March 26, 2014 (Docket No. 3234), as the same may be subsequently amended, restated, supplemented or otherwise modified in accordance therewith.

96. "COP Swap Settlement Approval Order" means the order entered by the Bankruptcy Court approving the COP Swap Settlement (Docket No. 4094).

97. "COP Syncora Swap Insurance Policies" shall mean policy numbers CA03049E, CA03049D, CA3049C and CA03049B issued by XL Capital Assurance Inc.

98. "COPs" means, collectively, the 2005 COPs and the 2006 COPs.

99. "COP Trustee" means Wilmington Trust, National Association, as Successor Trustee for the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006, or any successor thereto.

100. "Counties" means, collectively, Macomb County, Oakland County and Wayne County.

101. "Cure Amount Claim" means a Claim based upon the City's defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the City under section 365 of the Bankruptcy Code to the extent such Claim is required to be cured by section 365 of the Bankruptcy Code.

102. "Current Accrued Annual Pension" means, with respect to any Holder of a Pension Claim, the amount of annual pension benefits that the applicable Retirement System (a) is obligated to pay to such Holder as of June 30, 2014 to the extent such Holder is retired or a surviving beneficiary and receiving, or terminated from City employment and eligible to receive, a monthly pension as of such date or (b) would be obligated to pay such Holder upon his or her future retirement to the extent such Holder is actively employed by the City on June 30, 2014, assuming such Holder's annual pension is frozen as of June 30, 2014, and such Holder is no longer able to accrue pension benefits after such date under the current terms and conditions of the applicable Retirement System, in either case as reflected on the books and records of the applicable Retirement System as of June 30, 2014.

103. "Current GRS Retiree Adjustment Cap" means, if the funding from the State Contribution Agreement and the DIA Settlement is received, an ASF/GRS Reduction in an amount not to exceed 20% of the Current Accrued Annual Pension (including an interest component of 6.75% on the ASF Recoupment portion of the ASF/GRS Reduction if the ASF Recoupment is amortized over time) of a person who was a current retiree as of June 30, 2014.

104. "CUSIP" means the nine-character identifier (consisting of letters and numbers) that uniquely identifies any particular issue of DWSD Bonds.

105. "Detroit General Retiree" means a retired employee or surviving beneficiary of a retired employee of a department of the City who (a) is not a Detroit Police and Fire Retiree, (b) retired (or is a surviving beneficiary of one who retired) on or before December 31, 2014 and (c) is a Holder of an OPEB Claim.

106. "Detroit General VEBA" means a voluntary employees' beneficiary association established in accordance with section 501(c)(9) of the Internal Revenue Code of 1986, as amended, and regulations thereunder that provides health benefits to Detroit General VEBA Beneficiaries and certain of their dependents.

107. "Detroit General VEBA Beneficiary" means either (a) a Holder of an Allowed OPEB Claim who is a Detroit General Retiree or (b) a retired employee (or surviving beneficiary of a retired employee) of the Detroit Public Library or the Detroit Regional Convention Facility Authority who (i) retired (or is a surviving beneficiary of one who retired) on or before December 31, 2014 and (ii) holds a valid claim for OPEB Benefits against the Detroit Public Library or the Detroit Regional Convention Facility Authority.

108. "Detroit General VEBA Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Detroit General VEBA, in substantially the form attached hereto as Exhibit I.A.108.

109. "Detroit Police and Fire Retiree" means a retired employee or surviving beneficiary of a retired employee of the Detroit Police Department or the Detroit Fire Department who (a) was not an employee of the Emergency Medical Services Division of the Detroit Fire Department, (b) is a Holder of an OPEB Claim and (c) retired (or was a surviving beneficiary of one who retired) on or before December 31, 2014.

110. "Detroit Police and Fire VEBA" means a voluntary employees' beneficiary association established in accordance with section 501(c)(9) of the Internal Revenue Code of 1986, as amended, and regulations thereunder that provides health benefits to Detroit Police and Fire VEBA Beneficiaries and certain of their dependents.

111. "Detroit Police and Fire VEBA Beneficiary" means a Holder of an Allowed OPEB Claim that is a Detroit Police and Fire Retiree.

112. "Detroit Police and Fire VEBA Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Detroit Police and Fire VEBA, in substantially the form attached hereto as Exhibit I.A.112.

113. "Detroit Retirement Systems Funding Trust 2005" means the funding trust established pursuant to the 2005 COPs Agreement.

114. "Detroit Retirement Systems Funding Trust 2006" means the funding trust established pursuant to the 2006 COPs Agreement.

115. "Developer" means FGIC or its designee(s) under the FGIC Development Agreement.

116. "DDA" means the City of Detroit Downtown Development Authority.

117. "DIA" means The Detroit Institute of Arts, a museum and cultural institution located at 5200 Woodward Avenue, Detroit, Michigan 48202.

118. "DIA Assets" means the "Museum Assets" as defined in the DIA Settlement Documents.

119. "DIA Corp." means The Detroit Institute of Arts, a Michigan non-profit corporation.

120. "DIA Direct Funders" means DIA Corp. and those DIA Funders whose commitments to contribute monies in furtherance of the DIA Settlement are made directly to the CFSEM Supporting Organization.

121. "DIA Funders" means those persons, businesses, business-affiliated foundations and other foundations from which DIA Corp. secures commitments, whether before or after the Effective Date, to contribute monies or otherwise secures contributions of monies in support of DIA Corp.'s payment obligations under the DIA Settlement, whether paid directly to the CFSEM Supporting Organization or to DIA Corp. for the purpose of supporting DIA Corp.'s payments to the CFSEM Supporting Organization.

122. "DIA Funding Parties" means the Foundations and the DIA Direct Funders.

123. "DIA Proceeds" means, collectively, the irrevocable funding commitments described in Section IV.E.1.

124. "DIA Proceeds Default Amount" means a reduction in the Adjusted Pension Amount of a Holder of a Pension Claim (or a surviving beneficiary) by virtue of a DIA Proceeds Payment Default, as determined by the trustees of the GRS or the PFRS, the aggregate amount of which shall be commensurate with the pertinent DIA Proceeds Payment Default.



125. "DIA Proceeds Payment Default" means a default that has not been cured during any applicable grace period, as determined by the trustees of the GRS or the PFRS, by one or more DIA Funding Parties respecting material amounts scheduled to be paid to the City in accordance with the DIA Settlement that the City, in turn, is required to pay over to the GRS or the PFRS in accordance with the terms and conditions of the Plan.

126. "DIA Settlement" means the comprehensive settlement regarding the DIA Assets, as described at Section IV.E and as definitively set forth in the DIA Settlement Documents, the principal terms of which are attached hereto as Exhibit I.A.126.

127. "DIA Settlement Documents" means the definitive documentation to be executed in connection with the DIA Settlement, in substantially the form attached hereto as Exhibit I.A.127, which documents substantially conform to the term sheet attached hereto as Exhibit I.A.126.

128. "Disbursing Agent" means the disbursing agent(s) appointed pursuant to Section V.A.

129. "Disclosure Statement" means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan and has been prepared and distributed by the City and approved by the Bankruptcy Court in the Disclosure Statement Order, as the same may be amended, supplemented or otherwise modified.

130. "Disclosure Statement Order" means the Order Approving the Proposed Disclosure Statement (Docket No. 4401), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on May 5, 2014, approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code, as it may have been subsequently amended, supplemented or otherwise modified.

131. "Discounted Value" means the net present value of all Net DWSD Transaction Proceeds to be received immediately or in the future utilizing a 6.75% discount rate.

132. "Dismissed FGIC/COP Litigation" means all litigation pending between the City and FGIC (including all appeals) arising out of or related to, and all motions or objections pending in, the Chapter 9 Case, including the litigation set forth on Exhibit I.A.132, which litigation shall be dismissed or withdrawn as set forth in the FGIC/COP Settlement Documents.

133. "Dismissed Syncora Litigation" means all litigation pending between the City and Syncora (including all appeals) arising out of or related to, and all motions or objections pending in, the Chapter 9 Case, including the litigation set forth on Exhibit I.A.133, which litigation shall be dismissed or withdrawn as set forth in the Syncora Settlement Documents.

134. "Disputed Claim" means any Claim that is not Allowed.

135. "Distribution" means any initial or subsequent payment or transfer made on account of an Allowed Claim under or in connection with the Plan.

136. "Distribution Amount" means the principal amount of \$42,500,000 for each of the COP Swap Counterparties, plus interest, on and after October 15, 2014, on the unpaid Net Amount at the rate applicable to obligations under the Postpetition Financing Agreement, payable in cash in the manner set forth in the COP Swap Settlement Agreement.

137. "Distribution Date" means any date on which a Distribution is made.

138. "Distribution Record Date" means 5:00 p.m., Eastern Time, on the Confirmation Date.

139. "District Court" means the United States District Court for the Eastern District of Michigan.

140. "Document Website" means the internet site address <http://www.kccllc.net/Detroit>, at which the Plan, the Disclosure Statement and all Filed Exhibits to the Plan shall be available to any party in interest and the public, free of charge.

141. "Downtown Development Authority Claims" means Claims in respect of the Downtown Development Authority Loans.

142. "Downtown Development Authority Loans" means loans made pursuant to that certain Loan Agreement, dated August 26, 1991, by and between the City and the DDA, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements.

143. "DRCEA" means the Detroit Retired City Employees Association.

144. "DWSD" means the Detroit Water and Sewerage Department, which is a department of the City.

145. "DWSD Authority" means an authority that may be formed pursuant to a DWSD Authority Transaction to conduct many or all of the operations currently conducted by DWSD as described in Section IV.A.3.

146. "DWSD Authority Transaction" means the potential formation (including the potential transfer of certain assets owned by DWSD) and operation of the DWSD Authority, as described in Section IV.A.3.

147. "DWSD Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Bond Documents, including a Claim for principal and interest on the DWSD Bonds.

148. "DWSD Bond Documents" means the ordinances passed, resolutions adopted, orders issued or indentures executed with respect to the DWSD Bonds, as set forth on Exhibit I.A.148, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

149. "DWSD Bonds" means the secured bonds issued pursuant to the DWSD Bond Documents, as set forth on Exhibit I.A.148.

150. "DWSD CVR" means a single series of contingent value right certificates representing the right to receive 50% of the Net DWSD Transaction Proceeds received by the General Fund on account of a Qualifying DWSD Transaction.

151. "DWSD Exculpated Parties" means, collectively, the DWSD Settlement Parties and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

152. "DWSD Revolving Bond Claims" means, collectively, the DWSD Revolving Sewer Bond Claims and the DWSD Revolving Water Bond Claims.

153. "DWSD Revolving Bond Documents" means, collectively, the DWSD Revolving Sewer Bond Documents and the DWSD Revolving Water Bond Documents.

154. "DWSD Revolving Bonds" means, collectively, the DWSD Revolving Sewer Bonds and the DWSD Revolving Water Bonds.

155. "DWSD Revolving Sewer Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Revolving Sewer Bond Documents, including a Claim for principal and interest on the DWSD Revolving Sewer Bonds.

156. "DWSD Revolving Sewer Bond Documents" means the ordinances passed, resolutions adopted or indentures or agreements executed with respect to the DWSD Revolving Sewer Bonds, as set forth on Exhibit I.A.156, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

157. "DWSD Revolving Sewer Bonds" means the secured bonds issued pursuant to the DWSD Revolving Sewer Bond Documents, as set forth on Exhibit I.A.156.

158. "DWSD Revolving Water Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Revolving Water Bond Documents, including a Claim for principal and interest on the DWSD Revolving Water Bonds.

159. "DWSD Revolving Water Bond Documents" means the ordinances passed, resolutions adopted or indentures or agreements executed with respect to the DWSD Revolving Water Bonds, as set forth on Exhibit I.A.159, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

160. "DWSD Revolving Water Bonds" means the secured bonds issued pursuant to the DWSD Revolving Water Bond Documents, as set forth on Exhibit I.A.159.

161. "DWSD Series" means an individual issue of DWSD Revolving Bonds having the same lien priority, issue date and series designation.

162. "DWSD Settlement Date" means the date prior to the Effective Date upon which each of (i) consummation of the purchase of the DWSD Tendered Bonds, (ii) issuance of the 2014 DWSD Refinancing Obligations and (iii) issuance of the 2014 Revenue Refinancing Bonds occurs, which date is identified as September 4, 2014 in the DWSD Tender Invitations (subject to rescheduling to a date earlier or later than that date by the City in its sole discretion).

163. "DWSD Settlement Parties" means, collectively, Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance Inc., Berkshire Hathaway Assurance Corp., FGIC (solely in its capacity as a DWSD Bond Insurer), NPFG, the Ad Hoc Committee of DWSD Bondholders and U.S. Bank National Association, as trustee for the DWSD Bonds.

164. "DWSD Tender" means the offers, subject to acceptance at the City's election and in its sole discretion, to purchase for cancellation some or all of the DWSD Bonds that have been tendered and accepted in connection with, and on the terms provided in, the DWSD Tender Invitations.

165. "DWSD Tendered Bonds" means the DWSD Bonds that have been tendered for purchase or cancellation pursuant to the DWSD Tender.

166. "DWSD Tender Invitations" means the invitations and accompanying disclosure statements sent by the City to holders of DWSD Bonds on August 7, 2014, in the form of those collectively attached as Exhibits 8A and 8B to the DWSD Tender Motion.

167. "DWSD Tender Motion" means the Motion of the Debtor for a Final Order Pursuant to (I) 11 U.S.C. §§105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 6644), Filed by the City on August 11, 2014.

168. "DWSD Tender Order" means the Order, Pursuant to (I) 11 U.S.C. §§ 105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 7028), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on August 25, 2014.

169. "Effective Date" means the Business Day, as determined by the City, on which each applicable condition contained in Section III.A has been satisfied or waived.

170. "Eligible Pensioner" means a Holder of a Pension Claim who is eligible to receive an Income Stabilization Payment because such Holder (a) is, as of the Effective Date, at least 60 years of age or is a minor child receiving survivor benefits from GRS or PFRS and (b) has an aggregate annual household income equal to or less than 140% of the Federal Poverty Level in 2013 (as determined by reference to their (or in the case of minor children, their legal guardian's) 2013 income tax returns or equivalent documentation); provided, that no new persons will be eligible to receive Income Stabilization Payments at any time in the future, and any minor child receiving survivor benefits shall cease to be an Eligible Pensioner after he or she turns 18 years of age.

171. "Emergency Manager" means Kevyn D. Orr, in his capacity as emergency manager for the City serving in accordance with PA 436 or any successor emergency manager.

172. "Employee Health and Life Insurance Benefit Plan" means the Employee Health and Life Insurance Benefit Plan, a welfare benefit plan sponsored and administered by the City, which provides health, dental, vision care and life insurance benefits to (a) all officers and employees of the City who were employed on the day preceding the effective date of the benefit plan, and who continue to be employed by the City on and after the Effective Date and (b) substantially all retired officers and employees of the City.

173. "Employees Death Benefit Board of Trustees" means the governing board of the City of Detroit Employee Health and Life Insurance Benefit Plan, which operates and administers the Employees Death Benefit Plan.

174. "Employees Death Benefit Plan" means the City of Detroit Employee Death Benefit Plan, a pre-funded defined benefit plan and trust administered by the Employees Death Benefit Board of Trustees that provides supplemental death benefits to active and retired officers and employees of the City.

175. "Entity" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

176. "Estimated Future Liability" means the Income Stabilization Payments anticipated to be made from GRS or PFRS, as applicable, in the future in order for the respective Retirement System to fulfill the obligation to make Income Stabilization Payments, as determined by the respective Retirement System's board of trustees in the year 2022, provided that the State has not issued a certificate of default under the State Contribution Agreement with respect to the Retirement System at any time prior to 2022.

177. "Excess Assets" means the amount by which, if at all, the Income Stabilization Fund of either GRS or PFRS is credited with assets in excess of its Estimated Future Liability.

178. "Excess New B Notes" means, collectively: (a) the Syncora Excess New B Notes and (b) New B Notes in the aggregate face amount of approximately \$48.71 million, representing the difference between (i) the New B Notes that would have been distributed to FGIC or the FGIC COP Holders had their respective asserted COP Claims for principal and interest in Class 9 been Allowed in full and (ii) the New B Notes to be provided to FGIC and the FGIC COP Holders as partial consideration pursuant to the terms of the FGIC/COP Settlement.

179. "Excluded Actions" means (a) any claims with respect to enforcement of the FGIC/COP Settlement Documents or the FGIC Development Agreement, (b) any claims with respect to the New B Notes, the New C Notes or the Class 9 Settlement Credits, (c) any claims held by FGIC against the (i) COP Swap Counterparties or (ii) Related Entities of any of the foregoing, or (d) any claims asserted against the City in the proofs of claim filed by FGIC and the COP Trustee; provided that, with respect to the claims described in clause (d), notwithstanding any other provision of the Plan, such claims shall be subject to the treatment, discharge and injunction provisions set forth herein.

180. "Exculpated Parties" means, collectively and individually, (a) the RDPFFA and its board of trustees/directors, attorneys, advisors and professionals, (b) the DRCEA and its board of trustees/directors,

attorneys, advisors and professionals, (c) the postpetition officers of the Detroit Police Lieutenants and Sergeants Association, (d) the postpetition officers of the Detroit Police Command Officers Association, (e) GRS and its postpetition professional advisors, (f) PFRS and its postpetition professional advisors, (g) Gabriel, Roeder, Smith & Company, (h) the COP Swap Exculpated Parties, (i) the LTGO Exculpated Parties, (j) the UTGO Exculpated Parties, (k) the DWSD Exculpated Parties, (l) the RDPMA Exculpated Parties, (m) the Syncora Exculpated Parties, (n) the COP Agent and (o) the FGIC/COP Exculpated Parties. For the avoidance of doubt, Exculpated Parties shall not include the COP Service Corporations.

181. "Executory Contract" means a contract to which the City is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

182. "Exhibits" means, collectively, the documents listed on the "Table of Exhibits" included herein, all of which will be made available on the Document Website once they are Filed. The City reserves the right, in accordance with the terms hereof, to modify, amend, supplement, restate or withdraw any of the Exhibits after they are Filed and shall promptly make such changes available on the Document Website.

183. "Exit Facility" means a credit facility that will be entered into by the City, the Exit Facility Agent and the other financial institutions party thereto on the Effective Date on substantially the terms set forth on Exhibit I.A.183.

184. "Exit Facility Agent" means the agent under the Exit Facility.

185. "Face Amount" means either (a) the full stated amount claimed by the holder of such Claim in any proof of Claim Filed by the Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim specifies only a liquidated amount; (b) if no proof of Claim is Filed by the Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the List of Creditors, provided that such amount is not listed as disputed, contingent or unliquidated; or (c) the amount of the Claim (i) acknowledged by the City in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or (iii) proposed by City, if (A) no proof of Claim has been Filed by the Bar Date or has otherwise been deemed timely Filed under applicable law and such amount is not listed in the List of Creditors or is listed in List of Creditors as disputed, contingent or unliquidated or (B) the proof of Claim specifies an unliquidated amount (in whole or in part).

186. "Federal Poverty Level" means the poverty guidelines issued each year in the *Federal Register* by the United States Department of Health and Human Services.

187. "Fee Examiner" means Robert M. Fishman, in his capacity as the fee examiner appointed pursuant to the Fee Examiner Order.

188. "Fee Examiner Order" means the Order Appointing Fee Examiner (Docket No. 383), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on August 19, 2013, as it may have been amended, supplemented or otherwise modified.

189. "Fee Examiner Parties" means, collectively, (a) the Fee Examiner and (b) all counsel and other professionals advising the Fee Examiner whose fees and expenses are subject to the Fee Review Order.

190. "Fee Review Order" means the Fee Review Order (Docket No. 810), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on September 11, 2013, as it may have been amended, supplemented or otherwise modified, including pursuant to the Order Amending and Clarifying Fee Review Order of September 11, 2013 (Docket No. 5150), entered on May 29, 2014.

191. "Fee Review Professionals" means, collectively, (a) those professionals retained by the City and the Retiree Committee to render services in connection with the Chapter 9 Case who seek payment of compensation and reimbursement of expenses from the City for postpetition services pursuant to and in accordance with the Fee Review Order and (b) those additional professionals retained by third parties to provide services in connection with

the Chapter 9 Case that seek reimbursement by or payment from the City or any of its departments and are, or are determined (by Bankruptcy Court order or otherwise) to be, subject to the Fee Review Order or the terms of this Plan. For the avoidance of doubt, any professionals retained by any official committee appointed in the Chapter 9 Case other than the Retiree Committee are not Fee Review Professionals.

192. "Fee Review Professional Fees" means, collectively, (a) the fees and expenses of the Fee Review Professionals incurred during the period beginning on the Petition Date and ending on the Effective Date and (b) the fees and expenses of the Fee Examiner Parties through the projected date of dismissal of the Fee Examiner pursuant to Section IV.N.3.

193. "FGIC" means Financial Guaranty Insurance Company.

194. "FGIC/COP Exculpated Parties" means (a) FGIC and its Related Entities, (b) the FGIC COP Holders and their respective Related Entities and (c) the COP Agent and its Related Entities, in each case solely in their respective capacities as holders of, insurer of or administrator, trustee, or paying agent with respect to COP Claims.

195. "FGIC COP Holders" means the registered and beneficial holders of COPs originally insured by FGIC.

196. "FGIC/COP Settlement" means the comprehensive settlement with FGIC and the FGIC COP Holders, as described at Section IV.J and as definitively set forth in the FGIC/COP Settlement Documents.

197. "FGIC/COP Settlement Documents" means the definitive documentation to be executed in connection with the FGIC/COP Settlement, in substantially the form attached hereto as Exhibit I.A.197, and in any case in form and substance reasonably acceptable to the City, FGIC and the FGIC COP Holders. Whenever the consent of the FGIC COP Holders is required hereunder, or any document is required to be reasonably satisfactory to the FGIC COP Holders, such consent shall be deemed given and such document shall be deemed reasonably satisfactory unless within the period of time specified for such consent or document (which shall be reasonable under the circumstances and in any event not less than 48 hours after the request for such consent or proposed document shall have been filed with the court) unless beneficial holders of a majority of the COPs originally insured by FGIC shall have objected in writing to the action or document.

198. "FGIC Development Agreement" means that certain development agreement to be entered into by the City and the Developer, in substantially the form attached hereto as Exhibit I.A.198.

199. "FGIC Settlement Consideration" means the share of the Class 9 Settlement Asset Pool and New B Notes to be distributed for the benefit of FGIC and the FGIC COP Holders pursuant to Section II.B.3.p.i.A in respect of COPs originally insured by FGIC.

200. "File," "Filed," or "Filing" means file, filed or filing with the Bankruptcy Court or the Claims and Balloting Agent, as applicable, in the Chapter 9 Case.

201. "Final Order" means an order or judgment of the Bankruptcy Court, or any other court of competent jurisdiction, as entered on the docket in the Chapter 9 Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move, under Bankruptcy Rule 9023 or Rule 59 of the Federal Rules of Civil Procedure, for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed shall not prevent such order from being a Final Order.

202. "Financial Review Commission" means the financial review commission appointed under Section 4 of the Financial Review Commission Act.

203. "Financial Review Commission Act" means Public Act 181 of 2014 of the State, also known as the Michigan Financial Review Commission Act, Michigan Compiled Laws §§ 141.1631, *et seq.*

204. "Fiscal Year" means a fiscal year for the City, commencing on July 1 of a year and ending on June 30 of the following year. A Fiscal Year is identified by the calendar year in which the Fiscal Year ends, such that, for example, the 2015 Fiscal Year is the Fiscal Year commencing on July 1, 2014, and ending on June 30, 2015.

205. "Foundations" means those entities identified on Exhibit B to the summary of the material terms of the DIA Settlement, which is attached hereto as Exhibit I.A.126.

206. "General Fund" means the primary governmental fund and the chief operating fund of the City, which fund accounts for several of the City's primary services, including police, fire, public works, community and youth services.

207. "General Obligation Bond Claims" means, collectively, the Limited Tax General Obligation Bond Claims and the Unlimited Tax General Obligation Bond Claims.

208. "General Obligation Bond Documents" means, collectively, the Limited Tax General Obligation Bond Documents and the Unlimited Tax General Obligation Bond Documents.

209. "General Obligation Bonds" means, collectively, the Limited Tax General Obligation Bonds and the Unlimited Tax General Obligation Bonds.

210. "GRS" means the General Retirement System of the City of Detroit.

211. "GRS Adjusted Pension Amount" means, with respect to a Holder of a GRS Pension Claim, the Current Accrued Annual Pension payable to such Holder as adjusted in accordance with the following formulas:

(a) If Classes 10 and 11 vote to accept the Plan, and funding is received from the DIA Settlement and the State Contribution Agreement: for a Holder of a GRS Pension Claim who is (i) either retired and receiving a monthly pension or a surviving beneficiary or (ii) an Active Employee or a terminated employee with a right to receive a GRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus an additional 4.5% reduction in the Current Accrued Annual Pension amount, plus the ASF Recoupment, provided that ASF Recoupment shall not apply to a surviving beneficiary of a retiree who died prior to June 30, 2014; and

(b) If Classes 10 and 11 do not vote to accept the Plan or funding is not received from the DIA Settlement and the State Contribution Agreement: for a Holder of a GRS Pension Claim who is (i) either retired and receiving a monthly pension or a surviving beneficiary or (ii) an Active Employee or a terminated employee with a right to receive a GRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus an additional 27% reduction in the Current Accrued Annual Pension amount, plus the ASF Recoupment; provided that ASF Recoupment shall not apply to a surviving beneficiary of a retiree who died prior to June 30, 2014; and provided further, that with respect to Holders who are Active Employees, in the event the unfunded liabilities of the GRS for the plan year ending June 30, 2014 are greater than the unfunded liabilities of the GRS as of June 30, 2013, the monthly pension amount shall be decreased to the extent necessary to ensure that there is no change in the amount of the underfunding between Fiscal Years 2013 and 2014.

212. "GRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City or any participants in GRS, their heirs or beneficiaries or by the GRS or any trustee thereof or any other Entity acting on the GRS's behalf, against the City or any fund managed by the City (including,



but not limited to, the General Fund, the water fund, the sewage disposal fund, the Detroit General Retirement System Service Corporation fund or the pension funds) based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law for (a) any pension, disability or other post-retirement payment or distribution in respect of the employment of current or former employees or (b) the payment by the GRS to persons who at any time participated in, were beneficiaries of or accrued post-retirement pension or financial benefits under the GRS.

213. "GRS Restoration Payment" means an addition to the pension benefits that comprise the GRS Adjusted Pension Amount as described in Exhibit II.B.3.r.ii.C.

214. "Holder" means an Entity holding a Claim. With respect to any COP originally insured by FGIC, "Holder" includes the beneficial holders of any such COP.

215. "HUD Installment Note Claims" means any Claim against the City arising under or evidenced by the HUD Installment Note Documents, including a Claim for principal and interest on the HUD Installment Notes.

216. "HUD Installment Note Documents" means the promissory notes executed with respect to the HUD Installment Notes, as set forth on Exhibit I.A.216, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

217. "HUD Installment Notes" means, collectively, the secured notes issued under the HUD Installment Note Documents, as set forth on Exhibit I.A.216.

218. "Impaired" means, with respect to a Class or a Claim, that such Class or Claim is impaired within the meaning of section 1124 of the Bankruptcy Code.

219. "Income Stabilization Benefit" means a supplemental pension benefit in an amount necessary to ensure that (a) each Eligible Pensioner's total household income is equal to 130% of the Federal Poverty Level in 2013 or (b) the annual pension benefit payment payable to each Eligible Pensioner equals 100% of the annual pension benefit payment actually received by the Eligible Pensioner in 2013, whichever amount is lower.

220. "Income Stabilization Benefit Plus" means a supplemental pension benefit in an amount necessary to ensure that (a) an Eligible Pensioner's estimated adjusted annual household income (as determined by the applicable Retirement System) in a given calendar year is equal to 105% of the Federal Poverty Level for such year or (b) the annual pension benefit payment payable to an Eligible Pensioner equals 100% of the Eligible Pensioner's Current Accrued Annual Pension, plus COLAs, whichever amount is lower.

221. "Income Stabilization Payments" means the Income Stabilization Benefit and the Income Stabilization Benefit Plus, which will be paid from the Income Stabilization Fund in each of GRS and PFRS to Eligible Pensioners in accordance with the State Contribution Agreement.

222. "Income Stabilization Fund" means a separate recordkeeping sub-account that will be established in each of GRS and PFRS for the sole purpose of paying Income Stabilization Payments to Eligible Pensioners. The assets credited to these sub-accounts will be invested on a commingled basis with the GRS and PFRS assets, as applicable, and will be credited with a pro rata portion of the applicable Retirement System's earnings and losses.

223. "Indirect 36th District Court Claim" means any claim arising in connection with a Cause of Action against the 36th District Court, solely to the extent that (a) the 36th District Court is entitled to receive funding from the City to satisfy any such claim and (b) any Claim for such funding by the 36th District Court is resolved pursuant to the Plan and the 36th District Court Settlement.

224. "Indirect Employee Indemnity Claim" means any claim against an employee or former employee of the City with respect to which such employee has an Allowed Claim against the City for indemnification or

payment or advancement of defense costs based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law.

225. "Insured LTGO Bonds" means those Limited Tax General Obligation Bonds that are insured by the LTGO Insurer.

226. "Investment Committee" means, as applicable, the investment committee established by GRS or PFRS for the purpose of making recommendations to, and approving certain actions by, the respective Retirement System's board of trustees or making determinations and taking action under, and with respect to certain matters described in, the State Contribution Agreement.

227. "Liabilities" means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, derivative claims, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure or other occurrence taking place on or prior to the Effective Date.

228. "Lien" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

229. "Limited Tax General Obligation Bond Claim" means any Claim against the City arising under or evidenced by the Limited Tax General Obligation Bond Documents, including a Claim for principal and interest on the Limited Tax General Obligation Bonds.

230. "Limited Tax General Obligation Bond Documents" means the resolutions adopted and orders issued with respect to the Limited Tax General Obligation Bonds, as set forth on Exhibit I.A.230, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

231. "Limited Tax General Obligation Bonds" means, collectively, the unsecured bonds issued under the Limited Tax General Obligation Bond Documents, as set forth on Exhibit I.A.230.

232. "Liquidity Event" shall be deemed to occur only if the City has at all times complied with its obligations under the COP Swap Settlement to use its best efforts to secure sufficient exit financing as set forth therein, but is nonetheless unable to secure sufficient exit financing to pay the Net Amount on or promptly following the Effective Date.

233. "List of Creditors" means the Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (together with the summaries and schedules attached thereto), attached as Exhibit A to the Notice of Filing of Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (Docket No. 1059), Filed by the City on September 30, 2013, as such list, summaries or schedules may be amended, restated, supplemented or otherwise modified.

234. "LTGO Distribution Agent" means U.S. Bank National Association, in its capacity as agent under a distribution agreement to be entered into in connection with the LTGO Settlement Agreement or such other entity as may be agreed to among the parties to the LTGO Settlement Agreement.

235. "LTGO Exculpated Parties" means (a) the LTGO Insurer, (b) BlackRock Financial Management, solely in its capacity as a Holder of Limited Tax General Obligation Bonds, and (c) their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, consultants, financial advisors and investment bankers, solely in their capacity as such.

236. "LTGO Insurer" means Ambac, solely in its capacity as insurer of certain of the City's obligations with respect to the Limited Tax General Obligation Bonds.

237. "LTGO Settlement Agreement" means the comprehensive settlement regarding Limited Tax General Obligation Bond Claims and related Bond Insurance Policy Claims, substantially in the form attached hereto as Exhibit I.A.237.

238. "LTGO Settlement Parties" means (a) the LTGO Insurer and (b) BlackRock Financial Management, on behalf of certain managed funds and accounts set forth in the LTGO Settlement Agreement.

239. "Macomb County" means the County of Macomb, Michigan.

240. "Mayor" means the duly-elected mayor of the City.

241. "MFA" means the Michigan Finance Authority.

242. "Municipal Obligation" means the local government municipal obligation to be delivered by the City to the MFA in accordance with the LTGO Settlement Agreement and applicable law.

243. "NPFG" means National Public Finance Guarantee Corporation.

244. "Net Amount" means the Distribution Amount less the sum of all quarterly payments received by the COP Swap Counterparties under the COP Swap Collateral Agreement in respect of amounts owed under the COP Swap Agreements since January 1, 2014.

245. "Net DWSD Transaction Proceeds" means (a) the cash proceeds received by or for the benefit of, or for attribution to, the General Fund as a result of a Qualifying DWSD Transaction less (1) any cash payments made by or on behalf of the General Fund in connection with a Qualifying DWSD Transaction, (2) any cash payments previously anticipated or projected to be contributed to GRS by DWSD but for the Qualifying DWSD Transaction and (3) any cash payments previously anticipated or projected to be received by or on behalf of the General Fund but for the Qualifying DWSD Transaction; and (b) any other net payments, assumption of scheduled monetary liability or cancellation of indebtedness or other monetary obligations that inures to the direct benefit of the General Fund as a result of the Qualifying DWSD Transaction. In applying this definition, the City and the Restoration Trust (or the Retiree Committee if prior to the Effective Date) will work to develop a schedule of Net DWSD Transaction Proceeds at the time of the Qualifying DWSD Transaction that will inform any Value Determination (if requested) and allow the parties to subsequently track actual results and adjust applicable pension restoration levels accordingly.

246. "New B Notes" means the unsecured bonds to be issued by the City pursuant to the New B Notes Documents, substantially on the terms set forth on Exhibit I.A.246.

247. "New B Notes Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New B Notes, in substantially the form attached hereto as Exhibit I.A.247.

248. "New C Notes" means the unsecured bonds to be issued by the City pursuant to the New C Notes Documents, substantially on the terms set forth on Exhibit I.A.248 and in any case in form and substance reasonably acceptable to the City and Syncora.

249. "New C Notes Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New C Notes, in substantially the form attached hereto as Exhibit I.A.249 and in any case in form and substance reasonably acceptable to the City and Syncora.

250. "New GRS Active Pension Plan" means the terms and conditions for future accrual and payment of pensions for active non-public safety employees of the City or another entity that participates in GRS in connection with employment service performed on and after July 1, 2014, in substantially the form attached hereto as Exhibit I.A.250.a and the material terms of which are attached hereto as Exhibit I.A.250.b.

251. "New GRS Active Pension Plan Formula" means an accrual rate for active employee participants in the GRS for benefits earned for service on or after July 1, 2014 that equals the product of (a) 1.5% multiplied by (b) an employee's average base compensation over such employee's final 10 years of service, multiplied by (c) such employee's years of service after July 1, 2014. For purposes of this definition, base compensation will exclude overtime, longevity or other bonuses, and unused sick leave, and the New GRS Active Pension Plan Formula will be part of a hybrid program that will contain rules to shift funding risk to participants in the event of underfunding of hybrid pensions, and mandate minimum retirement ages for unreduced pensions.

252. "New LTGO Bond Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New LTGO Bonds, in substantially the form attached as an exhibit to the LTGO Settlement Agreement.

253. "New LTGO Bonds" means the bonds to be issued by the City pursuant to the New LTGO Bond Documents, substantially on the terms set forth on Schedule 1 of the LTGO Settlement Agreement.

254. "New PFRS Active Pension Plan" means the terms and conditions for future accrual and payment of pensions for active public safety employees of the City in connection with employment service performed on and after July 1, 2014, in substantially the form attached hereto as Exhibit I.A.254.a and the material terms of which are attached hereto as Exhibit I.A.254.b.

255. "New PFRS Active Pension Plan Formula" means an accrual rate for active employee participants in the PFRS for benefits earned on or after July 1, 2014 that equals the product of (a) 2.0% multiplied by (b) an employee's average base compensation over the employee's final five years of service, as set forth on Exhibit I.A.254.b, multiplied by (c) such employee's years of service after July 1, 2014. For purposes of this definition, base compensation will mean the employee's actual base compensation and will exclude overtime, longevity or other bonuses, and unused sick leave, and the New PFRS Active Pension Plan Formula will be part of a hybrid program that will contain rules to shift funding risk to participants in the event of underfunding of hybrid pensions, and mandate minimum retirement ages for unreduced pensions.

256. "New Securities" means, collectively, the New B Notes, the New C Notes, the New LTGO Bonds and the Municipal Obligation.

257. "Non-Settling UTGO Bond Insurer" means, together, Syncora Capital Assurance Inc. and Syncora Guarantee Inc., solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds.

258. "Oakland County" means the County of Oakland, Michigan.

259. "OPEB Benefits" means, collectively, post-retirement health, vision, dental, life and death benefits provided to retired employees of the City, the Detroit Public Library or the Detroit Regional Convention Facility Authority and their surviving beneficiaries pursuant to the Employee Health and Life Insurance Benefit Plan, the Employees Death Benefit Plan or any comparable plan, including the members of the certified class in the action captioned *Weiler et. al. v. City of Detroit*, Case No. 06-619737-CK (Wayne County Circuit Court), pursuant to the "Consent Judgment and Order of Dismissal" entered in that action on August 26, 2009.

260. "OPEB Claim" means any Claim against the City for OPEB Benefits held by a retiree who retired on or before December 31, 2014 and is otherwise eligible for OPEB Benefits, and any eligible surviving beneficiaries of such retiree.

261. "Other Secured Claim" means a Secured Claim, other than a COP Swap Claim, a DWSD Bond Claim, a DWSD Revolving Bond Claim, a HUD Installment Note Claim or a Secured GO Bond Claim.

262. "Other Unsecured Claim" means any Claim that is not an Administrative Claim, a Convenience Claim, a COP Claim, a Downtown Development Authority Claim, a General Obligation Bond Claim, a GRS Pension Claim, an OPEB Claim, a PFRS Pension Claim, a Secured Claim, an Indirect 36th District Court Claim or a

Subordinated Claim. For the avoidance of doubt, Section 1983 Claims and Indirect Employee Indemnity Claims are included within the definition of Other Unsecured Claim.

263. "PA 436" means Public Act 436 of 2012 of the State, also known as the Local Financial Stability and Choice Act, Michigan Compiled Laws §§ 141.1541-141.1575.

264. "Parking Garages" means, collectively, parking garages owned by the City other than (a) that certain underground parking garage, commonly known as the "Grand Circus Parking Garage," located at 1600-01 Woodward Avenue, Detroit, Michigan, (b) that certain underground parking garage, commonly known as the "Cultural Center Garage," located at 41 Farnsworth Street, Detroit, Michigan and (c) that certain multi-story parking structure near the Riverfront Arena with an address of 900 W. Jefferson Avenue, Detroit, Michigan having a capacity of approximately 3,200 car spaces commonly known as "Joe Louis Arena Garage." For the avoidance of doubt, (a) that certain parking lot located at 5200 Woodward Avenue, Detroit, Michigan and (b) that certain parking lot, commonly known as the "Frederick Lot," located at 318 Frederick Street, Detroit, Michigan, shall not be considered Parking Garages.

265. "Pass-Through Obligations" means the City's obligations to the Pass-Through Recipients with respect to which the City acts, or may in the future act, as a tax-collecting agent for tax increment revenues derived from property taxes of the City and certain other taxing jurisdictions and required to be transmitted by the Treasurer of the City to the Pass-Through Recipients under their respective tax increment financing enabling statutes.

266. "Pass-Through Recipients" means, collectively, the (a) DDA, (b) Local Development Finance Authority, (c) Detroit Brownfield Redevelopment Authority and (d) City of Detroit Eight Mile/Woodward Corridor Improvement Authority, each of which are separate legal entities from the City.

267. "Pension Claim" means a GRS Pension Claim or a PFRS Pension Claim.

268. "Petition Date" means July 18, 2013.

269. "PFRS" means the Police and Fire Retirement System of the City of Detroit.

270. "PFRS Adjusted Pension Amount" means, with respect to a Holder of a PFRS Pension Claim, the Current Accrued Annual Pension payable to such Holder as adjusted in accordance with the following formulas:

(a) If Classes 10 and 11 vote to accept the Plan, and funding is received from the DIA Settlement and the State Contribution Agreement: Holders of PFRS Pension Claims will continue to receive their Current Accrued Annual Pension, but COLAs from and after June 30, 2014 shall be 45% of the COLAs provided for in police and fire collective bargaining agreements, other contracts or ordinances; and

(b) If Classes 10 and 11 do not vote to accept the Plan or funding is not received from the DIA Settlement and the State Contribution Agreement: (i) for a Holder of a PFRS Pension Claim who is (A) either retired and receiving a monthly pension or a surviving beneficiary or (B) a terminated employee with a right to receive a PFRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs; and (ii) for a Holder of a PFRS Pension Claim who is an Active Employee, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus elimination of the deferred retirement option plan feature of PFRS for certain Active Employees who have not already irrevocably elected to participate in the feature; provided that, with respect to Holders that are Active Employees, in the event the unfunded liabilities of the PFRS for the plan year ending June 30, 2014 are greater than the unfunded liabilities of the PFRS as of June 30, 2013, the monthly pension amount shall be reduced to the extent necessary to ensure that there is no change in the amount of the underfunding between Fiscal Years 2013 and 2014.

271. "PFRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City, their heirs or beneficiaries or by the PFRS or any trustee thereof or any other Entity acting on the PFRS's behalf, against the City or any fund managed by the City (including, but not

limited to, the General Fund, the Police and Fire Retirement System Service Corporation fund or the pension funds) based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law for (a) any pension, disability, or other post-retirement payment or distribution in respect of the employment of such current or former employees or (b) the payment by the PFRS to persons who at any time participated in, were beneficiaries of or accrued post-retirement pension or financial benefits under the PFRS.

272. "PFRS Restoration Payment" means an addition to the pension benefits that comprise the PFRS Adjusted Pension Amount as described in Exhibit II.B.3.q.ii.C.

273. "Plan" means this plan of adjustment and all Exhibits attached hereto or referenced herein, as the same may be amended, restated, supplemented or otherwise modified.

274. "Plan COP Settlement" means the comprehensive settlement regarding COP Claims on terms and conditions described in Section II.B.3.p.i.A.

275. "Plan Supplement" means any supplement to the Plan containing Exhibits that were not Filed as of the date of the entry of the Disclosure Statement Order.

276. "Pledged Property" means the collateral pledged by the City under the COP Swap Collateral Agreement or Ordinance No. 05-09 of the City.

277. "Postpetition Financing Agreement" means, collectively, (a) the Bond Purchase Agreement by and among the City and Barclays Capital, Inc., as purchaser, (b) the Financial Recovery Bond Trust Indenture by and among the City and UMB Bank, N.A., as trustee, and (c) all ancillary and related instruments and agreements approved by the Bankruptcy Court pursuant to the Postpetition Financing Order.

278. "Postpetition Financing Order" means the Order Pursuant to 11 U.S.C. §§ 105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay (Docket No. 3067) entered by the Bankruptcy Court on the docket of the Chapter 9 Case on April 2, 2014, approving the Postpetition Financing Agreement.

279. "Postpetition Financing Claims" means any Claim against the City under or evidenced by (a) the Postpetition Financing Agreement and (b) the Postpetition Financing Order.

280. "Prior GRS Pension Plan" means the terms and conditions of the GRS in effect as of June 30, 2014 and applicable to benefits accrued by members of GRS prior to July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.280.

281. "Prior PFRS Pension Plan" means the terms and conditions of the PFRS in effect as of June 30, 2014 and applicable to benefits accrued by members of PFRS prior to July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.281.

282. "Pro Rata" means, when used with reference to a distribution of property to Holders of Allowed Claims in a particular Class or other specified group of Claims, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a)(i) the amount of property to be distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims. Until all Disputed Claims in a Class or other specified group of Claims are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating a Pro Rata distribution of property to holders of Allowed Claims in such Class or group of Claims.

283. "Professional Fee Reserve" means the reserve for Fee Review Professional Fees established pursuant to Section IV.N.1.

284. "Qualifying DWSD Transaction" means a potential transaction involving the transfer to a third party (including but not limited to a lease) of a majority of the assets of, or the right to operate and manage, the City's water or sewage disposal systems currently operated by the DWSD in one or a series of related transactions.

285. "RDPFFA" means the Retired Detroit Police and Fire Fighters Association.

286. "RDPMA" means the Retired Detroit Police Members Association.

287. "RDPMA Exculpated Parties" means the RDPMA and its board of trustees/directors, attorneys, advisors and professionals, solely in their capacity as such.

288. "Reinstated" means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim entitles the Holder or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) the cure of any such default other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) the reinstatement of the maturity of such Claim as such maturity existed before such default; (iii) compensation of the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensation of the Holder of such Claim for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the Holder. "Reinstate" and "Reinstatement" shall have correlative meanings.

289. "Related Entity" means, with respect to any Entity, such Entity's Affiliates, predecessors, successors and assigns (whether by operation of law or otherwise), and with respect to any of the foregoing their respective present and former Affiliates and each of their respective current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity, and any Entity claiming by or through any of them (including their respective officials, officers, directors, employees, managers, advisors and professionals).

290. "Released Parties" means, collectively and individually, the Retiree Committee, the members of the Retiree Committee, the Retiree Committee Professionals, the Foundations, DIA Corp., the DIA Funders and their Related Entities and the CFSEM Supporting Organization and its Related Entities.

291. "Restoration Trust" means a trust to be established pursuant to the Restoration Trust Agreement to (a) hold the DWSD CVR and enforce rights related to its terms and (b) consult with the trustees and the Investment Committee of PFRS or GRS with respect to restoration rights affecting retirees of PFRS or GRS, respectively; provided, however, that the Restoration Trust shall not have any right to initiate enforcement proceedings against the trustees or Investment Committee of either PFRS or GRS with respect to Special Restoration or the general rules governing pension restoration as provided for in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C.

292. "Restoration Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Restoration Trust, in substantially the form attached hereto as Exhibit I.A.292.

293. "Restructured UTGO Bonds" means the bonds to be issued by the MFA to the current Holders of Unlimited Tax General Obligation Bond Claims, the Settling UTGO Bond Insurers and the Non-Settling UTGO Bond Insurer in the amount of \$287,560,790 pursuant to the UTGO Settlement Agreement, which bonds shall be limited obligations of the MFA and shall be secured as more particularly described in the UTGO Settlement Agreement.

294. "Retiree Classes" means Classes 10, 11 and 12, as set forth in Section II.B.



295. "Retiree Committee" means the official committee of retired employees first appointed by the United States Trustee in the Chapter 9 Case on August 22, 2013 (Docket No. 566), as such committee may be reconstituted, solely in its capacity as such.

296. "Retiree Committee Professionals" means those professionals retained by the Retiree Committee to render services in connection with the Chapter 9 Case that seek payment of compensation and reimbursement of expenses from the City for postpetition services pursuant to and in accordance with the Fee Review Order, solely in their capacity as such.

297. "Retiree Health Care Litigation" means the adversary proceeding captioned as *Official Committee of Retirees of the City of Detroit, Michigan, et al. v. City of Detroit, Michigan, et al.*, Case No. 14-04015 (Bankr. E.D. Mich.), filed in the Chapter 9 Case on January 9, 2014.

298. "Retiree Health Care Settlement Agreement" means the Settlement Agreement, effective February 14, 2014, between the parties to the Retiree Health Care Litigation, pursuant to which such parties agreed to certain modifications to the changes in retiree health care benefits that the City was otherwise to implement on March 1, 2014, a copy of which is attached hereto as Exhibit I.A.298.

299. "Retirement System Indemnity Obligations" means any and all obligations of the City, as of the Petition Date, to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of any party in connection with any Causes of Action relating in any way to either GRS or PFRS or the management, oversight, administration or activities thereof, as such obligations may be as provided for in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements.

300. "Retirement Systems" means, collectively, the GRS and the PFRS.

301. "Section 115" means section 115 of the Internal Revenue Code of 1986, as amended.

302. "Section 1983 Claim" means any Claim against the City, its employees or both arising under 42 U.S.C. § 1983 that has not been settled, compromised or otherwise resolved and with respect to which Claim a lawsuit was pending before the District Court on or prior to the Petition Date.

303. "Secured Claim" means a Claim that is secured by a Lien on property in which the City has an interest or that is subject to valid setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder's interest in the City's interest in such property or to the extent of the amount subject to valid setoff, as applicable, as determined pursuant to section 506 of the Bankruptcy Code.

304. "Secured GO Bond Claims" means, collectively, the Secured GO Series 2010 Claims, the Secured GO Series 2010(A) Claims, the Secured GO Series 2012(A)(2) Claims, the Secured GO Series 2012(A2-B) Claims, the Secured GO Series 2012(B) Claims and the Secured GO Series 2012(B2) Claims.

305. "Secured GO Bond Documents" means, collectively, the Secured GO Series 2010 Bond Documents, the Secured GO Series 2010(A) Bond Documents, the Secured GO Series 2012(A)(2) Bond Documents, the Secured GO Series 2012(A2-B) Bond Documents, the Secured GO Series 2012(B) Bond Documents and the Secured GO Series 2012(B2) Bond Documents.

306. "Secured GO Bonds" means, collectively, the Secured GO Series 2010 Bonds, the Secured GO Series 2010(A) Bonds, the Secured GO Series 2012(A)(2) Bonds, the Secured GO Series 2012(A2-B) Bonds, the Secured GO Series 2012(B) Bonds and the Secured GO Series 2012(B2) Bonds.

307. "Secured GO Series 2010 Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2010 Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

308. "Secured GO Series 2010 Bonds" means the secured \$249,790,000 Distributable State Aid General Obligation (Limited Tax) Bonds, Series 2010, issued pursuant to the Secured GO Series 2010 Bond Documents.

309. "Secured GO Series 2010 Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2010 Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010 Bonds.

310. "Secured GO Series 2010(A) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2010(A) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

311. "Secured GO Series 2010(A) Bonds" means the secured \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds – Direct Payment), issued pursuant to the Secured GO Series 2010(A) Bond Documents.

312. "Secured GO Series 2010(A) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2010(A) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010(A) Bonds.

313. "Secured GO Series 2012(A)(2) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(A)(2) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

314. "Secured GO Series 2012(A)(2) Bonds" means the secured \$38,865,000 Self-Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A)(2), issued pursuant to the Secured GO Series 2012(A)(2) Bond Documents.

315. "Secured GO Series 2012(A)(2) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(A)(2) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010(A)(2) Bonds.

316. "Secured GO Series 2012(A2-B) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(A2-B) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

317. "Secured GO Series 2012(A2-B) Bonds" means the secured \$53,520,000 Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B), issued pursuant to the Secured GO Series 2012(A2-B) Bond Documents.

318. "Secured GO Series 2012(A2-B) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(A2-B) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(A2-B) Bonds.

319. "Secured GO Series 2012(B) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(B) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

320. "Secured GO Series 2012(B) Bonds" means the \$6,405,000 General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation), Series 2012(B), issued pursuant to the Secured GO Series 2012(B) Bond Documents.

321. "Secured GO Series 2012(B) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(B) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(B) Bonds.

322. "Secured GO Series 2012(B2) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(B2) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

323. "Secured GO Series 2012(B2) Bonds" means the \$30,730,000 Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2), issued pursuant to the Secured GO Series 2012(B2) Bond Documents.

324. "Secured GO Series 2012(B2) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(B2) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(B2) Bonds.

325. "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, or any similar federal, state, or local law.

326. "Settling 36th District Court Claimants" means (a) the 36th District Court, (b) Local 917 of the American Federation of State, County and Municipal Employees, (c) Local 3308 of the American Federation of State, County and Municipal Employees and (d) those individuals identified as "Individual Claimants" on the term sheet attached hereto as Exhibit I.A.9.

327. "Settling COP Claimant" means (a) those holders of COP Claims that are the subject of the Syncora Settlement Documents or (b) those Holders of COP Claims that are the subject of the FGIC/COP Settlement Documents.

328. "Settling UTGO Bond Insurers" means, collectively, Ambac, Assured and NPFG and each of their respective successors and assigns, solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds.

329. "Special Restoration" means the potential restoration or replacement of benefit reductions imposed by the Plan in connection with a Qualifying DWSD Transaction, as described in Section IV.F.

330. "State" means the state of Michigan.

331. "State Contribution" means payments to be made to GRS and PFRS by the State or the State's authorized agent for the purpose of funding Adjusted Pension Amounts in an aggregate amount equal to the net present value of \$350 million payable over 20 years using a discount rate of 6.75%, pursuant to the terms of the State Contribution Agreement.

332. "State Contribution Agreement" means the definitive documentation to be executed in connection with the comprehensive settlement regarding Pension Claims as described in Section IV.D, in substantially the form attached hereto as Exhibit I.A.332.

333. "State Related Entities" means, collectively: (a) all officers, legislators, employees, judges and justices of the State; (b) the Governor of the State; (c) the Treasurer of the State; (d) all members of the Local Emergency Financial Assistance Loan Board created under the Emergency Municipal Loan Act, Michigan Compiled Laws §§ 141.931-141.942; (e) each of the State's agencies and departments; and (f) the Related Entities of each of the foregoing.

334. "Stay Extension Order" means the Order Pursuant to Section 105(a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non-Officer Employees and (C) Agents and

Representatives of the Debtor (Docket No. 166), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on July 25, 2013, as it may be amended, supplemented or otherwise modified.

335. "Stub UTGO Bonds" means Unlimited Tax General Obligation Bonds in the principal amount of \$43,349,210 that, from and after the Effective Date, will (a) be reinstated, (b) remain outstanding and (c) be payable from the UTGO Bond Tax Levy, as more particularly described in the UTGO Settlement Agreement.

336. "Subordinated Claim" means a Claim of the kind described in sections 726(a)(3) or 726(a)(4) of the Bankruptcy Code or Claims subordinated under sections 510(b) or 510(c) of the Bankruptcy Code.

337. "Supplemental Trust Agreements" means, collectively, (a) one or more supplemental trust agreements between the COP Trustee and COP Service Corporations, entered into with the consent of FGIC and (b) one or more supplemental trust agreements between the COP Trustee and COP Service Corporations, entered into with the consent of Syncora, in each case to be executed prior to the Effective Date, which agreements shall, among other things, for purposes of distributions of trust assets explicitly supersede the 2005 COPs Agreement and the 2006 COPs Agreement, which incorporates by reference Sections 6.5 and 9.1 of each Contract Administration Agreement and Section 8.03 of each COP Service Contract.

338. "Swap Insurance Policies" means those policies or other instruments insuring the COP Swap Agreements and obligations related thereto.

339. "Syncora" means, collectively, Syncora Guarantee, Inc. and Syncora Capital Assurance Inc.

340. "Syncora Development Agreement" means that certain development agreement by and between the City and Pike Point Holdings, LLC, a wholly owned indirect subsidiary of Syncora, in substantially the form attached hereto as Exhibit I.A.340, including all exhibits thereto, and in any case in form and substance reasonably acceptable to the City and Syncora.

341. "Syncora Excess New B Notes" means New B Notes in the aggregate face amount of approximately \$15.43 million, representing the difference between (a) the New B Notes that would have been distributed to Syncora had its asserted COP Claim for principal and interest in Class 9 been Allowed in full and (b) the New B Notes to be provided to Syncora as partial consideration pursuant to the terms of the Syncora Settlement.

342. "Syncora Exculpated Parties" means Syncora and their Related Entities, solely with respect to issues arising in connection with Syncora's capacity as holder or insurer of Unlimited Tax General Obligation Bond Claims and COP Claims.

343. "Syncora Settlement" means the comprehensive settlement with Syncora, as described at Section IV.I and as definitively set forth in the Syncora Settlement Documents.

344. "Syncora Settlement Documents" means the definitive documentation to be executed in connection with the Syncora Settlement, in substantially the form attached hereto as Exhibit I.A.344, and in any case in form and substance reasonably acceptable to the City and Syncora.

345. "Tax" means: (a) any net income, alternative or add-on minimum, gross income, gross receipts, gross margins, sales, use, stamp, real estate transfer, mortgage recording, ad valorem, value added, transfer, franchise, profits, license, property, payroll, employment, unemployment, occupation, disability, excise, severance, withholding, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a transferee or successor or a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other Entity.

346. "Top-Off Payments" means the payments to be made to the Settling UTGO Bond Insurers pursuant to the UTGO Settlement Agreement if a Trigger Event occurs in amounts equal to the product of: (a) the amount by which the recovery received by Holders of Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as applicable, under the Plan exceeds 69.5% of the aggregate amount of all such Allowed Claims in such Class, multiplied by (b) the quotient of (i) \$100.5 million, divided by (ii) the sum of (x) 30.5% of the aggregate amount of all Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as the case may be, and (y) \$100.5 million.

347. "Tort Claim" means any Claim that has not been settled, compromised or otherwise resolved that arises out of allegations of personal injury or wrongful death claims and is not a Section 1983 Claim.

348. "Trigger Event" means the receipt by Holders of Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as applicable, of consideration pursuant to the Plan of 69.5% or more of the aggregate amount of all of the Allowed Claims in such Class. For purposes of determining whether a Trigger Event has occurred, all actual recoveries for Holders of Allowed Limited Tax General Obligation Bond Claims and Allowed COP Claims shall be determined by discounting the payments made to such Classes using a 5% discount rate back to the date of Confirmation.

349. "Tunnel Lease" means, collectively, (a) that certain Tube Lease, dated March 20, 1978, by and between the City, as landlord, and Detroit Windsor Tunnel LLC, as successor-in-interest to Detroit & Canada Tunnel Corporation, as tenant, and (b) that certain Sublease, dated March 20, 1978, by and between the City, as landlord, as successor-in-interest to Ford Motor Properties, Inc. as sublandlord, and Detroit Windsor Tunnel LLC, as successor-in-interest to Detroit & Canada Tunnel Corporation, as subtenant, each as may be amended, restated, supplemented or otherwise modified, in any case in form and substance reasonably acceptable to the City and Syncora.

350. "Unexpired Lease" means a lease to which the City is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

351. "Unimpaired" means, with respect to a Class or a Claim, that such Class or Claim is not Impaired.

352. "United States Trustee" means the Office of the United States Trustee for the Eastern District of Michigan.

353. "Unlimited Tax General Obligation Bond Claim" means any Claim against the City arising under or evidenced by the Unlimited Tax General Obligation Bond Documents, including a Claim for principal and interest on the Unlimited Tax General Obligation Bonds.

354. "Unlimited Tax General Obligation Bond Documents" means the resolutions passed and orders issued with respect to the Unlimited Tax General Obligation Bonds, as set forth on Exhibit I.A.354, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

355. "Unlimited Tax General Obligation Bonds" means, collectively, the bonds issued under the Unlimited Tax General Obligation Bond Documents, as set forth on Exhibit I.A.354.

356. "Unsecured Claim" means a Claim that is not a Secured Claim or an Administrative Claim.

357. "UTGO Bond Tax Levy" means that portion of the proceeds of the ad valorem tax millage levies pledged to and on account of the Unlimited Tax General Obligation Bonds.

358. "UTGO Exculpated Parties" means, collectively, Ambac, Assured and NPFG, solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds, and each of their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents,

attorneys, advisors, accountants, consultants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

359. "UTGO Litigation" means, together, the adversary proceedings filed in the Chapter 9 Case on November 8, 2013, captioned as *National Public Finance Guarantee Corporation and Assured Guaranty Municipal Corporation v. City of Detroit, Michigan, et al.*, Case No. 13-05309 (Bankr. E.D. Mich.), and *Ambac Assurance Corporation v. City of Detroit, Michigan, et al.*, Case No. 13-05310 (Bankr. E.D. Mich.), to the extent that such proceedings relate to the Unlimited Tax General Obligation Bonds.

360. "UTGO Settlement Agreement" means that certain Settlement Agreement, dated as of July 18, 2014, among the City and the Settling UTGO Bond Insurers, substantially in the form attached hereto as Exhibit I.A.360.

361. "Value Determination" means a valuation of the expected Net DWSD Transaction Proceeds.

362. "Voting Deadline" means the deadline fixed by the Bankruptcy Court in the Disclosure Statement Order for submitting Ballots to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

363. "Wayne County" means the Charter County of Wayne, Michigan.

## **B. Rules of Interpretation and Computation of Time.**

### **1. Rules of Interpretation.**

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference herein to an existing document or Exhibit Filed or to be Filed shall mean such document or Exhibit, as it may have been or may be amended, restated, supplemented or otherwise modified pursuant to the Plan, the Confirmation Order or otherwise; (d) any reference to an Entity as a Holder of a Claim includes that Entity's successors, assigns and Affiliates; (e) all references to Sections or Exhibits are references to Sections and Exhibits of or to the Plan; (f) the words "herein," "hereunder," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the extent not inconsistent with any other provision of this Section.

### **2. Computation of Time.**

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

## **ARTICLE II CLASSIFICATION OF CLAIMS; CRAMDOWN; EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Pursuant to sections 1122 and 1123 of the Bankruptcy Code, Claims are classified under the Plan for all purposes, including voting, Confirmation and Distribution. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, as described in Section II.A, have not been classified and thus are excluded from the Classes described in Section II.B.1. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and shall be deemed classified in a different

Class to the extent that any remainder of such Claim qualifies within the description of such other Class. Notwithstanding the foregoing, in no event shall any Holder of an Allowed Claim be entitled to receive payments or Distributions under the Plan that, in the aggregate, exceed the Allowed amount of such Holder's Claim.

**A. Unclassified Claims.**

**1. Payment of Administrative Claims.**

**a. Administrative Claims in General.**

Except as specified in this Section II.A.1, and subject to the bar date provisions herein, unless otherwise agreed by the Holder of an Administrative Claim and the City, or ordered by the Bankruptcy Court, each Holder of an Allowed Administrative Claim will receive, in full satisfaction of such Allowed Administrative Claim, Cash in an amount equal to such Allowed Administrative Claim either: (1) on the Effective Date or as soon as reasonably practicable thereafter; or (2) if the Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which such Administrative Claim becomes an Allowed Claim. No Claim of any official or unofficial creditors' committee or any member thereof for professionals' fees or other costs and expenses incurred by such creditors' committee or by a member of such creditors' committee shall constitute an Allowed Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order.

**b. Claims Under the Postpetition Financing Agreement.**

Unless otherwise agreed by Barclays Capital, Inc. pursuant to the Postpetition Financing Agreement, on or before the Effective Date, Postpetition Financing Claims that are Allowed Administrative Claims will be paid in Cash equal to the amount of those Allowed Administrative Claims.

**2. Bar Dates for Administrative Claims.**

**a. General Bar Date Provisions.**

Except as otherwise provided in Section II.A.2.b, Section II.A.2.c or in a Bar Date Order or other order of the Bankruptcy Court, unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the City no later than 45 days after the Effective Date. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date will be forever barred from asserting such Administrative Claims against the City or its property, and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the City and the requesting party by the later of (i) 150 days after the Effective Date, (ii) 60 days after the Filing of the applicable request for payment of Administrative Claims or (iii) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Administrative Claims. The foregoing procedures shall be specified in the Confirmation Order and the notice of entry of the Confirmation Order and served on all parties in interest.

**b. Ordinary Course Claims**

Holders of Claims based on Liabilities incurred by the City after the Petition Date in the ordinary course of its operations will not be required to File or serve any request for payment or application for allowance of such Claims. Such Claims will be paid by the City, pursuant to the terms and conditions of the particular transaction giving rise to such Claims, without further action by the Holders of such Claims or further action or approval of the Bankruptcy Court.



**c. Claims Under the Postpetition Financing Agreement.**

Holders of Administrative Claims that are Postpetition Financing Claims will not be required to File or serve any request for payment or application for allowance of such Claims. Such Administrative Claims will be satisfied pursuant to Section II.A.1.b.

**d. No Modification of Bar Date Order.**

The Plan does not modify any other Bar Date Order, including Bar Dates for Claims entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.

**B. Classified Claims.**

**1. Designation of Classes.**

The following table designates the Classes and specifies whether such Classes are Impaired or Unimpaired by the Plan.

CLASS	NAME	IMPAIRMENT
<i>Secured Claims</i>		
1A	All Classes of DWSD Bond Claims (One Class for each CUSIP of DWSD Bonds, as set forth on Exhibit I.A.148)	Unimpaired
1B	All Classes of DWSD Revolving Sewer Bond Claims (One Class for each DWSD Series of DWSD Revolving Sewer Bonds, as set forth on Exhibit I.A.156)	Unimpaired/Nonvoting
1C	All Classes of DWSD Revolving Water Bond Claims (One Class for each DWSD Series of DWSD Revolving Water Bonds, as set forth on Exhibit I.A.159)	Unimpaired/Nonvoting
2A	Secured GO Series 2010 Claims	Unimpaired/Nonvoting
2B	Secured GO Series 2010(A) Claims	Unimpaired/Nonvoting
2C	Secured GO Series 2012(A)(2) Claims	Unimpaired/Nonvoting
2D	Secured GO Series 2012(A2-B) Claims	Unimpaired/Nonvoting
2E	Secured GO Series 2012(B) Claims	Unimpaired/Nonvoting
2F	Secured GO Series 2012(B2) Claims	Unimpaired/Nonvoting
3	Other Secured Claims	Unimpaired/Nonvoting
4	HUD Installment Notes Claims	Unimpaired/Nonvoting
5	COP Swap Claims	Impaired/Voting
6	Claims Previously Classified in Class 6 Paid in Full	N/A
<i>Unsecured Claims</i>		
7	Limited Tax General Obligation Bond Claims	Impaired/Voting
8	Unlimited Tax General Obligation Bond Claims	Impaired/Voting
9	COP Claims	Impaired/Voting

CLASS	NAME	IMPAIRMENT
10	PFRS Pension Claims	Impaired/Voting
11	GRS Pension Claims	Impaired/Voting
12	OPEB Claims	Impaired/Voting
13	Downtown Development Authority Claims	Impaired/Voting
14	Other Unsecured Claims	Impaired/Voting
15	Convenience Claims	Impaired/Voting
16	Subordinated Claims	Impaired/Nonvoting
17	Indirect 36th District Court Claims	Impaired/Voting

## 2. Subordination; Reservation of Rights to Reclassify Claims.

Except with respect to Bond Insurance Policy Claims, the allowance, classification and treatment of Allowed Claims and the respective Distributions and treatments specified in the Plan take into account the relative priority and rights of the Claims in each Class and all contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise. Except as expressly set forth herein, consistent with section 510(a) of the Bankruptcy Code, nothing in the Plan shall, or shall be deemed to, modify, alter or otherwise affect any right of a Holder of a Claim to enforce a subordination agreement against any Entity other than the City to the same extent that such agreement is enforceable under applicable nonbankruptcy law. Pursuant to section 510 of the Bankruptcy Code, the City reserves the right to reclassify any Disputed Claim in accordance with any applicable contractual, legal or equitable subordination. For the avoidance of doubt, this Section II.B.2 shall not affect or limit the application of section 509 of the Bankruptcy Code or any similar doctrine to Bond Insurance Policy Claims, which are preserved for enforcement by the City or by the relevant Bond Insurer.

## 3. Treatment of Claims.

### a. Class 1A – DWSD Bond Claims.

#### i. Classification and Allowance.

DWSD Bond Claims relating to each CUSIP of DWSD Bonds shall be separately classified, as reflected on Exhibit I.A.148, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Bond Claims shall be deemed Allowed in the amounts set forth on Exhibit I.A.148.

#### ii. Treatment.

Each Holder of an Allowed DWSD Bond Claim shall have its Allowed DWSD Bond Claim Reinstated on the Effective Date, unless such Holder agrees to a different treatment of such Claim. All votes and elections previously delivered in Class 1A shall not be counted and shall be of no force and effect. Any Allowed Secured Claims for fees, costs and expenses under the DWSD Bond Documents arising in connection with such Allowed DWSD Bond Claims shall be paid in full in Cash once Allowed pursuant to the DWSD Tender Order, by agreement of the parties or by order of the Bankruptcy Court. In addition, all claims for fees, costs and expenses authorized pursuant to or in accordance with the DWSD Tender Order shall be paid as provided therein.

**b. Class 1B – DWSD Revolving Sewer Bond Claims**

**i. Classification and Allowance.**

DWSD Revolving Sewer Bond Claims relating to each DWSD Series of DWSD Revolving Sewer Bonds shall be separately classified, as reflected on Exhibit I.A.156, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Revolving Sewer Bond Claims shall be deemed Allowed in the aggregate amounts set forth on Exhibit I.A.156.

**ii. Treatment.**

On the Effective Date, each Holder of an Allowed DWSD Revolving Sewer Bond Claim shall have its Allowed DWSD Revolving Sewer Bond Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**c. Class 1C – DWSD Revolving Water Bond Claims**

**i. Classification and Allowance.**

DWSD Revolving Water Bond Claims relating to each DWSD Series of DWSD Revolving Water Bonds shall be separately classified, as reflected on Exhibit I.A.159, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Revolving Water Bond Claims shall be deemed Allowed in the amounts set forth on Exhibit I.A.159.

**ii. Treatment.**

On the Effective Date, each Holder of an Allowed DWSD Revolving Water Bond Claim shall have its Allowed DWSD Revolving Water Bond Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**d. Class 2A – Secured GO Series 2010 Claims.**

On the Effective Date, (i) the Secured GO Series 2010 Claims shall be deemed Allowed in the aggregate amount of \$252,475,366 and (ii) each Holder of an Allowed Secured GO Series 2010 Claim shall have its Allowed Secured GO Series 2010 Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**e. Class 2B – Secured GO Series 2010(A) Claims.**

On the Effective Date, (i) the Secured GO Series 2010(A) Claims shall be deemed Allowed in the aggregate amount of \$101,707,848 and (ii) each Holder of an Allowed Secured GO Series 2010(A) Claim shall have its Allowed Secured GO Series 2010(A) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**f. Class 2C – Secured GO Series 2012(A)(2) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(A)(2) Claims shall be deemed Allowed in the aggregate amount of \$39,254,171 and (ii) each Holder of an Allowed Secured GO Series 2012(A)(2) Claim shall have its Allowed Secured GO Series 2012(A)(2) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**g. Class 2D – Secured GO Series 2012(A2-B) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(A2-B) Claims shall be deemed Allowed in the aggregate amount of \$54,055,927 and (ii) each Holder of an Allowed Secured GO Series 2012(A2-B) Claim

shall have its Allowed Secured GO Series 2012(A2-B) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**h. Class 2E - Secured GO Series 2012(B) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(B) Claims shall be deemed Allowed in the aggregate amount of \$6,469,135 and (ii) each Holder of an Allowed Secured GO Series 2012(B) Claim shall have its Allowed Secured GO Series 2012(B) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**i. Class 2F – Secured GO Series 2012(B2) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(B2) Claims shall be deemed Allowed in the aggregate amount of \$31,037,724 and (ii) each Holder of an Allowed Secured GO Series 2012(B2) Claim shall have its Allowed Secured GO Series 2012(B2) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**j. Class 3 – Other Secured Claims.**

On the Effective Date, each Holder of an Allowed Other Secured Claim shall have its Allowed Other Secured Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**k. Class 4 – HUD Installment Note Claims.**

On the Effective Date, (i) the HUD Installment Note Claims shall be deemed Allowed in the aggregate amount of \$90,075,004 and (ii) each Holder of a HUD Installment Note Claim shall have its Allowed HUD Installment Note Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**l. Class 5 – COP Swap Claims.**

**i. Allowance.**

The COP Swap Claims shall be deemed Allowed as Secured Claims, which, solely for purposes of distributions from the City, will be equal to the Distribution Amount.

**ii. Treatment.**

Each Holder of an Allowed COP Swap Claim, in full satisfaction of such Allowed Claim, shall receive, either: (A) within thirty days following the Effective Date, the Net Amount in full in cash, provided that until paid in cash in full, such Secured Claims will remain secured by the Pledged Property; or (B) solely in the case of a Liquidity Event, the Net Amount in cash in full within 180 days following the Effective Date, provided that (1) other than with respect to net proceeds used to repay the Postpetition Financing Agreement, to the extent permitted by law but without taking into consideration any limitations imposed by the City, including in any ordinance or resolution of the City, the first dollars of any net cash proceeds of any financing or refinancing consummated in connection with, or subsequent to, the consummation of such Plan and either (a) supported by the full faith and credit of the City or (b) payable from the general fund of the City, will be used to pay the Net Amount, (2) the City will continue to comply with its obligations under the COP Swap Settlement and the COP Swap Settlement Approval Order until the Net Amount is paid in cash in full, (3) until paid in cash in full, such Secured Claims will remain secured by the Pledged Property, (4) from and after the Effective Date, the unpaid Net Amount will accrue interest at the rate applicable to obligations under the Postpetition Financing Agreement plus 1.5% with the interest obligation likewise being secured by the Pledged Property and (5) the COP Swap Counterparties will receive from the City on the Effective Date a deferral fee in cash equal to 1.0% of the Net Amount to be shared equally between them.

**m. Class 6.**

[Claims previously classified in Class 6 paid in full – Paragraph intentionally left blank]

**n. Class 7 – Limited Tax General Obligation Bond Claims.**

**i. Allowance.**

On the Effective Date, the Limited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$163,544,770.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, (A) each Holder of an Allowed Limited Tax General Obligation Bond Claim that is not attributable to the Insured LTGO Bonds and (B) the LTGO Insurer with respect to those Allowed Limited Tax General Obligation Bond Claims attributable to the Insured LTGO Bonds, in full satisfaction of such Allowed Claim(s), shall receive, on or as soon as reasonably practicable after the Effective Date, (X) a Pro Rata share of, at the City's option, (1) \$55,000,000 in Cash or (2) the New LTGO Bonds and (Y) distributions in accordance with Section II.B.3.p.i.A.

The City will use its best efforts to prepay the New LTGO Bonds on the Effective Date or as soon as reasonably practicable thereafter from the proceeds of the Exit Facility. If the City cannot prepay all of the New LTGO Bonds on the Effective Date or as soon as reasonably practicable thereafter, the City will use its best efforts to prepay as much of the New LTGO Bonds as reasonably possible, and the LTGO Settlement Parties will accept such partial prepayment. Upon a partial prepayment of the New LTGO Bonds, such New LTGO Bonds will be redeemed by lot.

**iii. Impact of UTGO Settlement.**

Pursuant to the UTGO Settlement Agreement, the City has agreed that (a) the Plan shall not permit the Holders of Allowed Limited Tax General Obligation Bond Claims to recover more on a percentage basis on account of such Allowed Limited Tax General Obligation Bond Claims than the Holders of Allowed Unlimited Tax General Obligation Bond Claims recover on a percentage basis on account of such Allowed Unlimited Tax General Obligation Bond Claims, as such percentage recoveries are projected on the terms set forth in the UTGO Settlement Agreement at Confirmation; and (b) if a Trigger Event occurs, the Settling UTGO Bond Insurers shall receive Top-Off Payments (as set forth in Section IV.C).

**o. Class 8 – Unlimited Tax General Obligation Bond Claims.**

**i. Allowance.**

On the Effective Date, the Unlimited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$388,000,000.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Unlimited Tax General Obligation Bond Claim, in full satisfaction of such Allowed Claim, shall receive, on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of Restructured UTGO Bonds as set forth in Schedules 1a and 1b to the UTGO Settlement Agreement. Those Holders identified on Schedule 1a of the UTGO Settlement Agreement shall retain ownership of the Stub UTGO Bonds, subject to Sections I.A.36 and IV.C, which Stub UTGO Bonds shall be reinstated.

**p. Class 9 – COP Claims.**

**i. Treatment.**

**A. Plan COP Settlement Option.**

On the Effective Date, the City shall deliver to the COP Trustee, solely for the benefit of, and for distribution to, the COP Insurers and the Settling COPs Claimants in accordance with (1) the Supplemental Trust Agreements and (2) the instructions of the applicable COP Insurer, (x) the Class 9 Settlement Asset Pool and (y) New B Notes in the face amount of \$97,692,787, based upon each Settling COP Claimant's Pro Rata share calculated as an amount equal to the proportion that the unpaid principal amount plus accrued prepetition interest of COPs held by such Settling COP Claimant bears to the aggregate unpaid principal amount of all COPs plus all accrued prepetition interest thereon; provided, that the allocation of distributions among FGIC COP Holders shall be determined in accordance with agreements among FGIC and the FGIC COP Holders disclosed in a term sheet filed in court on October 22, 2014, as the same may be subsequently amended and more fully documented. For the avoidance of doubt, a Settling COP Claimant shall not be required to transfer (1) any claim against a COP Insurer or (2) the COPs it holds to the City pursuant to the Plan COP Settlement or otherwise pursuant to the Plan, the Syncora Settlement Documents or the FGIC/COP Settlement Documents. The COP Service Corporations shall enter into such Supplemental Trust Agreements as FGIC and Syncora may reasonably request with respect to their respective insured COPs as long as such Supplemental Trust Agreements do not impose any additional obligations or liability on the COP Service Corporations.

The City has granted the LTGO Settlement Parties, on behalf of the holders of Allowed Limited Tax General Obligation Bond Claims in Class 7, and the Retiree Committee consent rights regarding pre-Effective Date settlements of the COP Litigation if and as permitted under applicable non-bankruptcy law. The LTGO Settlement Parties have consented to the Syncora Settlement and FGIC/COP Settlement. On the Effective Date, on account of such consent rights, the Excess New B Notes shall be distributed as follows: (1) approximately \$42.68 million to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the New B Notes allocated to each pursuant to Sections II.B.3.s.ii.A and II.B.3.s.ii.B; (2) approximately \$17.34 million to be distributed Pro Rata among holders of Allowed Limited Tax General Obligation Bond Claims in Class 7; and (3) approximately \$4.12 million to be distributed Pro Rata among holders of Allowed Other Unsecured Claims in Class 14. With respect to the distribution of the Syncora Excess New B Notes, on April 1, 2015, the City shall pay the interest then due on the Syncora Excess New B Notes and shall also prepay the October 1, 2015 interest payment on the Syncora Excess New B Notes (as a consequence of which, no interest payment shall be made on the Syncora Excess New B Notes on October 1, 2015). The VEBAs may not sell or otherwise transfer their right, title or interest in the Syncora Excess New B Notes prior to October 2, 2015.

As part of the Plan COP Settlement, on or as soon as reasonably practicable after the Effective Date, Syncora shall cause to be paid \$500,126.94 in cash to the COP Agent on account of COP Agent Fees. As part of the Plan COP Settlement, FGIC shall cause to be paid to the COP Agent 75.945% of the reasonable COP Agent Fees in cash out of the first proceeds of the distributions to or for the benefit of the FGIC COP Holders.

Nothing in this Section II.B.3.p.i.A shall, or shall be asserted or construed to, affect or prejudice any rights, claims or defenses between the COP Swap Counterparties on the one hand and any Settling COP Claimant (including Syncora, FGIC and the FGIC COP Holders) on the other hand.

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, each Settling COP Claimant shall, to the fullest extent permitted under law, be deemed to forever release, waive and discharge all Liabilities relating to COP Documents such Settling COP Claimant has, had or may have against the (1) GRS, (2) PFRS or (3) Related Entities of either GRS or PFRS. At the direction of FGIC, which shall be deemed given on the Effective Date, the COP Contract Administrator shall have irrevocably agreed (on behalf of itself, any successors and each FGIC COP Holder) to release and not to sue any COP Holder or any COP Insurer on behalf of any FGIC COP Holder, COP Insurer, the Detroit Retirement Systems Funding Trust 2005 or the Detroit Retirement

Systems Funding Trust 2006 in connection with any liability arising in connection with or related to (1) Sections 6.5 and 9.1 of the Contract Administration Agreements, (2) Section 8.03 of the COP Service Contracts, (3) distributions made pursuant to or in connection with this Section II.B.3.p.i.A, (4) the FGIC Settlement or (5) the Syncora Settlement. On the Effective Date, Syncora and FGIC shall, to the fullest extent permitted under law, be deemed to forever mutually release, waive and discharge all liabilities against each other relating to distributions made pursuant to or in connection with this Section II.B.3.p.i.A, Sections 6.5 and 9.1 of the Contract Administration Agreements or Section 8.03 of the COP Service Contracts.

**ii. Impact of UTGO Settlement.**

Pursuant to the UTGO Settlement Agreement, the City has agreed that (a) the Plan shall not permit the Holders of Allowed COP Claims to recover more on a percentage basis on account of such Allowed COP Claims than the Holders of Allowed Unlimited Tax General Obligation Bond Claims recover on a percentage basis on account of such Allowed Unlimited Tax General Obligation Bond Claims, as such percentage recoveries are projected on the terms set forth in the UTGO Settlement Agreement at Confirmation; and (b) if a Trigger Event occurs, the Settling UTGO Bond Insurers shall receive Top-Off Payments (as set forth in Section IV.C).

**q. Class 10 – PFRS Pension Claims.**

**i. Allowance.**

The PFRS Pension Claims shall be allowed in an aggregate amount equal to the sum of approximately \$1,250,000,000.

**ii. Treatment.**

**A. Contributions to PFRS.**

During the Fiscal Years from the Effective Date through Fiscal Year 2023, annual contributions shall be made to fund benefits accrued under the Prior PFRS Pension Plan only in the amounts identified on Exhibit II.B.3.q.ii.A. The exclusive source for such contributions shall be certain DIA Proceeds and a portion of the State Contribution. After June 30, 2023, (1) PFRS will receive certain additional DIA Proceeds and (2) the City will contribute sufficient funds required to pay each Holder of a PFRS Pension Claim his or her PFRS Adjusted Pension Amount in accordance with and as modified by the terms and conditions contained in the Plan and the Prior PFRS Pension Plan, in accordance with the State Contribution Agreement and exhibits thereto. Nothing in this Plan prevents any non-City third party from making additional contributions to or for the benefit of PFRS if such party chooses to do so.

**B. Investment Return Assumption.**

During the period that ends on June 30, 2023, the trustees of the PFRS, or the trustees of any successor trust or pension plan, shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the PFRS that shall be 6.75%.

**C. Modification of Benefits for PFRS Participants.**

During the period that ends no earlier than June 30, 2023, the pension benefits payable to each Holder of a PFRS Pension Claim shall be equal to the PFRS Adjusted Pension Amount for such Holder, provided that such PFRS Adjusted Pension Amount shall be (1) automatically reduced by the DIA Proceeds Default Amount in the event of a DIA Proceeds Payment Default and (2) increased by any PFRS Restoration Payment.

Restoration of all or a portion of the modified pension benefits will be provided in accordance with the methodology set forth on Exhibit II.B.3.q.ii.C. For purposes of calculating a PFRS Restoration Payment, market value of assets shall not include any City contributions through June 30, 2023, other than those listed on Exhibit II.B.3.q.ii.A or any State contributions if the PFRS trustees fail to comply with the requirements described in



the State Contribution Agreement. In the event that the Foundations and DIA Corp. accelerate all or a portion of their funding commitments described in Section IV.E.1 prior to June 30, 2023, the incremental portion of the acceleration will not count towards pension restoration.

**D. Contingent Payment Rights.**

The City will issue the DWSD CVR to the Restoration Trust for the benefit of Holders of Pension Claims, as described in Section IV.F.

**E. Accrual of Future Benefits.**

Each Holder of a PFRS Pension Claim who is an Active Employee shall receive, in addition to his or her PFRS Adjusted Pension Amount, as such amount may be modified herein, such additional pension benefit for service on or after July 1, 2014 consistent with the terms and conditions of the New PFRS Active Pension Plan Formula and the New PFRS Active Pension Plan.

**F. Governance.**

On or as soon as reasonably practicable after the Effective Date, an Investment Committee shall be established under PFRS in accordance with the State Contribution Agreement. The Investment Committee shall be vested with the authority and responsibilities set forth in the State Contribution Agreement for a period of 20 years following the Effective Date. The initial independent members of the Investment Committee established by PFRS shall be (1) Woodrow S. Tyler, (2) McCullough Williams III, (3) Robert C. Smith, (4) Joseph Bogdahn and (5) Rebecca Sorenson.

**G. No Changes in Terms for Ten Years.**

**Except as may be required to maintain the tax-qualified status of the PFRS or to comply with the terms of the Plan, the City, the trustees of the PFRS and all other persons or entities shall be enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of the PFRS, or any successor plan or trust, that govern the calculation of pension benefits (including the PFRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior PFRS Pension Plan, the PFRS Restoration Payment, the New PFRS Active Pension Plan Formula and the terms of the New PFRS Active Pension Plan) or against any action that governs the selection of the investment return assumption described in Section II.B.3.q.ii.B, the contribution to the PFRS or the calculation or amount of PFRS pension benefits for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.**

**H. State Contribution Agreement.**

The State Contribution Agreement, the effectiveness of which is contingent upon the acceptance of the Plan by Classes 10 and 11, shall include the following principal terms: (1) the State, or the State's authorized agent, will distribute the State Contribution for the benefit of Holders of Pension Claims; and (2) the Plan shall provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

**r. Class 11 – GRS Pension Claims.**

**i. Allowance.**

The GRS Pension Claims shall be allowed in an aggregate amount equal to the sum of approximately \$1,879,000,000.

**ii. Treatment.**

**A. Contributions to GRS.**

During the Fiscal Years from the Effective Date through Fiscal Year 2023, annual contributions shall be made to fund benefits accrued under the Prior GRS Pension Plan only in the amounts identified on Exhibit II.B.3.r.ii.A. The exclusive sources for such contributions shall be certain pension related, administrative and restructuring payments received from the DWSD equal to approximately \$428.5 million, a portion of the State Contribution, certain DIA Proceeds, a portion of the Assigned UTGO Bond Tax Proceeds and certain revenues from City departments, the Detroit Public Library and the Detroit Regional Convention Facility Authority. After June 30, 2023, (1) certain DIA Proceeds shall be contributed to the GRS and (2) the City will contribute such additional funds as are necessary to pay each Holder of a GRS Pension Claim his or her GRS Adjusted Pension Amount in accordance with and as modified by the terms and conditions contained in the Plan and the Prior GRS Pension Plan, in accordance with the State Contribution Agreement and exhibits thereto. Nothing in this Plan prevents any non-City third party from making additional contributions to or for the benefit of GRS if such party chooses to do so.

**B. Investment Return Assumption.**

During the period that ends on June 30, 2023, the board of trustees of the GRS, or the trustees of any successor trust or pension plan, shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the GRS that shall be 6.75%.

**C. Modification of Benefits for GRS Participants.**

During the period that ends no earlier than June 30, 2023, the pension benefits payable to each Holder of a GRS Pension Claim shall be equal to the GRS Adjusted Pension Amount for such Holder, provided that such GRS Adjusted Pension Amount shall be (1) automatically reduced by the DIA Proceeds Default Amount in the event of a DIA Proceeds Payment Default and (2) increased by any GRS Restoration Payment.

Restoration of all or a portion of the modified pension benefits will be provided in accordance with the methodology set forth on Exhibit II.B.3.r.ii.C. For purposes of calculating a GRS Restoration Payment, market value of assets shall not include any City contributions through June 30, 2023, other than those listed on Exhibit II.B.3.r.ii.A or any State contributions if the GRS trustees fail to comply with the requirements described in the State Contribution Agreement. In the event that the Foundations and DIA Corp. accelerate all or a portion of their funding commitments described in Section IV.E.1 prior to June 30, 2023, the incremental portion of the acceleration will not count towards pension restoration.

**D. Annuity Savings Fund Recoupment.**

**1. ASF Current Participants.**

On or as soon as reasonably practicable after the Effective Date, the Annuity Savings Fund Excess Amount will be calculated for each ASF Current Participant and will be deducted from such participant's Annuity Savings Fund account and be used to fund the accrued pension benefits of all GRS participants; provided, however, that in no event shall the amount deducted from an ASF Current Participant's Annuity Savings Fund account exceed the ASF Recoupment Cap. In the event that the amount credited to an ASF Current Participant's Annuity Savings Fund account as of the Effective Date is less than such participant's Annuity Savings Fund Excess Amount, the ASF Current Participant will be treated as an ASF Distribution Recipient to the extent of the shortfall.

## **2. ASF Distribution Recipients.**

### **i. Monthly Deduction**

For each ASF Distribution Recipient who does not elect the ASF Recoupment Cash Option described in Section II.B.3.r.ii.D.2.ii and in the case of any ASF Distribution Recipient that elected the ASF Recoupment Cash Option but does not timely deliver the ASF Recoupment Cash Payment to the GRS, the Annuity Savings Fund Excess Amount will: (A) be calculated and converted into monthly annuity amounts based on common actuarial assumptions (such as the ASF Distribution Recipient's life expectancy, and, if not already retired, expected date of retirement) and amortized using a 6.75% interest rate; and (B) then be deducted from the ASF Distribution Recipient's monthly pension check; provided, however, that in no event shall the total amount deducted from an ASF Distribution Recipient's monthly pension check exceed the ASF Recoupment Cap or the Current GRS Retiree Adjustment Cap, if applicable. The total ASF Recoupment from the ASF Distribution Recipient's monthly pension checks over time shall not exceed the amount necessary to amortize the applicable Annuity Savings Fund Excess Amount at 6.75% interest.

### **ii. Single Lump Sum Payment**

Each ASF Distribution Recipient shall be afforded the ASF Recoupment Cash Option.

No later than seven days following the Effective Date, the City, through its Claims and Balloting Agent, shall send the ASF Election Notice and the ASF Election Form by first-class U.S. mail to each ASF Distribution Recipient. The ASF Election Form shall explain that the amount of the ASF Recoupment Cash Payment shall be equal to the total amount of ASF Recoupment shown on the ASF Distribution Recipient's Ballot, unless the aggregate amount of ASF Recoupment for all ASF Distribution Recipients electing the ASF Recoupment Cash Option exceeds \$30,000,000, in which case (A) the ASF Recoupment Cash Payment will be the ASF Distribution Recipient's Pro Rata portion of \$30,000,000, and (B) the remaining portion of the ASF Distribution Recipient's ASF Recoupment will be annuitized and deducted from the ASF Distribution Recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i.

An ASF Distribution Recipient must return his or her ASF Election Form to the Claims and Balloting Agent so that it is actually received by the Claims and Balloting Agent by the ASF Election Date.

GRS shall mail the ASF Final Cash Payment Notice no later than 14 days after the ASF Election Date. ASF Distribution Recipients shall have until the ASF Final Cash Payment Date to make the ASF Recoupment Cash Payment, which payment must be made by cashier's check or wire transfer and may not be made by personal check. If an ASF Distribution Recipient's ASF Recoupment Cash Payment is not received by the ASF Final Cash Payment Date, GRS will notify the ASF Distribution Recipient of the failure to timely pay, and ASF Recoupment will be effected through diminution of such recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i. The calculation of each electing ASF Distribution Recipient's ASF Recoupment Cash Payment shall not be adjusted under any circumstances, including as a result of default by any other electing ASF Distribution Recipient to remit his or her ASF Recoupment Cash Payment by the ASF Final Cash Payment Date.

### **E. Contingent Payment Rights.**

The City will issue the DWSD CVR to the Restoration Trust for the benefit of Holders of Pension Claims, as described in Section IV.F.

### **F. Accrual of Future Benefits.**

Each Holder of a GRS Pension Claim who is an Active Employee shall receive, in addition to his or her GRS Adjusted Pension Amount, as such amount may be modified herein, such additional pension benefit for service on or after July 1, 2014, consistent with the terms and conditions of the New GRS Active Pension Plan Formula and the New GRS Active Pension Plan.

**G. Governance.**

On or as soon as reasonably practicable after the Effective Date, an Investment Committee shall be established under GRS in accordance with the State Contribution Agreement. The Investment Committee shall be vested with the authority and responsibilities set forth in the State Contribution Agreement for a period of 20 years following the Effective Date. The initial independent members of the Investment Committee established by GRS shall be (1) Kerrie VandenBosch, (2) Doris Ewing, (3) Robert Rietz, (4) David Sowerby and (5) Ken Whipple.

**H. No Changes in Terms for Ten Years.**

Except as may be required to maintain the tax-qualified status of the GRS or to comply with the terms of the Plan, the City, the trustees of the GRS and all other persons or entities shall be enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of the GRS, or any successor plan or trust, that govern the calculation of pension benefits (including the GRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior GRS Pension Plan, the GRS Restoration Payment, the New GRS Active Pension Plan Formula and the terms of the New GRS Active Pension Plan) or against any action that governs the selection of the investment return assumption described in Section II.B.3.r.ii.B, the contribution to the GRS, or the calculation or amount of GRS pension benefits for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.

**I. State Contribution Agreement**

The State Contribution Agreement, the effectiveness of which is contingent upon the acceptance of the Plan by Classes 10 and 11, shall include the following principal terms: (1) the State, or the State's authorized agent, will distribute the State Contribution for the benefit of Holders of Pension Claims; and (2) the Plan shall provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

**s. Class 12 – OPEB Claims.**

**i. Allowance.**

As a result of a settlement between the City and the Retiree Committee, the OPEB Claims shall be allowed in an aggregate amount equal to \$4,303,000,000.

**ii. Treatment.**

**A. Detroit General VEBA.**

Establishment of Detroit General VEBA: On or as soon as practicable following the Effective Date, the City will establish the Detroit General VEBA to provide health benefits to Detroit General VEBA Beneficiaries and certain of their dependents. The Detroit General VEBA will be governed by a seven member board of trustees that will be responsible for, among other things, management of property held by the Detroit General VEBA, administration of the Detroit General VEBA and determination of the level of and distribution of benefits to Detroit General VEBA Beneficiaries. The Detroit General VEBA Trust Agreement and related plan documentation will be substantially in the form set forth on Exhibit I.A.108. With respect to the initial appointment of the board of trustees, the Mayor will appoint one member, and the DRCEA and the Retiree Committee will each appoint three board members. The DRCEA will fill board member vacancies created by the departure of members initially appointed by the Retiree Committee or the DRCEA, and the Mayor will fill a board member vacancy created by the departure of the member appointed by the Mayor. The initial members of the Detroit General VEBA board of trustees shall be (1) Floyd Allen, (2) Roger Cheek, (3) Suzanne Daniels Paranjpe, (4) Doris Ewing,

(5) Barbara Wise-Johnson, (6) Shirley Lightsey and (7) Thomas Sheehan. Nothing in the Plan precludes either the Detroit General VEBA from being formed under Section 115 or the formation of a separate trust under Section 115, in each case with the City's consent, which consent will not be unreasonably withheld.

Distributions to Detroit General VEBA: On the Effective Date, the City shall distribute to the Detroit General VEBA New B Notes in the aggregate principal amount of \$218,000,000, in satisfaction of the Allowed OPEB Claims held by Detroit General VEBA Beneficiaries. The Detroit General VEBA shall also be entitled to additional distributions as set forth in Section II.B.3.p.i.A.

#### **B. Detroit Police and Fire VEBA.**

Establishment of Detroit Police and Fire VEBA: On or as soon as practicable following the Effective Date, the City will establish the Detroit Police and Fire VEBA to provide health benefits to Detroit Police and Fire VEBA Beneficiaries and certain of their dependents. The Detroit Police and Fire VEBA will be governed by a seven member board of trustees and, for the first four years, one additional non-voting, ex-officio member. The board of trustees will be responsible for, among other things, management of property held by the Detroit Police and Fire VEBA, administration of the Detroit Police and Fire VEBA and determination of the level of and distribution of benefits to Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA Trust Agreement and related plan documentation will be substantially in the form set forth on Exhibit I.A.112. With respect to the initial appointment of the board of trustees, the Mayor will appoint one member, and the RDPFFA and the Retiree Committee will each appoint three board members. The RDPMA will appoint the non-voting, ex-officio member. The RDPFFA will fill board member vacancies created by the departure of voting members initially appointed by the Retiree Committee or the RDPFFA, and the Mayor will fill a board member vacancy created by the departure of the member appointed by the Mayor. The RDPMA will fill a non-voting, ex-officio board member vacancy created by the departure of the member initially appointed by the RDPMA, but such non-voting, ex-officio member position shall expire on December 31, 2018. The initial members of the Detroit Police and Fire VEBA board of trustees shall be (1) Floyd Allen, (2) Gregory Best, (3) John Clark, (4) Andrew Dillon, (5) Allan Grant, (6) Thomas Sheehan, (7) Greg Trozak and (8) Shirley Berger (*ex officio*). Nothing in the Plan precludes either the Detroit Police and Fire VEBA from being formed under Section 115 or the formation of a separate trust under Section 115, in each case with the City's consent, which consent will not be unreasonably withheld.

Distributions to Detroit Police and Fire VEBA: On the Effective Date, the City shall distribute to the Detroit Police and Fire VEBA New B Notes in the aggregate principal amount of \$232,000,000, in satisfaction of the Allowed OPEB Claims held by Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA shall also be entitled to additional distributions as set forth in Section II.B.3.p.i.A.

#### **C. No Further Responsibility.**

From and after the Effective Date, the City shall have no further responsibility to provide retiree healthcare or any other retiree welfare benefits. The City shall have no responsibility from and after the Effective Date to provide life insurance or death benefits to former employees. On the Effective Date, the Employees Death Benefit Plan will be frozen for former employees, and the City will no longer have an obligation to contribute to fund death benefits under the plan for any participant or beneficiary who is a former employee. Existing retirees who participate in the plan will be granted a one-time opportunity to receive a lump sum distribution of the present value of their actuarially determined death benefit to the extent of the plan funding. For the avoidance of doubt, the Employees Death Benefit Plan shall not be merged into or operated by either the Detroit General VEBA or the Detroit Police and Fire VEBA. The Employees Death Benefit Board of Trustees shall continue to manage the Employees Death Benefit Plan and employ the staff of the Retirement Systems to administer the disbursement of benefits thereunder, the costs of which administration shall be borne by the assets of the Employees Death Benefit Plan.

Retirees (and active employees that retire prior to December 31, 2014) of the Detroit Public Library and the Detroit Regional Convention Facility Authority are Detroit General VEBA Beneficiaries and will receive the treatment set forth above. However, the collective bargaining and other legal rights and obligations of the Detroit Public Library and the Detroit Regional Convention Facility Authority, on one hand, and their respective unions and former and current employees, on the other hand, are not affected by the Plan. These parties retain the

right to negotiate further or additional benefits; provided, however, that the City shall not be responsible for, or have any obligation with respect to, any such further or additional benefits or the administration thereof. In addition, in consideration of the eligible retirees of the Detroit Public Library and the Detroit Regional Convention Facility Authority participating in the Detroit General VEBA, the Detroit Public Library and the Detroit Regional Convention Facility Authority shall reimburse the City for their allocable share of the New B Note debt service related to the Detroit General VEBA.

**t. Class 13 – Downtown Development Authority Claims.**

**i. Allowance.**

On the Effective Date, the Downtown Development Authority Claims shall be deemed Allowed in the amount of \$33,600,000.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Downtown Development Authority Claim, in full satisfaction of such Allowed Claim, shall receive, on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of approximately \$3.69 million in New B Notes.

**u. Class 14 – Other Unsecured Claims.**

**i. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Other Unsecured Claim, in full satisfaction of such Allowed Claim, shall receive (A) on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of approximately \$16.48 million in New B Notes and (B) distributions in accordance with Section II.B.3.p.i.A.

**v. Class 15 – Convenience Claims.**

**i. Treatment.**

Each Holder of an Allowed Convenience Claim, in full satisfaction of such Allowed Claim, shall receive Cash equal to the amount of 25% of such Allowed Claim (as reduced, if applicable, pursuant to an election by such Holder in accordance with Section I.A.76) on or as soon as reasonably practicable after the Effective Date, unless such Holder agrees to a different treatment of such Claim.

**w. Class 16 – Subordinated Claims.**

**i. Treatment.**

On the Effective Date, all Subordinated Claims shall be disallowed, extinguished and discharged without Distribution under the Plan, and Holders of Subordinated Claims shall not receive or retain any property on account of such Claims. Pursuant to section 1126(g) of the Bankruptcy Code, Class 16 is deemed to have rejected the Plan and Holders of Subordinated Claims are not entitled to cast a Ballot in respect of such Claims.

**x. Class 17 – Indirect 36th District Court Claims.**

**i. Treatment.**

Unless such Holder agrees to a different treatment of its Claim, each Holder of an Allowed Indirect 36th District Court Claim, in full satisfaction of such Allowed Claim, shall receive: (A) if the Allowed amount of such Indirect 36th District Court Claim is less than \$100,000.00, on or as soon as reasonably practicable after the Effective Date, Cash in an amount equal to 33% of the Allowed amount of such Allowed Indirect 36th

District Court Claim; or (B) if the Allowed amount of such Indirect 36th District Court Claim is equal to or more than \$100,000.00, Cash equal to 33% of the Allowed amount of such Indirect 36th District Court Claim, plus simple interest on outstanding amounts at a rate of five percent per annum, payable in five equal annual installments, with the first installment to be paid on or as soon as reasonably practicable after the Effective Date and the remaining four installments to be paid on the date of the first four anniversaries of the Effective Date or, if any such date is not a Business Day, on the first Business Day thereafter.

**ii. Further Obligation of City, State and 36th District Court.**

Subject to the terms of the 36th District Court Settlement, the treatment of Allowed Indirect 36th District Court Claims set forth in Section II.B.3.x.i shall fulfill any obligation of the City and the 36th District Court that may exist with respect to all Indirect 36th District Court Claims. Nothing in Section II.B.3.x.i prevents the Holder of an Indirect 36th District Court Claim from seeking further relief or payment from the State with respect to such Indirect 36th District Court Claim to the extent such Claim is not satisfied pursuant to the Plan.

**C. Confirmation Without Acceptance by All Impaired Classes.**

The City requests Confirmation under section 1129(b) of the Bankruptcy Code in the event that any impaired Class does not accept or is deemed not to accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Plan shall constitute a motion for such relief.

**D. Treatment of Executory Contracts and Unexpired Leases.**

**1. Assumption.**

Except as otherwise provided in the Plan, in any contract, instrument, release or other agreement or document entered into in connection with the Plan or in a Final Order of the Bankruptcy Court, or as requested in any motion Filed by the City on or prior to the Effective Date, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, the City will be deemed to assume all Executory Contracts and Unexpired Leases to which it is a party. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan and shall be discharged. For the avoidance of doubt, the City shall assume the Tunnel Lease pursuant to this Section II.D.1.

**2. Assumption of Ancillary Agreements.**

Each Executory Contract and Unexpired Lease assumed pursuant to Section II.D.1 will include any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such Executory Contract or Unexpired Lease, unless any such modification, amendment, supplement, restatement or other agreement is rejected pursuant to Section II.D.6 or designated for rejection in accordance with Section II.D.3.

**3. Approval of Assumptions and Assignments.**

The Confirmation Order will constitute an order of the Bankruptcy Court approving the assumption of Executory Contracts and Unexpired Leases pursuant to Sections II.D.1 and II.D.2 (and any related assignment) as of the Effective Date, except for Executory Contracts or Unexpired Leases that (a) have been rejected pursuant to a Final Order of the Bankruptcy Court, (b) are subject to a pending motion for reconsideration or appeal of an order authorizing the rejection of such Executory Contract or Unexpired Lease, (c) are subject to a motion to reject such Executory Contract or Unexpired Lease Filed on or prior to the Effective Date, (d) are rejected pursuant to Section II.D.6 or (e) are designated for rejection in accordance with the last sentence of this paragraph. An order of the Bankruptcy Court (which may be the Confirmation Order) entered on or prior to the Confirmation Date will specify the procedures for providing notice to each party whose Executory Contract or Unexpired Lease is being assumed pursuant to the Plan of: (a) the Executory Contract or Unexpired Lease being assumed; (b) the Cure Amount Claim, if any, that the City believes it would be obligated to pay in connection with such assumption; (c) any assignment of an Executory Contract or Unexpired Lease; and (d) the procedures for such party to object to



the assumption of the applicable Executory Contract or Unexpired Lease, the amount of the proposed Cure Amount Claim or any assignment of an Executory Contract or Unexpired Lease. If an objection to a proposed assumption, assumption and assignment or Cure Amount Claim is not resolved in favor of the City, the applicable Executory Contract or Unexpired Lease may be designated by the City for rejection, which shall be deemed effective as of the Effective Date.

**4. Payments Related to the Assumption of Executory Contracts and Unexpired Leases.**

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, at the option of the City: (a) by payment of the Cure Amount Claim in Cash on the Effective Date or (b) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. If there is a dispute regarding: (a) the amount of any Cure Amount Claim, (b) the ability of the City or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to the assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code will be made within 30 days following the entry of a Final Order resolving the dispute and approving the assumption.

**5. Contracts and Leases Entered Into After the Petition Date.**

Contracts, leases and other agreements entered into after the Petition Date by the City, including (a) any Executory Contracts or Unexpired Leases assumed by the City and (b) the collective bargaining agreements identified on Exhibit II.D.5, will be performed by the City in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

**6. Rejection of Executory Contracts and Unexpired Leases.**

On the Effective Date, each Executory Contract and Unexpired Lease that is listed on Exhibit II.D.6 shall be deemed rejected pursuant to section 365 of the Bankruptcy Code. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the later of: (a) the Effective Date or (b) the resolution of any objection to the proposed rejection of an Executory Contract or Unexpired Lease. Each contract or lease listed on Exhibit II.D.6 shall be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. The City reserves its right, at any time on or prior to the Effective Date, to amend Exhibit II.D.6 to delete any Executory Contract or Unexpired Lease therefrom, thus providing for its assumption pursuant to Section II.D.1, or add any Executory Contract or Unexpired Lease thereto, thus providing for its rejection pursuant to this Section II.D.6. The City will provide notice of any amendments to Exhibit II.D.6 to the parties to the Executory Contracts or Unexpired Leases affected thereby and to the parties on the then-applicable service list in the Chapter 9 Case. Listing a contract or lease on Exhibit II.D.6 shall not constitute an admission by the City that such contract or lease is an Executory Contract or Unexpired Lease or that the City has any liability thereunder. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan shall be treated as Class 14 Claims (Other Unsecured Claims), subject to the provisions of section 502 of the Bankruptcy Code.

**7. Rejection Damages Bar Date.**

Except as otherwise provided in a Final Order of the Bankruptcy Court approving the rejection of an Executory Contract or Unexpired Lease, Claims arising out of the rejection of an Executory Contract or Unexpired Lease must be Filed with the Bankruptcy Court and served upon counsel to the City on or before the later of: (a) 45 days after the Effective Date; or (b) 45 days after such Executory Contract or Unexpired Lease is rejected pursuant to a Final Order or designated for rejection in accordance with Section II.D.3. Any Claims not Filed within such applicable time periods will be forever barred from receiving a Distribution from, and shall not be enforceable against, the City.

**8. Preexisting Obligations to the City Under Rejected Executory Contracts and Unexpired Leases.**

Pursuant to section 365(g) of the Bankruptcy Code, rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall constitute a breach of such contract or lease and not a termination thereof, and all obligations owing to the City under such contract or lease as of the date of such breach shall remain owing to the City upon rejection. Notwithstanding any applicable non-bankruptcy law to the contrary, the City expressly reserves and does not waive any right to receive, or any continuing obligation of a non-City party to provide, warranties, indemnifications or continued maintenance obligations on goods previously purchased, or services previously received, by the City from non-City parties to rejected Executory Contracts or Unexpired Leases, and any such rights shall remain vested in the City as of the Effective Date.

**9. Insurance Policies.**

From and after the Effective Date, each of the City's insurance policies (other than welfare benefits insurance policies) in existence as of or prior to the Effective Date shall be reinstated and continue in full force and effect in accordance with its terms and, to the extent applicable, shall be deemed assumed by the City pursuant to section 365 of the Bankruptcy Code and Section II.D.1. Nothing contained herein shall constitute or be deemed a waiver of any Causes of Action that the City may hold against any Entity, including any insurer under any of the City's insurance policies. For the avoidance of doubt, nothing contained in this Section II.D.9 shall apply to reinstate or continue any obligation of the City or any fund thereof to any Bond Insurer.

**ARTICLE III  
CONFIRMATION OF THE PLAN**

**A. Conditions Precedent to the Effective Date.**

The Effective Date will not occur, and the Plan will not be consummated, unless and until the City has determined that all of following conditions have been satisfied or waived in accordance with Section III.B:

1. The Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the City.
2. The Bankruptcy Court shall have entered an order (which may be included in the Confirmation Order) approving and authorizing the City to take all actions necessary or appropriate to implement the Plan, including the transactions contemplated by the Plan and the implementation and consummation of the contracts, instruments, settlements, releases and other agreements or documents entered into or delivered in connection with the Plan.
3. The Confirmation Order shall not be stayed in any respect.
4. The Confirmation Order shall contain (a) a finding that the FGIC Settlement Consideration and the FGIC Development Agreement are solely for the benefit of FGIC and the FGIC COP Holders (subject to any provision set forth herein for payment of COP Agent Fees), and (b) an ordered provision that such consideration be administered and distributed to FGIC and the FGIC COP Holders in a manner consistent therewith and with the Plan.
5. The Confirmation Order shall contain (a) a finding that the Syncora Development Agreement is solely for the benefit of Syncora (subject to any provision set forth herein for payment of COP Agent Fees), and (b) an ordered provision that such consideration be administered and distributed to Syncora in a manner consistent therewith and with the Plan.
6. All actions and all contracts, instruments, settlements, releases and other agreements or documents necessary to implement the terms and provisions of the Plan are effected or executed and delivered, as applicable, in form and substance satisfactory to the City.

7. All authorizations, consents and regulatory approvals, if any, required in connection with the consummation of the Plan have been obtained and not revoked, including all governmental and Emergency Manager consents and approvals required to carry out the terms of the LTGO Settlement Agreement.

8. Any legislation that must be passed by the State legislature to effect any term of the Plan shall have been enacted.

9. The MFA board shall have approved the issuance of the Restructured UTGO Bonds and the Restructured UTGO Bonds shall have been issued.

10. The City shall have obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of the UTGO Settlement Agreement.

11. The Plan and all Exhibits shall have been Filed and shall not have been materially amended, altered or modified from the Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or modification has been made in accordance with Section VIII.B.

12. If Classes 10 and 11 have accepted the Plan, all conditions to the effectiveness of the State Contribution Agreement and the DIA Settlement Documents have been satisfied.

13. The Syncora Settlement and the Syncora Settlement Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and Syncora, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

14. The Syncora Development Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and Syncora, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

15. The FGIC/COP Settlement Documents and the FGIC Development Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and FGIC, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

16. The New York State Department of Financial Services shall have waived in writing the notice requirement under FGIC's plan of rehabilitation with respect to the settlement contemplated by the FGIC/COP Settlement Documents and the FGIC Development Agreement in form and substance reasonably acceptable to FGIC, and such waiver shall not have been vacated or otherwise modified.

17. The Effective Date shall have occurred within 180 days of the entry of the Confirmation Order, unless the City requests an extension of such deadline and such deadline is extended by the Bankruptcy Court.

**B. Waiver of Conditions to the Effective Date.**

The conditions to the Effective Date set forth in Section III.A may be waived in whole or part at any time by the City in its sole and absolute discretion, except for those conditions set forth in (1) Section III.A.9 and Section III.A.10, which conditions cannot be waived, (2) Sections III.A.5, III.A.13 and III.A.14, which may only be waived by the City with the prior written consent of Syncora, (3) Sections III.A.4 and III.A.15, which may only be waived by the City with the prior written consent of FGIC and (4) Section III.A.16, which may be waived by the City at any time on or after November 4, 2014 at 5:00 p.m. (Eastern Time) with the prior written consent of FGIC.

**C. Effect of Nonoccurrence of Conditions to the Effective Date.**

If each of the conditions to the Effective Date is not satisfied, or duly waived in accordance with Section III.B, then, before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the City may File a motion requesting that the Bankruptcy Court vacate the Confirmation Order; provided, however, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section III.C: (1) the Plan will be null and void in all respects, including with respect to (a) the discharge of Claims pursuant to section 944(b) of the Bankruptcy Code, (b) the assumptions, assignments or rejections of Executory Contracts and Unexpired Leases pursuant to Section II.D and (c) the releases described in Section III.D.7; and (2) nothing contained in the Plan, nor any action taken or not taken by the City with respect to the Plan, the Disclosure Statement or the Confirmation Order, will be or will be deemed to be (a) a waiver or release of any Claims by or against the City, (b) an admission of any sort by the City or any other party in interest or (c) prejudicial in any manner the rights of the City or any other party in interest.

**D. Effect of Confirmation of the Plan.**

**1. Dissolution of Retiree Committee.**

On the Effective Date, the Retiree Committee, to the extent not previously dissolved or disbanded, will dissolve and disband, and the members of the Retiree Committee and their respective professionals will cease to have any role arising from or related to the Chapter 9 Case.

**2. Preservation of Rights of Action by the City.**

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b)(3)(B) of the Bankruptcy Code, the City will retain and may enforce any claims, demands, rights, defenses and Causes of Action that it may hold against any Entity, including but not limited to any and all Causes of Action against any party relating to the past practices of the Retirement Systems (including any investment decisions related to, and the management of, the Retirement Systems' respective pension plans or assets), to the extent not expressly released under the Plan or pursuant to any Final Order of the Bankruptcy Court. A nonexclusive schedule of currently pending actions and claims brought by the City is attached as Exhibit III.D.2. The City's inclusion of, or failure to include, any right of action or claim on Exhibit III.D.2 shall not be deemed an admission, denial or waiver of any claims, demands, rights or Causes of Action that the City may hold against any Entity, and all Entities are hereby notified that the City intends to preserve all such claims, demands, rights or Causes of Action.

**3. Comprehensive Settlement of Claims and Controversies.**

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim may have with respect to any Allowed Claim or any Distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements are (a) in the best interests of the City, its property and Claim Holders and (b) fair, equitable and reasonable. For the avoidance of doubt, this Section III.D.3 shall not affect or limit the application of section 509 of the Bankruptcy Code or any similar doctrine to Bond Insurance Policy Claims.

**4. Discharge of Claims.**

**a. Complete Satisfaction, Discharge and Release.**

Except as provided in the Plan or in the Confirmation Order, the rights afforded under the Plan and the treatment of Claims under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims arising on or before the Effective Date, including any interest accrued on Claims from and after the Petition Date. Except as provided in the Plan or in the Confirmation Order, Confirmation will, as of the Effective Date, discharge the City from all Claims or other debts that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (ii) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptcy Code or (iii) the Holder of a Claim based on such debt has accepted the Plan.

**b. Discharge.**

In accordance with Section III.D.4.a, except as expressly provided otherwise in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all debts of the City, pursuant to sections 524(a)(1), 524(a)(2) and 944(b) of the Bankruptcy Code, and such discharge will void any judgment obtained against the City at any time, to the extent that such judgment relates to a discharged debt; provided that such discharge will not apply to (i) debts specifically exempted from discharge under the Plan; and (ii) debts held by an Entity that, before the Confirmation Date, had neither notice nor actual knowledge of the Chapter 9 Case.

**5. Injunction.**

**On the Effective Date, except as otherwise provided herein or in the Confirmation Order,**

**a. all Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims, along with their Related Entities, shall be permanently enjoined from taking any of the following actions against or affecting the City or its property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from the Confirmation Order):**

**1. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (A) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (B) Indirect 36th District Court Claims and (C) Indirect Employee Indemnity Claims);**

**2. enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property;**

**3. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the City or its property;**

**4. asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property;**

**5. proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and**

**6. taking any actions to interfere with the implementation or consummation of the Plan.**

**b. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan will be permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, or a Released Party; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan. Notwithstanding the foregoing and without limiting the injunctions in Section III.D.5.a, the Holders of Indirect 36th District Court Claims shall not be enjoined from taking any of the foregoing actions against the State or the State Related Entities with respect to Indirect 36th District Court Claims to the extent such Claims are not satisfied pursuant to the Plan.**

**6. Exculpation.**

From and after the Effective Date, to the fullest extent permitted under applicable law and except as expressly set forth in this Section, neither the City, its Related Entities (including the members of the City Council, the Mayor and the Emergency Manager), to the extent a claim arises from actions taken by such Related Entity in its capacity as a Related Entity of the City, the State, the State Related Entities, the Exculpated Parties nor the Released Parties shall have or incur any liability to any person or Entity for any act or omission in connection with, relating to or arising out of the City's restructuring efforts and the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the formulation, preparation, negotiation, dissemination, consummation, implementation, confirmation or approval (as applicable) of the Plan, the property to be distributed under the Plan, the settlements implemented under the Plan, the Exhibits, the Disclosure Statement, any contract, instrument, release or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan or the management or operation of the City; provided that the foregoing provisions shall apply to (a) the LTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the LTGO Settlement Agreement or the Plan (as it relates to the LTGO Settlement Agreement), (b) the UTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the UTGO Settlement Agreement or the Plan (as it relates to the UTGO Settlement Agreement), (c) the DWSD Exculpated Parties solely in connection with acts or omissions taken in connection with the DWSD Tender, DWSD Tender Motion or DWSD Tender Order, (d) the Syncora Exculpated Parties solely in connection with acts or omissions taken in connection with the Syncora Settlement Documents and any actions or litigation positions taken by the Syncora Exculpated Parties in the Chapter 9 Case, (e) the FGIC/COP Exculpated Parties solely in connection with acts or omissions taken in connection with the FGIC/COP Settlement Documents and any actions or litigation positions taken by the FGIC/COP Exculpated Parties in the Chapter 9 Case, (f) the RDPMA Exculpated Parties and (g) the COP Agent, solely in its capacity as such and solely in connection with any Distributions made pursuant to the terms of the Plan; provided, further, that the foregoing provisions in this Section III.D.6 shall not affect the liability of the City, its Related Entities, the State, the State Related Entities, the Released Parties and the Exculpated Parties that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct or any act or omission occurring before the Petition Date. The City, its Related Entities (with respect to actions taken by such Related Entities in their capacities as Related Entities of the City), the State, the State Related Entities, the Released Parties and the Exculpated Parties shall be entitled to rely upon the advice of counsel and financial advisors with respect to their duties and responsibilities under, or in connection with, the Chapter 9 Case, the administration thereof and the Plan. This Section III.D.6 shall not affect any liability of (a) any of the COP Swap Exculpated Parties to the Syncora Exculpated Parties or FGIC or (b) the Syncora Exculpated Parties or FGIC/COP Exculpated Parties to any of the COP Swap Exculpated Parties.

## 7. Releases

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement):

- a. each holder of a Claim that votes in favor of the Plan, to the fullest extent permissible under law, will be deemed to forever release, waive and discharge (which release will be in addition to the release and discharge of Claims otherwise provided herein and under the Confirmation Order and the Bankruptcy Code):

- i. all Liabilities in any way relating to the City, the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), the Plan, the Exhibits or the Disclosure Statement, in each case that such holder has, had or may have against the City or its current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity (and, in addition to and without limiting the foregoing, in the case of any Emergency Manager, in such Emergency Manager's capacity as an appointee under PA 436); provided further, for the avoidance of doubt, that any person or entity designated to manage the Chapter 9 Case for the City after the Emergency Manager's term is terminated, whether such person or entity acts as an employee, advisor or contractor to the City or acts as an employee, agent, contractor or appointee of the State under any applicable state law, shall be treated the same as an employee of the City hereunder; and

- ii. all Liabilities in any way relating to (A) Claims that are compromised, settled or discharged under or in connection with the Plan, (B) the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), (C) the Plan, (D) the Exhibits, (E) the Disclosure Statement or (F) the DIA Settlement, in each case that such holder has, had or may have against the City's Related Entities, the State, the State Related Entities and the Released Parties; provided, however, that any such Liability of the Foundations, the DIA Funders and the CFSEM Supporting Organization and their Related Entities shall be released only to the extent that such Liability, if any, arises from any such entity's participation in the DIA Settlement;

provided, however, that the foregoing provisions shall not affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; and provided further, however, that if Classes 10 and 11 vote to accept the Plan, but any necessary conditions precedent to the receipt of the initial funding from the State (pursuant to the State Contribution Agreement) and the DIA Funding Parties that are such as of the commencement of the Confirmation Hearing (pursuant to the DIA Settlement) that can be satisfied or waived by the applicable funding party prior to the Confirmation Hearing (including, but not limited to, adoption of relevant legislation and appropriations by the State and execution of necessary and irrevocable agreements for their funding commitments by each of the DIA Funding Parties that are such as of the commencement of the Confirmation Hearing, which conditions may not be waived) are not satisfied or waived by the applicable funding party prior to the Confirmation Hearing, then Holders of Claims in Classes 10 and 11 that voted to accept the Plan shall be deemed to have voted to reject the Plan, and the voluntary release set forth in the first sentence of this Section III.D.7.a shall not apply to Holders of Claims in Classes 10 and 11; provided, further, that nothing in this Section III.D.7.a shall release (i) the City's obligations under the Plan or (ii) any defenses that any party may have against the City, its Related Entities, the State, the State Related Entities or the Released Parties; and



- b. if the State Contribution Agreement is consummated, each holder of a Pension Claim will be deemed to forever release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the Plan does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law or the Plan, or, with respect to pensions only, GRS or PFRS.

Notwithstanding Sections III.D.5-7 and IV.L of the Plan, except as set forth in the COP Swap Settlement, nothing in the Plan or the Confirmation Order shall or shall be deemed to provide a release by the COP Swap Counterparties of any Liabilities related to the COPs, the COP Service Corporations, the Transaction Documents (as defined in the COP Swap Settlement), the COP Swap Settlement or the COP Swap Settlement Approval Order. For the avoidance of doubt, notwithstanding Section III.D.6 of the Plan, a vote of DWSD Bond Claims or DWSD Revolving Bond Claims in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to this Section III.D.7 by a Holder of any such DWSD Bond Claims, a Holder of any such DWSD Revolving Bond Claims or the Bond Insurer insuring any such Claims of any Liabilities against the City or its Related Entities that do not arise in connection with the DWSD Bonds or the DWSD Revolving Bonds. For the further avoidance of doubt, notwithstanding anything in the Plan to the contrary, a vote of a Claim other than a DWSD Bond Claim or DWSD Revolving Bond Claim in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to this Section III.D.7 by a Holder of any such voted Claim or the Bond Insurer insuring such voted Claim of any Liabilities against the City or any other Entity arising in connection with the DWSD Bonds or DWSD Revolving Bonds.

#### **E. No Diminution of State Power**

No provision of this Plan shall be construed: (1) so as to limit or diminish the power of the State to control, by legislation or otherwise, the City in the exercise of the political or governmental powers of the City, including expenditures for such exercise; (2) so as to limit or diminish the power of the State to effect setoffs necessary to compensate the State or relieve the State of liability against funds (a) owing to the City from the State, (b) granted to the City by the State, or (c) administered by the State on behalf of the City or the federal government (including funds resulting from federal or state grants), for acts or omissions by the City (including but not limited to misappropriation or misuse of funds); and (3) as a waiver by the State of its rights as a sovereign or rights granted to it pursuant to the Tenth Amendment to the United States Constitution, or limit or diminish the State's exercise of such rights.

#### **F. Effectiveness of the Plan.**

The Plan shall become effective on the Effective Date. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

#### **G. Binding Effect of Plan.**

Pursuant to section 944(a) of the Bankruptcy Code, on and after the Effective Date, the provisions of the Plan shall bind all Holders of Claims, and their respective successors and assigns, whether or not the Claim of any such Holder is Impaired under the Plan and whether or not such Holder has accepted the Plan. The releases and settlements effected under the Plan will be operative, and subject to enforcement by the Bankruptcy Court, from and after the Effective Date, including pursuant to the injunctive provisions of the Plan. Once approved, the

compromises and settlements embodied in the Plan, along with the treatment of any associated Allowed Claims, shall not be subject to any collateral attack or other challenge by any Entity in any court or other forum. As such, any Entity that opposes the terms of any compromise and settlement set forth in the Plan must (1) challenge such compromise and settlement prior to Confirmation of the Plan and (2) demonstrate appropriate standing to object and that the subject compromise and settlement does not meet the standards governing bankruptcy settlements under Bankruptcy Rule 9019 and other applicable law.

#### **ARTICLE IV MEANS FOR IMPLEMENTATION OF THE PLAN**

##### **A. DWSD.**

###### **1. Rates and Revenues.**

DWSD will maintain Fiscal Year 2015 rate setting protocols for a minimum of five years, subject to certain changes necessary to stabilize water and sewer revenues. Rates will be determined by the Board of Water Commissioners or, if a DWSD Authority is formed and approved by the incorporating units' governing bodies, by the board of any such DWSD Authority. The City may seek to implement a rate stability program for City residents, which program may, among other things, (a) provide a source of funds to mitigate against rate increases, (b) enhance affordability and (c) provide a buffer against delinquent payments.

###### **2. DWSD CBAs.**

Collective bargaining agreements with respect to current DWSD employees that are in effect and not expired as of the Effective Date will be assumed by the City.

###### **3. Potential DWSD Authority Transaction.**

As a result of mediation or otherwise, it is possible that the City may enter into a DWSD Authority Transaction that includes the formation of the DWSD Authority to conduct many or all of the operations currently conducted by DWSD. Any such transaction would be subject to the approval of incorporating units and numerous other conditions. The timing of any such transaction, if it occurs at all, is not known. If any such transaction could occur, unless waived by the City in its sole discretion, the City will enter into such transaction only if Macomb County, Oakland County and Wayne County, and each of their municipal affiliates or related public corporations, withdraw with prejudice or shall have withdrawn with prejudice their objections to the Confirmation of the Plan. Any DWSD Authority Transaction shall be on terms that are consistent with all other provisions of the Plan, applicable law and orders of the Bankruptcy Court. The City shall not enter into any binding agreement with respect to or consummate any DWSD Authority Transaction prior to the Effective Date without first obtaining an order of the Bankruptcy Court approving and authorizing such DWSD Authority Transaction.

All terms and conditions in respect of any DWSD Authority Transaction set forth in (a) any DWSD Bond Document or (b) any transaction document in respect of such a DWSD Authority Transaction shall in any case include: (i) no material modifications to the source of payment and security for any DWSD Bonds or 2014 Revenue and Revenue Refinancing Bonds; (ii) an opinion of tax counsel that such transfer shall have no material adverse effect on the tax exempt status of the interest on the DWSD Bonds or 2014 Revenue and Revenue Refinancing Bonds; (iii) that the City could issue at least \$1 of additional new money DWSD Bonds in compliance with the additional bonds test set forth in the applicable DWSD Bond Documents; and (iv) ratings confirmation of any rating agency then rating the DWSD Bonds and 2014 Revenue and Revenue Refinancing Bonds. A DWSD Authority Transaction shall not affect, impair, modify or otherwise alter the rights of any party under the DWSD Tender Order, the DWSD Bond Documents, the DWSD Revolving Bond Documents, the 2014 DWSD Refinancing Obligations, the 2014 Revenue and Revenue Refinancing Bonds or the 2014 Revenue Refinancing Bonds or any Bond Insurance Policy related to or issued in connection with any of the foregoing.

**B. The New B Notes, New C Notes and New LTGO Bonds.**

On or before the Effective Date, the City shall (a) execute the New B Notes Documents, issue the New B Notes, substantially on the terms set forth on Exhibit I.A.246, and distribute the New B Notes as set forth in the Plan; (b) execute the New C Notes Documents, issue the New C Notes, substantially on the terms set forth on Exhibit I.A.248 (and in any case in form and substance reasonably acceptable to the City and Syncora), and distribute the New C Notes as set forth in the Plan; and (c) execute the New LTGO Bond Documents, issue the New LTGO Bonds, substantially on the terms set forth on Exhibit I.A.237, and distribute the New LTGO Bonds as set forth in the Plan.

**C. The UTGO Settlement.**

On the Effective Date, the City and the Settling UTGO Bond Insurers shall consummate the UTGO Settlement Agreement, a copy of which is attached hereto as Exhibit I.A.360. The treatment of Unlimited Tax General Obligation Bond Claims under the Plan is provided for pursuant to the UTGO Settlement Agreement, which involves the settlement of, among other things, the UTGO Litigation and is subject to Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the UTGO Settlement Agreement pursuant to Bankruptcy Rule 9019.

Pursuant to the UTGO Settlement Agreement, among other things: (1) the Unlimited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$388,000,000; (2) the City shall issue the Municipal Obligation to the MFA, which in turn will issue the Restructured UTGO Bonds; (3) Holders of Allowed Unlimited Tax General Obligation Bond Claims shall be entitled to receive their Pro Rata share of \$279,618,950 of the Restructured UTGO Bonds as set forth in Schedule 1a of the UTGO Settlement Agreement; (4) the Settling UTGO Bond Insurers and the Non-Settling UTGO Bond Insurer shall be entitled to receive \$7,941,840 of the Restructured UTGO Bonds as set forth in Schedule 1b to the UTGO Settlement Agreement; and (5) a designee or designees of the City shall have the right to receive the Assigned UTGO Bond Tax Proceeds, which Assigned UTGO Bond Tax Proceeds will be distributed over a 14-year period to the Income Stabilization Funds of GRS and PFRS for the payment of Income Stabilization Payments to Eligible Pensioners and to the Retirement Systems, in accordance with applicable agreements.

Each Settling UTGO Bond Insurer shall receive, as soon as reasonably practicable after the occurrence of a Trigger Event, its allocable share of the Top-Off Payments in accordance with the terms of the UTGO Settlement Agreement.

**D. The State Contribution Agreement.**

Prior to or on the Effective Date, if Classes 10 and 11 vote to accept the Plan, the City, GRS, PFRS and the State will enter into the State Contribution Agreement, substantially on the terms set forth on Exhibit I.A.332.

**1. State Contribution.**

The State or the State's authorized agent will contribute the net present value of \$350 million payable over 20 years using a discount rate of 6.75% to GRS and PFRS for the benefit of the Holders of Pension Claims.

**2. Income Stabilization Payments.**

The Income Stabilization Funds of GRS and PFRS will receive not less than an aggregate amount of \$20 million over 14 years of the Assigned UTGO Bond Tax Proceeds in the form of annual installment payments pursuant to a payment schedule approved by the State. Following the Effective Date, on an annual basis, GRS and PFRS will distribute such portion of the funds held in their respective Income Stabilization Fund to Eligible Pensioners entitled to receive the Income Stabilization Benefit and the Income Stabilization Benefit Plus. The

Income Stabilization Benefit, which will be calculated in the first year following the Effective Date and will not increase thereafter, will be provided by the applicable Retirement System to each Eligible Pensioner. In addition, to the extent that an Eligible Pensioner's estimated adjusted annual household income (as determined by the applicable Retirement System) in any calendar year after the first year of the income stabilization program is less than 105% of the Federal Poverty Level for such year, the applicable Retirement System will distribute the Income Stabilization Benefit Plus to such Eligible Pensioner.

In the event that, in 2022 (provided that the State has not issued a certificate of default under the State Contribution Agreement with respect to GRS or PFRS, as applicable, at any time prior to 2022), it is the opinion of at least 75% of the independent members of the Investment Committee of GRS or PFRS, as applicable, that the Income Stabilization Fund of the applicable Retirement System is credited with Excess Assets, the respective Investment Committee may recommend that the Excess Assets, in an amount not to exceed \$35 million, be used to fund the Adjusted Pension Amounts payable by the applicable Retirement System. In the event that any funds remain in the Income Stabilization Fund of each or either of GRS or PFRS on the date upon which no Eligible Pensioners under the applicable Retirement System are living, such funds shall be used to fund the Adjusted Pension Amounts payable by the applicable Retirement System.

### **3. Conditions to State's Participation.**

The payment of the State Contribution by the State or the State's authorized agent is conditioned upon satisfaction of the conditions precedent set forth in the State Contribution Agreement, including, among other things, the following: (a) the Confirmation Order becoming a Final Order no later than December 31, 2014, which Confirmation Order must contain certain provisions as set forth in the State Contribution Agreement, including a requirement that the governing documents of GRS and PFRS be amended to include (i) the governance terms and conditions set forth in the State Contribution Agreement and (ii) the Income Stabilization Funds and Income Stabilization Payments; (b) the occurrence of the Effective Date no later than April 1, 2015; (c) acceptance of the Plan by Classes 10 and 11, which Plan must be in form and substance reasonably acceptable to the State and contain certain release provisions; (d) the Retiree Committee's endorsement of the Plan, including a letter from the Retiree Committee recommending that Classes 10 and 11 vote in favor of the Plan, or equivalent assurances from member organizations representing a majority of retirees in Classes 10 and 11; (e) active support of the Plan by, a release of and covenant not to sue the State from, and an agreement not to support in any way the litigation described in subsection (f) of this Section by, the City, the Retiree Committee, the Retirement Systems and certain unions and retiree associations, or equivalent assurances of litigation finality; (f) cessation of all litigation, or equivalent assurances of finality of such litigation, including the cessation of funding of any litigation initiated by any other party, as it relates to the City, (i) challenging PA 436 or any actions taken pursuant to PA 436 or (ii) seeking to enforce Article IX, Section 24 of the Michigan Constitution; (g) evidence satisfactory to the State of an irrevocable commitment by the Foundations (excluding the Special Foundation Funders, as that term is defined in the DIA Settlement Documents) to fund \$366 million (or the net present value thereof) as part of the DIA Settlement, as provided in Section IV.E.1; and (h) evidence satisfactory to the State of an irrevocable commitment by DIA Corp. to fund \$100 million (or the net present value thereof) as part of the DIA Settlement, as provided in Section IV.E.1.

The State shall File and serve via the Court's electronic case filing and noticing system a notice that the conditions precedent to the State's payment of the State Contribution have been satisfied or otherwise addressed pursuant to the procedures outlined in the State Contribution Agreement no later than ten days after all such conditions have been satisfied or otherwise addressed.

### **4. Release of Claims Against the State and State Related Entities.**

The State Contribution Agreement requires that the Plan provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

## **E. The DIA Settlement.**

On the Effective Date, the City and the DIA Corp. will enter into the DIA Settlement, pursuant to which (1) the DIA Funding Parties that are such as of the Effective Date have committed to assist in the funding of the City's restructured legacy pension obligations and (2) the City has agreed to enter into certain transactions that will cause the DIA to remain in the City in perpetuity, as described in and subject to the terms and conditions of the DIA Settlement Documents, and to otherwise make the DIA Assets available for the benefit of the residents of the City and the Counties and the citizens of the State. The DIA Settlement Documents attached hereto as Exhibit I.A.127 will qualify the description of the DIA Settlement in the Plan, Disclosure Statement and Exhibit I.A.126. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the DIA Settlement pursuant to Bankruptcy Rule 9019.

### **1. Funding Contributions.**

The DIA Settlement will be funded as follows: (a) irrevocable commitments in an aggregate amount of at least \$366 million by the Foundations (excluding the Special Foundation Funders, as that term is defined in the DIA Settlement Documents); and (b) in addition to its continuing commitments outside of the DIA Settlement, irrevocable commitments in an aggregate amount of \$100 million from the DIA Direct Funders (including the commitment of the Special Foundation Funders, as that term is defined in the DIA Settlement Documents, and subject to certain adjustments as set forth in the DIA Settlement Documents), the payment of which \$100 million will be guaranteed by DIA Corp., subject to the terms of the DIA Settlement Documents. The foregoing commitments shall be funded over the course of the 20 year period immediately following the Effective Date (subject to the annual confirmation of the City's continuing compliance with the terms of the DIA Settlement) according to the "Agreed Required Minimum Schedule" and subject to the option at any time for the "Present Value Discount," as set forth in the DIA Settlement Documents. Amounts committed by the Foundations and the DIA Direct Funders will be paid to the CFSEM Supporting Organization, which will (a) transfer such amounts for the purpose of funding the Retirement Systems upon the City's satisfaction of certain conditions and (b) not be subject to claims of creditors of the Community Foundation for Southeast Michigan.

### **2. Transfer of DIA Assets.**

On the Effective Date, the City shall irrevocably transfer all of its right, title and interest in and to the DIA Assets to DIA Corp., as trustee, to be held in perpetual charitable trust, and within the City limits, for the primary benefit of the residents of the City and the Counties and the citizens of the State.

### **3. Conditions to the DIA Funding Parties' Participation.**

The DIA Funding Parties' participation in the DIA Settlement is conditioned upon, among other things, the following: (a) execution of the DIA Settlement Documents by each Foundation; (b) the irrevocable commitment from the DIA Corp. described in Section IV.E.1; (c) the acceptance of the Plan by Classes 10 and 11; (d) the irrevocable transfer by the City of the DIA Assets described in Section IV.E.2; (e) approval by the DIA's Board of Directors and the taking effect of the recommendation of the governance committee as described in Exhibit I.A.126; (f) the earmarking of all funds provided by the DIA Funding Parties towards the recoveries upon Pension Claims under the Plan for Holders of Claims in Classes 10 and 11; (g) the adoption of prospective governance and financial oversight mechanisms for the Retirement Systems that are reasonably satisfactory to the DIA Funding Parties; (h) the amendment by DIA Corp. and the art institute authority for each of Macomb County, Oakland County and Wayne County, Michigan of each art institute authority's respective service agreement so that the termination of the 1997 Operating Agreement between the City and DIA Corp. will not affect the art institute authorities' obligations under such agreements to pay millage proceeds to DIA Corp.; (i) the approval of the DIA Settlement by the Attorney General for the State; (j) the agreement of the State to provide the State Contribution; and (k) the City's agreement to indemnify and hold harmless the DIA Funding Parties and the CFSEM Supporting Organization and their Related Entities pursuant to, and in accordance with, the terms of the DIA Settlement Documents.

## **F. Contingent Payment Rights**

On or as soon as reasonably practicable after the Confirmation Date, the City shall establish the Restoration Trust. The City shall issue the DWSD CVR to the Restoration Trust. If a Qualifying DWSD Transaction has not occurred before the seventh anniversary of the Effective Date, the DWSD CVR shall terminate and expire. The Restoration Trust shall distribute proceeds from the DWSD CVR in the following amounts and priorities: (1) first, to GRS up to an amount sufficient for all three GRS waterfall classes identified on Exhibit II.B.3.r.ii.C to have their 4.5% pension reductions restored; (2) second, to GRS up to an amount sufficient for all three GRS waterfall classes identified on Exhibit II.B.3.r.ii.C to have 92% of their COLA benefits restored; and (3) third, 53% to GRS and 47% to PFRS. If the City makes any contributions to either GRS or PFRS out of its portion of the Net DWSD Transaction Proceeds, such contributions and earnings thereon shall not be taken into account for determining whether any pension restoration may be made. The DWSD CVR may not be transferred.

### **1. Special Restoration**

Any proceeds from the DWSD CVR distributed by the Restoration Trust on account of a Qualifying DWSD Transaction consummated on or before the Effective Date, or fully executed and enforceable before the Effective Date but consummated after the Effective Date, shall be utilized for the purpose of funding the Special Restoration; provided that the City shall act in good faith so as not to unreasonably delay the execution of a Qualifying DWSD Transaction solely to avoid Special Restoration. In such case, the City will perform a Value Determination and arrive at the Discounted Value. The City will engage in good faith discussion as to the reasonableness of the Value Determination with the Retiree Committee or Restoration Trust, as applicable. In the event that the Retiree Committee or the Restoration Trust, as applicable, does not accept the Value Determination, the Retiree Committee or the Restoration Trust, as applicable, may seek to have the Bankruptcy Court determine the dispute, and the City consents to such jurisdiction.

Special Restoration shall follow the priorities of restoration of benefits set forth in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C. In order for benefits to be restored pursuant to the Special Restoration, such benefits must be fully funded by 50% of the Discounted Value for the full actuarially-determined lives of all participants for whom benefits are restored. In the event that actual Net DWSD Transaction Proceeds from the DWSD CVR do not equal 50% of the contemplated Net DWSD Transaction Proceeds as of the date of the Value Determination, the Investment Committees of the Retirement Systems will reduce or eliminate the Special Restoration benefits, as applicable, by the amount that 50% of the Discounted Value exceeds the actual Net DWSD Transaction Proceeds from the DWSD CVR received or projected to be received using a 6.75% discount rate. In the event that the Retiree Committee, the Restoration Trust or the City, as applicable, does not agree with the reduction in the Special Restoration benefits, the Retiree Committee or the Restoration Trust, as applicable, or the City may consult with the trustees and Investment Committees of PFRS or GRS with respect to any such reduction. Neither the Retiree Committee nor the Restoration Trust shall have any right to initiate any enforcement proceeding with respect to Special Restoration.

### **2. General Restoration**

Any Net DWSD Transaction Proceeds from the DWSD CVR distributed by the Restoration Trust on account of a Qualifying DWSD Transaction consummated after the Effective Date, if such Qualifying Transaction was not fully executed and enforceable before the Effective Date, shall be utilized for the purpose of funding the pension trusts, and such cash contributions shall be included in any calculations allowing for the restoration of benefits in accordance with the general rules governing pension restoration as provided for in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C.

## **G. The OPEB Settlement.**

The City and the Retiree Committee have reached a settlement related to the allowance and calculation of the OPEB Claims in Class 12 and the treatment of such Allowed OPEB Claims, the terms of which settlement are reflected in the Plan. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, such settlement pursuant to Bankruptcy Rule 9019.

#### **H. The LTGO Settlement.**

The City, the LTGO Insurer and BlackRock Financial Management have reached a settlement related to the treatment of Allowed Limited Tax General Obligation Bond Claims, the terms of which settlement are reflected in the Plan. Pursuant to the LTGO Settlement Agreement, Distributions attributable to the Insured LTGO Bonds shall be made to the LTGO Distribution Agent (as opposed to directly to the record owners of the Insured LTGO Bonds or to the LTGO Insurer) for the benefit of the record owners of the Insured LTGO Bonds in accordance with the LTGO Settlement Agreement. In the event that the City intends to redeem the principal amount of New LTGO Notes during any time that the Insured LTGO Bonds are outstanding, the City and the LTGO Distribution Agent shall be required to take certain actions as described in the LTGO Settlement Agreement. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the LTGO Settlement Agreement pursuant to Bankruptcy Rule 9019.

#### **I. The Syncora Settlement**

The City and Syncora have reached a settlement effecting a global resolution of all matters and litigation between the parties related to the Chapter 9 Case, as set forth in the Syncora Settlement Documents (the terms of which qualify and control over any description of the Syncora Settlement contained herein). Pursuant to the Syncora Settlement, and in accordance with the Plan, among other things: (1) the City shall, pursuant to Section II.D.1, assume the Tunnel Lease; (2) the parties shall enter into the Syncora Development Agreement; (3) the parties shall dismiss or withdraw the Dismissed Syncora Litigation as set forth in the Syncora Settlement Agreement; (4) any vote cast by Syncora to reject the Plan shall be deemed a vote to accept the Plan; (5) Syncora shall support Confirmation; and (6) on the Effective Date or as soon thereafter as practical, the City shall pay the sum of \$5 million in full satisfaction of all of Claims filed or asserted against the City by Syncora relating to the COP Swap Agreements and any agreements related thereto, including the COP Syncora Swap Insurance Policies and the COP Swap Collateral Agreement. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving and authorizing the parties to enter into, (1) the Syncora Settlement pursuant to Bankruptcy Rule 9019 and (2) the related Syncora Development Agreement (including the garage option) and the Tunnel Lease. The City shall not amend the Plan in any way that adversely affects Syncora without Syncora's prior written consent.

#### **J. The FGIC/COP Settlement**

The City and FGIC have reached a settlement effecting a global resolution of all matters and litigation between the parties related to the Chapter 9 Case, as set forth in the FGIC/COP Settlement Documents (the terms of which qualify and control over any description of the FGIC/COP Settlement contained herein). Pursuant to the FGIC/COP Settlement, and in accordance with the Plan, among other things: (1) the City and the Developer, for the benefit of FGIC and the FGIC COP Holders, shall enter into the FGIC Development Agreement; (2) FGIC shall, on behalf of the FGIC COP Holders, become a Settling COP Claimant with respect to all COPs and COP Claims associated with COPs originally insured by FGIC; (3) the parties shall dismiss or withdraw the Dismissed FGIC/COP Litigation as set forth in the FGIC/COP Settlement Documents; (4) except for Excluded Actions, FGIC shall waive any claims it may have against any other party related to the Dismissed FGIC/COP Litigation as set forth in the FGIC/COP Settlement Documents; (5) any vote cast by FGIC to reject the Plan shall be deemed a vote to accept the Plan; and (6) in full satisfaction and discharge of FGIC's claims against the City related to FGIC's Swap Insurance Policies, (a) FGIC shall receive an Allowed Class 14 Claim in the amount of \$6.15 million, entitling FGIC to receive the Distributions provided pursuant to Section II.B.3.u.i and (b) the DDA shall assign to FGIC all of its right, title and interest to the New B Notes to be distributed to the DDA pursuant to Section II.B.3.t.ii. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving and authorizing the parties to enter into, (1) the FGIC/COP Settlement pursuant to Bankruptcy Rule 9019 and (2) the related FGIC Development Agreement. The City shall not amend the Plan in any way that adversely affects FGIC without FGIC's prior written consent.

#### **K. Issuance of the New Securities.**

The City shall issue the New Securities on the Effective Date or a subsequent Distribution Date, as applicable. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-



bankruptcy law, the issuance of New Securities as contemplated by the Plan is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of securities. The New Securities (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of the City or applicable issuer as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 days of such transfer, and (iii) is not an entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code.

**L. Cancellation of Existing Bonds, Bond Documents, COPs and COP Documents.**

Except (a) as provided in any contract, instrument or other agreement or document entered into or delivered in connection with the Plan, (b) for purposes of evidencing a right to Distribution under the Plan or (c) as specifically provided otherwise in the Plan (including any rejection of Executory Contracts pursuant to Section II.D), on the Effective Date, the Bonds, the Bond Documents, the COPs and the COP Documents will be deemed automatically cancelled, terminated and of no further force or effect against the City without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the parties to the City, as applicable, under the Bonds, the Bond Documents, the COPs and the COP Documents shall be discharged; provided, however, that the Bonds, the Bond Documents, the COPs and the COP Documents shall continue in effect solely (i) to allow the Disbursing Agent to make any Distributions as set forth in the Plan and to perform such other necessary administrative or other functions with respect thereto, (ii) for any trustee, agent, contract administrator or similar entity under the Bond Documents or COP Documents to have the benefit of all the rights and protections and other provisions of the Bond Documents or COP Documents, as applicable, and all other related agreements with respect to priority in payment and lien rights with respect to any Distribution, (iii) to set forth the terms and conditions applicable to parties to the Bond Documents and COP Documents other than the City, (iv) as may be necessary to preserve any claim by (1) a Bondholder or Bond Agent under a Bond Insurance Policy or against any Bond Insurer, (2) a COPs Holder or COP Agent under a COP Insurance Policy or against any COP Insurer or (3) a COP Swap Counterparty under a Swap Insurance Policy or against any insurer thereunder and (v) with respect to any obligation of any party (other than the City, except to the extent provided in the COP Swap Settlement or the COP Swap Settlement Approval Order) under any COP Document related to such party's obligations owed in respect of the COP Swap Documents or the COP Swap Claims. Notwithstanding the foregoing, and except as otherwise expressly provided in the Plan (or the COP Swap Settlement or the COP Swap Settlement Approval Order), such Bonds, Bond Documents, COPs or COP Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City. Nothing in the Plan impairs, modifies, affects or otherwise alters the rights of (a) Bondholders or Bond Agents with respect to claims under applicable Bond Insurance Policies or against the Bond Insurers, (b) COPs Holders or COP Agent with respect to claims under COP Insurance Policies and obligations related thereto or (c) COP Swap Counterparties with respect to claims under Swap Insurance Policies and obligations related thereto. For the avoidance of doubt, except for the immediately preceding sentence, this Section IV.L shall not apply to any Bonds that are Reinstated pursuant to Section II.B.3.a.ii. As of the Effective Date, the principal amounts of the COPs originally insured by FGIC shall be deemed accelerated and due and payable, and no interest on the COPs originally insured by FGIC shall accrue thereafter, solely for the purposes of determining distributions from the COP Trustee to holders of COPs originally insured by FGIC. The foregoing acceleration of principal and cessation of interest shall affect only the rights of each holder of COPs originally insured by FGIC to the receipt of proceeds of distributions under the Plan and not the rights of each such COPs holder against FGIC or shall not in any way modify payments currently required of FGIC under its existing insurance policies or FGIC's Plan of Rehabilitation.

**M. Release of Liens.**

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, or where a Claim is Reinstated, on the Effective Date, all Liens against the City's property will be deemed fully released and discharged, and all of the right, title and interest of any holder of such Liens, including any rights to any collateral thereunder, will revert to the City. As of the Effective Date, (1) the holders of such Liens will be authorized and directed to release any collateral or other property of the City (including any cash collateral) held by such Holder and to take such actions as may be requested by the City to evidence the release of such Lien, including the execution, delivery, filing or recording of such releases as may be requested by the City, and (2) the City shall be authorized to execute and file on behalf of

creditors Form UCC-3 termination statements or such other forms as may be necessary or appropriate to implement the provisions of this Section IV.M.

**N. Professional Fees**

**1. Professional Fee Reserve**

On the Effective Date, the City shall establish and fund the Professional Fee Reserve from the General Fund or, where applicable, the DWSD's funds, in an amount determined by the City to be sufficient to pay the Fee Review Professional Fees that remain unpaid as of the Effective Date, solely to the extent that such amounts are payable from the General Fund or the DWSD's funds. The initial amount of the Professional Fee Reserve shall be equal to the sum of (a) all invoices received from Fee Review Professionals and the Fee Examiner Parties as of the establishment and funding of the Professional Fee Reserve to the extent not yet paid (including holdbacks); (b) an estimate of the Fee Review Professionals' unbilled fees through the Effective Date as determined by the City in consultation with the Fee Review Professionals, which estimate shall be no lower than 125% of the aggregate amount of the highest monthly invoices respectively submitted by each Fee Review Professional pursuant to the Fee Review Order prior to the establishment and funding of the Professional Fee Reserve; and (c) an estimate of the Fee Examiner Parties' unbilled fees and expenses through the projected date of dismissal of the Fee Examiner under Section IV.N.3, as determined by the City in consultation with the Fee Examiner. The funds held in the Professional Fee Reserve may not be used for any purpose other than the payment of Fee Review Professional Fees until any and all disputes regarding the Fee Review Professional Fees, including any disputes arising under the Fee Review Order, have been fully and finally resolved pursuant to a Final Order or a stipulation between the disputing parties. Any amounts remaining in the Professional Fee Reserve after final resolution of all such disputes and the payment of all Fee Review Professional Fees determined to be reasonable in accordance with the Fee Review Order shall be released to the General Fund or the DWSD's funds, as applicable. If the Professional Fee Reserve is insufficient to pay all Fee Review Professional Fees that are determined to be reasonable in accordance with the Fee Review Order and that are payable from the General Fund or the DWSD's funds, the City shall pay such additional amounts from the General Fund or the DWSD's funds, as applicable.

**2. Fee Review Order**

The Fee Examiner shall review all fees and expenses of the Fee Review Professionals for the period from the Petition Date and ending on the Effective Date in accordance with the terms of the Fee Review Order. For the avoidance of doubt, the Fee Review Order shall not apply to any fees or expenses of the Fee Review Professionals for the period on and after the Effective Date, and the Fee Examiner shall not review any such fees or expenses; provided, however, that all fees and expenses of the Fee Examiner Parties, whether incurred before, on or after the Effective Date, shall remain subject to review and approval of the Bankruptcy Court pursuant to the terms of the Fee Review Order.

**3. Dismissal of the Fee Examiner**

Once the Fee Examiner completes his review of all Fee Review Professional Fees and submits or Files all reports related thereto as required by the Fee Review Order, the Fee Examiner shall be dismissed of all duties and obligations under the Fee Examiner Order and the Fee Review Order, other than any obligations of confidentiality thereunder. The confidentiality obligations of the Fee Examiner and the other Fee Examiner Parties, including the confidentiality obligations set forth in paragraph 22 of the Fee Review Order, shall remain binding from and after the Effective Date.

**4. Potential Review of Fees Not Subject to Fee Review Order**

The City shall have the right to bring before the Bankruptcy Court a request to review and determine the reasonableness of the fees and expenses of any Fee Review Professional retained by a creditor of the City or any of its departments to the extent that such fees and expenses have not been either (a) approved pursuant to or in accordance with the DWSD Tender Order, (b) subject to court review or (c) subject to a Bankruptcy Court-approved or agreed upon process for binding arbitration.

## **5. Court-Appointed Expert**

The Court-appointed expert, Martha E. M. Kopacz of Phoenix Management Services, and her counsel shall be compensated for any reasonable fees and expenses incurred through the Confirmation Date in accordance with the terms of the Court's Order Appointing Expert Witness (Docket No. 4215), entered on April 22, 2014, as amended.

### **O. Assumption of Indemnification Obligations.**

Notwithstanding anything otherwise to the contrary in the Plan, nothing in the Plan shall discharge or impair the obligations of the City as provided in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements as of the Petition Date to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of officers and employees of the City (consistent with the injunction provisions of Section III.D.5 and including the members of the City Council, the Mayor and the Emergency Manager) and their Related Entities, in each case to the extent such Entities were acting in such capacity, against any claims or causes of action whether direct or derivative, liquidated or unliquidated, foreseen or unforeseen, asserted or unasserted; provided that this Section IV.O shall be read in conjunction with the provisions for Indirect Employee Indemnity Claims set forth in Section III.D.5. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan and shall be discharged. For the avoidance of doubt, no indemnification provision in any loan document, bond document, Bond Insurance Policy or other agreement with a Bond Insurer is exempted from discharge by reason of this Section IV.O.

### **P. Incorporation of Retiree Health Care Settlement Agreement.**

The terms of the Retiree Health Care Settlement Agreement resolving the Retiree Health Care Litigation, which agreement is attached hereto as Exhibit I.A.298, are incorporated herein by reference and shall be binding upon the parties thereto.

### **Q. Payment of Workers' Compensation Claims.**

From and after the Effective Date, (a) the City will continue to administer (either directly or through a third party administrator) and pay all valid claims for benefits and liabilities for which the City is responsible under applicable State workers' compensation law, regardless of when the applicable injuries were incurred, in accordance with the City's prepetition practices and procedures and governing State workers' compensation law, and (b) nothing in the Plan shall discharge, release or relieve the City from any current or future liability under applicable State workers' compensation law. The City expressly reserves the right to challenge the validity of any claim for benefits or liabilities arising under applicable State workers' compensation law.

### **R. 36th District Court Settlement.**

The City and the Settling 36th District Court Claimants have reached a settlement related to (1) the allowance of certain of the Settling 36th District Court Claimants' Claims and (2) the treatment of Allowed Indirect 36th District Court Claims under the Plan substantially on the terms attached hereto as Exhibit I.A.9. The 36th District Court Settlement is incorporated into the Plan, which shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, such settlement pursuant to Bankruptcy Rule 9019.

### **S. Payment of Certain Claims Relating to the Operation of City Motor Vehicles.**

From and after the Effective Date, the City will continue to administer (either directly or through a third party administrator) and pay valid prepetition Claims for liabilities with respect to which the City is required to maintain insurance coverage pursuant to MCL § 500.3101 in connection with the operation of the City's motor vehicles, as follows: (1) Claims for personal protection benefits as provided by MCL § 500.3107 and MCL § 500.3108, for which insurance coverage is required by MCL § 500.3101(1), shall be paid in full, to the extent valid, provided, however, that the City will not be liable for or pay interest or attorneys' fees under MCL § 500.3142

or MCL § 500.3148 on prepetition Claims for personal protection benefits; (2) tort claims permitted by MCL § 500.3135, for which residual liability insurance coverage is required by MCL § 500.3101(1) and MCL § 500.3131, shall be paid, to the extent valid, only up to the minimum coverages specified by MCL § 500.3009(1), i.e., up to a maximum of (a) \$20,000 because of bodily injury to or death of one person in any one accident, and subject to that limit for one person, (b) \$40,000 because of bodily injury to or death of two or more persons in any one accident and (c) \$10,000 because of injury to or destruction of property of others in any accident; and (3) Claims for property protection benefits under MCL § 500.3121 and MCL § 500.3123 shall be paid, to the extent valid, only up to the maximum benefits specified in MCL § 500.3121; provided, however, for the avoidance of doubt, to the extent any valid Claim subject to subsections 2 and 3 above exceeds the applicable payment limits, the excess claim amount shall be treated as an Other Unsecured Claim or a Convenience Claim (as applicable). Nothing in the Plan shall discharge, release or relieve the City from any current or future liability with respect to Claims subject to insurance coverage pursuant to MCL § 500.3101 or Claims within the minimum coverage limits in MCL § 500.3009(1). The City expressly reserves the right to challenge the validity of any Claim subject to this Section IV.S, and nothing herein shall be deemed to expand the City's obligations or claimants' rights with respect to these Claims under State law.

**T. Payment of Tax Refund Claims.**

From and after the Effective Date, the City will continue to administer (either directly or through a third party administrator) and pay all valid claims for income tax refunds and property tax refunds for which the City is responsible under applicable law, regardless of when the applicable right to a refund arose, in accordance with the City's prepetition practices and procedures. The City expressly reserves the right to challenge the validity of any claim for an income tax refund or property tax refund.

**U. Utility Deposits.**

From and after the Effective Date, the City will continue to administer utility deposits in accordance with the City's prepetition practices and procedures, including the payment of any undisputed, non-contingent, liquidated claims against the City for the refund of a utility deposit.

**V. Pass-Through Obligations.**

The City shall continue to honor its Pass-Through Obligations to the Pass-Through Recipients.

**W. Exit Facility.**

On the Effective Date, the City shall enter into the Exit Facility, as well as any ancillary notes, documents or agreements in connection therewith, including, without limitation, any documents required in connection with the creation or perfection of the liens securing the Exit Facility.

**X. Post-Effective Date Governance.**

Prior to or on the Effective Date, the Financial Review Commission shall be established pursuant to and in accordance with the Financial Review Commission Act. The Financial Review Commission shall provide oversight as set forth in the Financial Review Commission Act, including to ensure that, post-Effective Date, the City adheres to the Plan and continues to implement financial and operational reforms that promote more efficient and effective delivery of services to City residents. The City shall promptly provide to the Bankruptcy Court copies of any reports given to, or received from, the Financial Review Commission. Nothing herein shall expand, limit or otherwise modify the role or powers of the Financial Review Commission.

**ARTICLE V**  
**PROVISIONS REGARDING DISTRIBUTIONS UNDER THE PLAN**

**A. Appointment of Disbursing Agent.**

The City may act as Disbursing Agent or may employ or contract with other Entities to act as the Disbursing Agent or to assist in or make the Distributions required by the Plan. Any Disbursing Agent appointed by the City will serve without bond. Other than as specifically set forth in the Plan, the Disbursing Agent shall make all Distributions required to be made under the Plan.

**B. Distributions on Account of Allowed Claims.**

Except as otherwise provided in the Plan, on the Effective Date or as soon as practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive from the Disbursing Agent, the Bond Agent or the COP Agent, as applicable, the Distributions that the Plan provides for Allowed Claims in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, Distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Section VI.B. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the Distributions provided for in the Plan, regardless of whether such Distributions are delivered on or at any time after the Effective Date. Notwithstanding anything to the contrary in the Plan, no Holder of an Allowed Claim shall, on account of such Allowed Claim, receive a Distribution in excess of the Allowed amount of such Claim.

**C. Certain Claims to Be Expunged.**

Any Claim that has been or is hereafter listed in the List of Creditors as contingent, unliquidated or disputed, and for which no proof of Claim is or has been timely Filed, is not considered to be an Allowed Claim and shall be expunged without further action by the City and without further notice to any party or any action, approval or order of the Bankruptcy Court.

**D. Record Date for Distributions; Exception for Bond Claims.**

With the exception of Bond Claims, neither the City nor any Disbursing Agent will have any obligation to recognize the transfer of, or the sale of any participation in, any Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims (including Holders of Claims that become Allowed after the Distribution Record Date) that are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date. With the exception of the Bond Claims, the City and any Disbursing Agent shall instead be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official Claims Register as of the close of business on the Distribution Record Date. Unless otherwise set forth in the Confirmation Order, the City shall not establish a record date for Distributions to Holders of Bond Claims.

**E. Means of Cash Payments.**

Except as otherwise specified herein, all Cash payments made pursuant to the Plan shall be in U.S. currency and made by check drawn on a domestic bank selected by the Disbursing Agent or, at the option of the Disbursing Agent, by wire transfer, electronic funds transfer or ACH from a domestic bank selected by the Disbursing Agent; provided, however, that Cash payments to foreign Holders of Allowed Claims may be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

**F. Selection of Distribution Dates for Allowed Claims.**

Except where the Plan requires the making of a Distribution on account of a particular Allowed Claim within a particular time, the Disbursing Agent shall have the authority to select Distribution Dates that, in the judgment of the Disbursing Agent, provide Holders of Allowed Claims with payments as quickly as reasonably practicable while limiting the costs incurred in the distribution process. Upon the selection of a Distribution Date by the Disbursing Agent, the Disbursing Agent shall File a notice of such Distribution Date that provides information regarding the Distribution to be made.

**G. Limitations on Amounts to Be Distributed to Holders of Allowed Claims Otherwise Insured.**

No Distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the City's insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy; provided that, if the City believes a Holder of an Allowed Claim has recourse to an insurance policy and intends to direct the Disbursing Agent to withhold a Distribution pursuant to this Section V.G, the City shall provide written notice to such Holder regarding what the City believes to be the nature and scope of applicable insurance coverage. To the extent that one or more of the City's insurance carriers agrees to satisfy a Claim in full, then immediately upon such agreement such Claim may be expunged without a Claims objection having to be Filed and without any further notice or any action, order or approval of the Bankruptcy Court. Nothing in the Plan, including this Section V.G, shall constitute a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities that any Entity may hold against any other Entity, including the City's insurance carriers and Bond Insurers, other than the City. For the avoidance of doubt, this Section shall not apply to Bond Insurance Policies or Swap Insurance Policies.

**H. City's Rights of Setoff Preserved.**

Notwithstanding anything to the contrary in the Plan, pursuant to section 553 of the Bankruptcy Code or otherwise applicable non-bankruptcy law, the City may set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim the claims, rights and Causes of Action of any nature that the City may assert against the Holder of such Claim; provided, however, that neither the failure to effect a setoff nor the allowance of any Claim pursuant to the terms of the Plan shall constitute a waiver or release by the City of any claims, rights and Causes of Action that the City may assert against such Holder, all of which are expressly preserved.

**I. Delivery of Distributions and Undeliverable or Unclaimed Distributions.**

**1. Delivery of Distributions Generally.**

Except as set forth in Section V.I.2, Distributions to Holders of Allowed Claims shall be made at the addresses set forth in the City's records unless such addresses are superseded by proofs of Claim or transfers of Claim Filed pursuant to Bankruptcy Rule 3001.

**2. Delivery of Distributions on Account of Bond Claims.**

Distributions on account of the Bond Claims shall (a) be made by the Disbursing Agent to the Bond Agent under the applicable Bond Documents for the benefit of Holders of Bond Claims and (b) be deemed completed when made by the Disbursing Agent to the Bond Agent as if such Distributions were made directly to the Holders of such Claims. The applicable Bond Agent, in turn, shall make such distributions to the applicable Holders pursuant to the terms and conditions of the applicable Bond Documents and subject to the respective rights, claims and interests, if any, that the Bond Agent may have under the applicable Bond Documents or otherwise to the recovery or reimbursement of their fees, costs and expenses (including the fees, costs and expenses of counsel and financial advisors) from any distribution hereunder, whether such rights, claims or interests are in the nature of a charging lien or otherwise. The Bond Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to such Distributions.

**3. De Minimis Distributions / No Fractional New Securities.**

No distribution shall be made by the Disbursing Agent on account of an Allowed Claim if the amount to be distributed to the specific Holder of an Allowed Claim on the applicable Distribution Date has an economic value of less than \$25.00. No fractional New Securities shall be distributed. Where a fractional portion of a New Security otherwise would be called for under the Plan, the actual issuance shall reflect a rounding down to the nearest whole New Security.

**4. Undeliverable or Unclaimed Distributions.**

In the event that any Distribution to any Holder is returned as undeliverable, no Distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such Distribution shall be made to such Holder without interest.

**Any Holder of an Allowed Claim that does not claim an undeliverable or unclaimed Distribution within six months after the Effective Date shall be deemed to have forfeited its claim to such Distribution and shall be forever barred and enjoined from asserting any such claim against the City or its property.** In such cases, any Cash held by the City on account of such undeliverable or unclaimed Distributions shall become the property of the City free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Any New Securities held for distribution on account of such Claims shall be canceled and of no further force or effect. Nothing contained in the Plan shall require any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

**5. Time Bar to Cash Payment Rights.**

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Disbursing Agent by the Holder of the Allowed Claim to whom such check originally was issued within 180 days after the date of the original check issuance. After such date, the Claim of any Holder to the amount represented by such voided check shall be released and forever barred from assertion against the City and its property.

**J. Other Provisions Applicable to Distributions in All Classes.**

**1. No Postpetition Interest.**

Except as otherwise specifically provided for in the Plan, or required by applicable bankruptcy law, the City shall have no obligation to pay any amount that constitutes or is attributable to interest on an Allowed Claim accrued after the Petition Date and no Holder of a Claim shall be entitled to be paid any amount that constitutes or is attributable to interest accruing on or after the Petition Date on any Claim without regard to the characterization of such amounts in any document or agreement or to whether such amount has accrued for federal income tax purposes. Any such amount that constitutes or is attributable to interest that has been accrued and has not been paid by the City shall be cancelled as of the Effective Date for federal income tax purposes.

**2. Compliance with Tax Requirements.**

In connection with the Plan and all instruments issued in connection therewith and distributed thereon, the City and any Disbursing Agent shall comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions under the Plan shall be subject to such withholding and reporting requirements. All such amounts withheld and paid to the appropriate governmental unit shall be treated as if made directly to the Holder of an Allowed Claim. The City and the Disbursing Agent shall be authorized to take any actions that they determine, in their reasonable discretion, to be necessary or appropriate to comply with such withholding and reporting requirements, including withholding Distributions pending receipt of information necessary to facilitate such Distributions, or establishing any other mechanisms they believe are reasonable and appropriate.



Notwithstanding any other provision of the Plan, each Entity receiving or deemed to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax imposed on such Entity on account of such Distribution, including income, withholding and other Tax obligations. The City has the right, but not the obligation, to refuse, or to direct a Disbursing Agent to refuse, to make a Distribution until a Holder of an Allowed Claim has made arrangements satisfactory to the City and any Disbursing Agent for payment of any such Tax obligations. The City may require, as a condition to making a Distribution, that the Holder of an Allowed Claim provide the City or any Disbursing Agent with a completed Form W-8, W-9 or other Tax information, certifications and supporting documentation, as applicable.

If the City makes such a request and the Holder of an Allowed Claim fails to comply before the date that is 180 days after the initial request is made, the amount of such Distribution shall irrevocably revert to the City and any Claim in respect of such Distribution shall be released and forever barred from assertion against the City and its property.

### **3. Allocation of Distributions.**

All Distributions to Holders of Allowed Claims that have components of principal and interest shall be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such Distributions, if any, shall be deemed to apply to any applicable accrued interest included in such Claim to the extent interest is payable under the Plan.

### **4. Surrender of Instruments.**

As a condition to participation under this Plan, the Holder of a note, debenture or other evidence of indebtedness of the City that desires to receive the property to be distributed on account of an Allowed Claim based on such note, debenture or other evidence of indebtedness shall surrender such note, debenture or other evidence of indebtedness to the City or its designee (unless such Holder's Claim will not be Impaired by the Plan, in which case such surrender shall not be required), and shall execute and deliver such other documents as are necessary to effectuate the Plan; provided, however, that, if a claimant is a Holder of a note, debenture or other evidence of indebtedness for which no physical certificate was issued to the Holder but which instead is held in book-entry form pursuant to a global security held by the Depository Trust Company or other securities depository or custodian thereof, there shall be no requirement of surrender. In the City's sole discretion, if no surrender of a note, debenture or other evidence of indebtedness occurs and the Holder of Claim does not provide an affidavit and indemnification agreement, in form and substance reasonably satisfactory to the City, that such note, debenture or other evidence of indebtedness was lost, then no distribution may be made to such Holder in respect of the Claim based on such note, debenture or other evidence of indebtedness. For the avoidance of doubt, (a) no Bond, note, debenture or other evidence of indebtedness of the City shall be surrendered or deemed surrendered that is subject to any Bond Insurance Policy and (b) no COP shall be surrendered or deemed surrendered hereby to the extent necessary to make or preserve a claim under any applicable policies or other instruments insuring the COPs and obligations related thereto or against any party, other than the City, that insures the COPs. Notwithstanding the foregoing, such Bonds or Bond Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City.

## **ARTICLE VI PROCEDURES FOR RESOLVING DISPUTED CLAIMS**

### **A. Treatment of Disputed Claims.**

#### **1. General.**

No Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order (including the Confirmation Order) allowing such Claim. Notwithstanding any other provision of the Plan, no payments or Distributions shall be made on account of a Disputed Claim until such Claim becomes an Allowed Claim. Without limiting the foregoing in any way, no partial payments and no partial Distributions will be made with respect to a disputed, contingent or

unliquidated Claim, or with respect to any Claim for which a proof of Claim has been Filed but not Allowed, until the resolution of such disputes or estimation or liquidation of such Claim by settlement or by Final Order.

## **2. ADR Procedures.**

At the City's option, any Disputed Claim designated or eligible to be designated for resolution through the ADR Procedures may be submitted to the ADR Procedures in accordance with the terms thereof and the ADR Procedures Order. For the avoidance of doubt, the designation of a Disputed Claim for resolution through the ADR Procedures, either prior to or after the Effective Date, will not modify, and will not be deemed to have modified, the terms of the ADR Injunction imposed pursuant to the ADR Procedures Order. Disputed Claims not resolved through the ADR Procedures will be resolved pursuant to the Plan.

## **3. Tort Claims.**

At the City's option, any unliquidated Tort Claim (as to which a proof of Claim was timely Filed in the Chapter 9 Case) not resolved through the ADR Procedures or pursuant to a Final Order of the Bankruptcy Court will be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date (subject to the City's right to seek removal or transfer of venue) or, if no action was pending on the Effective Date, in an administrative or judicial tribunal of appropriate jurisdiction that (a) has personal jurisdiction over the parties, (b) has subject matter jurisdiction over the Tort Claim and (c) is a proper venue. The City may exercise the above option by service upon the holder of the applicable Tort Claim of a notice informing such holder that the City has exercised such option (which notice shall be deemed to satisfy the notice requirements of Section I.B of the ADR Procedures). Upon the City's service of such notice, the automatic stay imposed pursuant to sections 362 and 922 of the Bankruptcy Code (along with any extension of such stay pursuant to the terms of the Stay Extension Order) or, after the Effective Date, the injunction set forth at Section III.D.5, will be deemed modified, without the necessity for further Bankruptcy Court approval or any further action by the City, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claim in the applicable administrative or judicial tribunal(s); provided that nothing contained in this Section will modify, or will be deemed to have modified, the terms of the Stay Extension Order with respect to any Tort Claim prior to the City having served notice of its intent to determine and liquidate such Tort Claim pursuant to this Section. If the City does not serve such a notice upon a holder of a Tort Claim by the Claims Objection Bar Date, such holder may file a motion with the Bankruptcy Court no later than 30 days after the Claims Objection Bar Date seeking relief from the discharge injunction imposed pursuant to Section III.D.5 in order to liquidate and determine its Claim, which right and the deadline for exercising such right shall be set forth in the notice of entry of the Confirmation Order.

Any Tort Claim determined and liquidated pursuant to a judgment obtained in accordance with this Section VI.A.3 and applicable non-bankruptcy law that is no longer appealable or subject to review will be deemed an Allowed Claim, provided that only the amount of such Allowed Tort Claim that is not satisfied from proceeds of insurance payable to the holder of such Allowed Tort Claim will be treated as an Allowed Claim for the purposes of distributions under the Plan and subject to the terms of the Plan. Distributions on account of any such Allowed Tort Claim shall be made in accordance with the Plan. Nothing contained in this Section will constitute or be deemed a waiver of any claim, right or Cause of Action that the City may have against any Entity in connection with or arising out of any Tort Claim, including any rights under section 157(b)(5) of title 28 of the United States Code. All claims, demands, rights, defenses and Causes of Action that the City may have against any Entity in connection with or arising out of any Tort Claim are expressly retained and preserved.

## **B. Disputed Claims Reserve.**

On and after the Effective Date, until such time as all Disputed Claims have been compromised and settled or determined by Final Order and before making any Distributions, consistent with and subject to section 1123(a)(4) of the Bankruptcy Code, the City shall establish and maintain a reserve of property equal to (1) the Distributions to which Holders of Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims in the Face Amount of such Disputed Claims or (2) such lesser amount as required by an order of the Bankruptcy Court. On the first Distribution Date that is at least 30 days (or such fewer days as may be agreed to by the City in its sole discretion) after the date on which a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall remit to the Holder of such Allowed Claim any Distributions such Holder would have been

entitled to under the Plan on account of such Allowed Claim had such Claim been Allowed as of the Effective Date. If a Disputed Claim is disallowed by Final Order, the property reserved on account shall become available for Distribution to the Holders of Allowed Claims within the Class(es) entitled to receive such property. Each Holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the assets held in the disputed claims reserve and not to any other assets held by the City, its property or any property previously distributed on account of any Allowed Claim.

**C. Objections to Claims.**

**1. Authority to Prosecute, Settle and Compromise.**

The City's rights to object to, oppose and defend against all Claims on any basis are fully preserved. As of the Effective Date, only the City shall have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to the ADR Procedures or any similar procedures approved by the Bankruptcy Court. Any objections to Claims shall be Filed no later than the Claims Objection Bar Date. On and after the Effective Date, the City may settle or compromise any Disputed Claim or any objection or controversy relating to any Claim without any further notice or any action, order or approval of the Bankruptcy Court.

**2. Expungement or Adjustment of Claims Without Objection.**

Any Claim that has been paid, satisfied or superseded shall be expunged from the Claims Register by the Claims and Balloting Agent at the request of the City, and any Claim that has been amended by the Holder of such Claim shall be adjusted on the Claims Register by the Claims and Balloting Agent at the request of the City, without the Filing of an objection and without any further notice or any action, order or approval of the Bankruptcy Court.

**3. Extension of Claims Objection Bar Date.**

Upon motion by the City to the Bankruptcy Court, the City may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to specific Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a modification to the Plan under section 1127 of the Bankruptcy Code.

**4. Authority to Amend List of Creditors.**

The City will have the authority to amend the List of Creditors with respect to any Claim and to make Distributions based on such amended List of Creditors without approval of the Bankruptcy Court. If any such amendment to the List of Creditors reduces the amount of a Claim or changes the nature or priority of a Claim, the City will provide the Holder of such Claim with notice of such amendment and such Holder will have 20 days to File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, the Disbursing Agent may proceed with Distributions based on such amended List of Creditors without approval of the Bankruptcy Court.

**ARTICLE VII  
RETENTION OF JURISDICTION**

Pursuant to sections 105(c), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, estimate, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the amount, allowance, priority or classification of Claims;

B. Confirm the maturity date and the terms as written of the collective bargaining agreements identified on Exhibit II.D.5 of the Plan, which agreements are incorporated as part of the Plan (it being understood that the enforcement, interpretation and resolution of disputes of the terms of the contracts shall proceed under applicable state law);

C. Resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including claims for payment of any cure amount;

D. Ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

E. Adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving the City that may be pending on the Effective Date or brought thereafter;

F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;

H. Approve any modification of the Plan or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or enter any order in aid of confirmation pursuant to sections 945 and 1142(b) of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate the Plan;

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

J. Adjudicate, decide or resolve any matters relating to the City's compliance with the Plan and the Confirmation Order consistent with section 945 of the Bankruptcy Code;

K. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or Distributions pursuant to the Plan are enjoined or stayed;

L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

M. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the FGIC Development Agreement;

N. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the Syncora Development Agreement

O. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 9 Case;

P. Enter a final decree closing the Chapter 9 Case pursuant to section 945(b) of the Bankruptcy Code; and

Q. Hear any other matter over which the Bankruptcy Court has jurisdiction under the provisions of the Bankruptcy Code and the Bankruptcy Rules subject to any limits on the Bankruptcy Court's jurisdiction and powers under sections 903 and 904 of the Bankruptcy Code.

## **ARTICLE VIII MISCELLANEOUS PROVISIONS**

### **A. Plan Supplements.**

All Plan Supplements not previously filed will be Filed no later than ten days before the Confirmation Hearing.

### **B. Modification of the Plan.**

Subject to section 942 and 1127(d) of the Bankruptcy Code, the City may alter, amend or modify the Plan or the Exhibits at any time prior to or after the Confirmation Date but prior to the substantial consummation of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as altered, amended or modified so long as the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such Holder.

### **C. Revocation of the Plan.**

The City reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the City revokes or withdraws the Plan, or if the Confirmation Date does not occur, then the Plan shall be null and void in all respects, and nothing contained in the Plan, nor any action taken or not taken by the City with respect to the Plan, the Disclosure Statement or the Confirmation Order, shall be or shall be deemed to be: (1) a waiver or release of any claims by or against the City; (2) an admission of any sort by the City or any other party in interest, or (3) prejudicial in any manner to the rights of the City or any other party in interest.

### **D. Severability of Plan Provisions.**

If any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, in each case at the election of and with the consent of the City, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the City's consent; and (3) non-severable and mutually dependent.

### **E. Effectuating Documents and Transactions.**

The City is authorized to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan. All such actions shall be deemed to have occurred and shall be in effect pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without any requirement of further action by the City Council, the Emergency Manager, the Mayor or any employees or officers of the City. On the Effective Date, the appropriate employees and officers of the City are authorized and directed to execute and deliver the agreements, documents and instruments contemplated

by the Plan, and to take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan, in the name and on behalf of the City.

**F. Successors and Assigns.**

Except as expressly provided otherwise in the Plan, the rights, benefits and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, Affiliate, representative, beneficiary or guardian, if any, of each Entity.

**G. Plan Controls.**

In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

**H. Notice of the Effective Date.**

On or before ten Business Days after occurrence of the Effective Date, the City shall mail or cause to be mailed to all Holders of Claims a notice that informs such Holders of (1) entry of the Confirmation Order; (2) the occurrence of the Effective Date; (3) the assumption and rejection of Executory Contracts and Unexpired Leases pursuant to the Plan, as well as the deadline for the filing of Claims arising from such rejection; (4) the deadline for the filing of Administrative Claims; and (5) such other matters as the City deems to be appropriate.

**I. Governing Law.**

Unless (1) a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or (2) otherwise specifically stated herein or in any contract, articles or certificates of incorporation, bylaws, codes of regulation, ordinance, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the laws of the State of Michigan, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan and any contract, articles or certificates of incorporation, bylaws, codes of regulation, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan.

**J. Request for Waiver of Automatic Stay of Confirmation Order.**

The Plan shall serve as a motion seeking a waiver of the automatic stay of the Confirmation Order imposed by Bankruptcy Rule 3020(e). Any objection to this request for waiver shall be Filed and served on the parties listed in Section VIII.L on or before the Voting Deadline.

**K. Term of Existing Injunctions and Stays.**

**All injunctions or stays provided for in the Chapter 9 Case under sections 105, 362 or 922 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.**

**L. Service of Documents**

Any pleading, notice or other document required by the Plan or the Confirmation Order to be served on or delivered to (1) the City and (2) the Retiree Committee must be sent by overnight delivery service, facsimile transmission, courier service or messenger to:

**1. The City**

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Heather Lennox, Esq.  
Thomas A. Wilson, Esq.  
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(Counsel to the City)

**2. The Retiree Committee**

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(Counsel to the Retiree Committee)

Dated: October 22, 2014

Respectfully submitted,

The City of Detroit, Michigan

By: /s/ Kevyn D. Orr  
Name: Kevyn D. Orr  
Title: Emergency Manager for the City of Detroit, Michigan

COUNSEL:

/s/ David G. Heiman

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ATTORNEYS FOR THE DEBTOR

**EXHIBIT I.A.9**

PRINCIPAL TERMS OF 36TH DISTRICT COURT SETTLEMENT

# **TERM SHEET REGARDING CLAIMS INVOLVING 36TH DISTRICT COURT**

I. Parties	<ul style="list-style-type: none"> <li>• The City of Detroit, Michigan (the "<u>City</u>")</li> <li>• The 36th District Court, State of Michigan (the "<u>36th District Court</u>")</li> <li>• Local 917 and Local 3308 of the American Federation of State, County and Municipal Employees (the "<u>AFSCME Locals</u>")</li> <li>• Bobby Jones, Richard T. Weatherly, Roderick Holley and Carlton Carter (collectively, the "<u>Individual Claimants</u>" and, together with the City, the 36th District Court and the AFSCME Locals, the "<u>Parties</u>")</li> </ul>
II. Resolved Proofs of Claim	<p>This Term Sheet applies to all proofs of claim (collectively, the "<u>Claims</u>") filed by: (a) the AFSCME Locals, (b) the individuals and entities identified in the AFSCME Locals Claim (as defined below), with the exception of any proof of claim filed by Arnette Rodgers solely to the extent such proof of claim asserts liabilities that arise from that certain proceeding pending in the United States District Court for the Eastern District of Michigan and captioned <u>Arnette Rodgers, et al. v. 36th District court and Chief Judge Marilyn Adkins</u>, Case No. 10-cv-11799 (E.D. Mich.); (c) the Individual Claimants; and (d) the 36th District Court. The Claims include, without limitation, the following proofs of claim:</p> <ul style="list-style-type: none"> <li>• Proof of claim number 1828 filed by Bobby Jones (the "<u>Jones Claim</u>") asserting a general unsecured nonpriority claim in the amount of \$1,039,242.40;</li> <li>• Proof of claim number 1843 filed by Richard T. Weatherly (the "<u>Weatherly Claim</u>") asserting the total amount of \$1,580,708.74 (consisting of \$1,568,233.74 asserted as a general unsecured nonpriority claim and \$12,475.00 asserted as a priority claim pursuant to section 507(a)(4) of title 11 of the United States Code (the "<u>Bankruptcy Code</u>"));</li> <li>• Proof of claim number 2280 filed by Roderick Holley (the "<u>Holley Claim</u>") asserting the total amount of \$1,408,200.13 (consisting of \$1,395,725.13 asserted as a general unsecured nonpriority claim and \$12,475.00 asserted as a priority claim pursuant to section 507(a)(4) of the Bankruptcy Code);</li> <li>• Proof of claim number 2281 filed by Carlton Carter (the "<u>Carter Claim</u>") asserting a general unsecured nonpriority claim in the total amount of \$1,621,760.41;</li> <li>• Proof of claim number 2422 filed by the 36th District Court (the "<u>36th District Court Claim</u>") asserting contingent and unliquidated liabilities against the City; and</li> <li>• Proof of claim number 2841 filed by the AFSCME Locals (the "<u>AFSCME Locals Claim</u>") asserting general unsecured nonpriority claims in the total amount of \$8,747,322.44 on behalf of the AFSCME Locals' members and themselves arising from grievances, administrative actions and other legal proceedings that the AFSCME Locals commenced against the 36th District Court.</li> </ul>

<p>III. Agreed Liquidated Amounts of Claims</p>	<p>By agreement of the Parties, (a) the 36th District Court Claim is withdrawn with prejudice and (b) the remaining Claims (collectively, the "<u>Allowed Claims</u>") are liquidated and deemed allowed as follows:</p> <ul style="list-style-type: none"> <li>• The Jones Claim is liquidated as a nonpriority unsecured claim in the amount \$1,061,716.99.</li> <li>• The Weatherly Claim is liquidated as a nonpriority unsecured claim in the amount of \$1,486,820.23.</li> <li>• The Holley Claim is liquidated as a nonpriority unsecured claim in the amount of \$1,438,322.30.</li> <li>• The Carter Claim is liquidated as a nonpriority unsecured claim in the amount of \$1,656,869.17.</li> <li>• The AFSCME Locals Claim is liquidated as a nonpriority unsecured claim in the amount of \$319,721.00, consisting of the following amounts relating to the grievance claims of the following parties with respect to the 36th District Court (collectively, the "<u>Grievances</u>"): <ul style="list-style-type: none"> <li>○ Donnita Cleveland (Grievance Nos. BH31808 and NKC11-1-7) - \$85,000.00</li> <li>○ Arnette Rodgers (Grievance Nos. BH022709 and BH120408) - \$125,000.00</li> <li>○ Jonathan Mapp (Case No. 13-154132) - \$75,000.00</li> <li>○ Annette Walton (Grievance No. BH102408) - \$500.00</li> <li>○ Quanetta Anderson (Grievance No. BH081007) - \$1,250.00</li> <li>○ Pamela Muldron (Grievance No. BH081110) - \$1,500.00</li> <li>○ Samuel Jamison (Arbitration No. AJ-30512/AJ-32712) - \$10,000.00</li> <li>○ Kiambu Boyd (Grievance No. 4-BH091710) - \$2,940.00</li> <li>○ Selena Wilson (wrongful suspension claim) - \$488.00</li> <li>○ Laticia Lemus (Grievance No. YM5208) - \$750.00</li> <li>○ Michele Hembree (Arbitration No. A17671-3308-07) - \$293.00</li> <li>○ AFSCME Local 3308 (Grievance No. BH011608) - \$16,500.00</li> </ul> </li> <li>• All (a) Claims other than the Allowed Claims and the 36th District Court Claim and (b) liabilities asserted in the AFSCME Locals Claim other than the Grievances are liquidated in the amount of \$0.00.</li> </ul>
<p>IV. Mutual Releases</p>	<p>Effective upon the date of approval of this settlement by the Bankruptcy Court, each of the Parties shall for itself and for each of its successor firms, parents, subsidiaries, affiliates, assigns, agents, attorneys, representatives, executors and administrators, present and former members, principals, judges, officers and employees, and each of their respective assigns, agents, representatives, partners, heirs, executors and administrators release each and every other Party and each of its successor firms, parents, subsidiaries, affiliates, assigns, agents, attorneys, representatives, executors and administrators, present and former members, principals, judges, officers and employees, and each of their respective assigns, agents, representatives, partners, heirs, executors and administrators of all claims and causes of action, whether legal or equitable, known or unknown, that arose prior to such date (including, without limitation, the reinstatement claims of Richard T. Weatherly and Arnette Rodgers) <u>provided, however</u>, that the Parties agree that the AFSCME Locals and the Individual Claimants (other than Richard T. Weatherly) shall not release the 36th District Court or any other parties with respect to that certain proceeding captioned <u>In the Matter of: 36th District Court, Respondent v. AFSCME Council 25, Local 917, Charging Party</u> (13-012254-MERC / C13 I-163).</p>

<p>V. Treatment of Claims Under the City's Fourth Amended Plan of Adjustment [Docket No. 4392] (as it may be modified, amended or supplemented, the "<u>Plan</u>")</p>	<p>Capitalized terms not otherwise defined in this section shall have the meanings given to them in the Plan.</p> <ul style="list-style-type: none"> <li>• All of the Allowed Claims shall be Indirect 36th District Court Claims under the Plan.</li> <li>• All Indirect 36th District Court Claims shall be reclassified into a new Class 17 under the Plan, which will provide for the following treatment of Indirect 36th District Court Claims: <p>Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Indirect 36th District Court Claim, in full satisfaction of such Allowed Claim, shall receive: (a) if the Allowed Amount of such Indirect 36th District Court Claim is less than \$100,000.00, on or as soon as reasonably practicable after the Effective Date, Cash in an amount equal to 33% of the Allowed Amount of such Allowed Indirect 36th District Court Claim; or (b) if the Allowed Amount of such Indirect 36th District Court Claim is equal to or more than \$100,000.00, Cash, equal to 33% of the Allowed Amount of such Indirect 36th District Court Claim, plus simple interest on outstanding amounts at a rate of five percent <i>per annum</i>, payable in five equal annual installments, with the first installment to be paid on or as soon as reasonably practicable after the Effective Date and the remaining four installments to be paid on the date of the first four anniversaries of the Effective Date or, if any such date is not a business day, on the first business day thereafter.</p> <p>Subject to the terms of the 36th District Court Settlement, the foregoing shall fulfill any obligation of the City and the 36th District Court that may exist with respect to all Indirect 36th District Court Claims. Nothing in the foregoing prevents the Holder of an Indirect 36th District Court Claim from seeking further relief or payment from the State with respect to such Indirect 36th District Court Claim to the extent such Claim is not satisfied pursuant to the Plan.</p> </li> </ul> <ul style="list-style-type: none"> <li>• The City shall make such other modifications to the Plan as are necessary or appropriate to effectuate the foregoing treatment of Indirect 36th District Court Claims including, solely by way of example, by modifying the definition of "Other Unsecured Claim" under the Plan to exclude Indirect 36th District Court Claims.</li> <li>• Solely for the purpose of the treatment under the Plan of the AFSCME Locals Claim, each of the Grievances shall be deemed to be a separate Indirect 36th District Court Claim.</li> </ul>
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	<ul style="list-style-type: none"> <li>For the avoidance of doubt, based on the foregoing treatment of the Allowed Claims in Class 17, the Individual Claimants and the AFSCME Locals will receive the following distributions in Cash on account of the Allowed Claims: <ul style="list-style-type: none"> <li>The Jones Claim (\$350,366.61 payable in five equal annual payments in the amount of \$77,072.24)</li> <li>The Weatherly Claim (\$490,650.68 payable in five equal annual payments in the amount of \$107,931.37)</li> <li>The Holley Claim (\$474,646.36 payable in five equal annual payments in the amount of \$104,410.81)</li> <li>The Carter Claim (\$546,766.83 payable in five equal annual payments in the amount of \$120,275.58)</li> <li>The AFSCME Locals Claim (\$105,507.93), consisting of the following amounts relating to the claims of the following parties: (a) Donnita Cleveland (\$28,050.00 lump sum), (b) Arnette Rodgers (\$41,250.00 payable in five equal annual payments in the amount of \$9,074.01), (c) Jonathan Mapp (\$24,750.00 lump sum), (d) Annette Walton (\$165.00 lump sum), (e) Quanetta Anderson (\$412.50 lump sum), (f) Pamela Muldron (\$495.00 lump sum), (g) Samuel Jamison (\$3,300.00 lump sum), (h) Kiambu Boyd (\$970.20 lump sum), (i) Selena Wilson (\$161.04 lump sum), (j) Laticia Lemus (\$247.50 lump sum), (k) Michele Hembree (\$96.69 lump sum) and (l) AFSCME Local 3308 (\$5,445.00 lump sum).</li> </ul> </li> </ul>
VI. Plan Voting	The AFSCME Locals and the Individual Claimants each shall be deemed to have voted their applicable Claims in favor of the Plan in the amounts established by the Order Regarding the Voting of Claims Relating to the 36th District Court (Docket No. 5905).
VII. Discharge, Release and Injunction	<ul style="list-style-type: none"> <li>Section III.D.5.b of the Plan shall be revised to add the following provision:  <p><b><u>Notwithstanding the foregoing and without limiting the injunctions in Section III.D.5.a, the Holders of Indirect 36th District Court Claims shall not be enjoined from taking any of the foregoing actions against the State or the State Related Entities with respect to the liabilities asserted in the Indirect 36th District Court Claims, to the extent not satisfied pursuant to the Plan.</u></b></p> </li> <li>Section III.D.7.a of the Plan shall be revised to provide that no Holders of Indirect 36th District Court Claims shall, by voting in favor of the Plan, be deemed to release, waive and discharge the State and the State Related Entities with respect to any liabilities asserted in the Indirect 36th District Court Claims.</li> </ul>
VIII.	The AFSCME Locals, the Individual Claimants and the 36th District Court shall stipulate to the entry of judgment against the 36th District Court in that certain proceeding pending in the Circuit Court for the County of Wayne and captioned <u>36th District Court v. Michigan American Federation of State, County and Municipal Employees Council 25, et al.</u> , Case No. 13-013170-CL, in the respective liquidated amounts set forth in Section III above with respect to the Jones Claim, the Weatherly Claim, the Holley Claim and the Carter Claim (the "Judgment"), <u>provided, however</u> , that the AFSCME Locals and the Individual Claimants shall waive all right to collect upon the Judgment from the City and the 36th District Court except pursuant to the terms of this settlement and the Plan.
IX. Definitive Documentation/ Court Approval	<ul style="list-style-type: none"> <li>The foregoing terms are subject to definitive documentation reasonably acceptable to the Parties and approval of the Bankruptcy Court, which may be as part of the order confirming the Plan.</li> </ul>



**EXHIBIT I.A.66**

**SCHEDULE OF CLASS 9 ELIGIBLE CITY ASSETS**

### **Schedule of Class 9 Eligible City Assets**

1. RFP for City Parking Assets.
2. Any City-owned real property asset within a 3-mile radius of the terminus of the Detroit Windsor Tunnel in Detroit, Michigan; excluding all real property assets subject to the Development Agreement.

**EXHIBIT I.A.88**

**SCHEDULE OF COP SWAP AGREEMENTS**

## SCHEDULE OF COP SWAP AGREEMENTS

COP Swap Agreements
ISDA Master Agreement (including the Schedule thereto) dated as of May 25, 2005, between Detroit Police and Fire Retirement System Service Corporation (" <u>DPFRS Service Corporation</u> ") and Merrill Lynch Capital Services, Inc. (as successor to SBS Financial Products Company LLC) (" <u>Merrill Lynch</u> ") and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0010) (as amended, modified or supplemented).
ISDA Master Agreement (including the Schedule thereto) dated as of May 25, 2005 between DFPRS Service Corporation and Merrill Lynch and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0011) (as amended, modified or supplemented).
ISDA Master Agreement (including the Schedule thereto) dated as of May 25, 2005 between Detroit General Retirement System Service Corporation (" <u>DGRS Service Corporation</u> ") and Merrill Lynch and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0009) (as amended, modified or supplemented).
ISDA Master Agreement (including the Schedule thereto) dated as of June 7, 2006 between DGRS Service Corporation and Merrill Lynch and the Confirmation thereunder dated June 7, 2006 (bearing Reference No. SBSFPC-0012) (as amended, modified or supplemented).
ISDA Master Agreement between DGRS Service Corporation and UBS AG, dated as of June 7, 2006, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS AG Reference No. 37380291 (as amended, modified or supplemented).
ISDA Master Agreement between DFPRS Service Corporation and UBS AG, dated as of May 25, 2005, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS AG Reference No. 37380351 (as amended, modified or supplemented).
ISDA Master Agreement between DFPRS Service Corporation and UBS AG, dated as of May 25, 2005, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS Reference No. 37380313 (as amended, modified or supplemented).
ISDA Master Agreement between DGRS Service Corporation and UBS AG, dated as of May 25, 2005, including the Schedule and Credit Support Annex thereto and the Confirmations thereunder, dated June 7, 2006, bearing UBS Reference No. 37380341 (as amended, modified or supplemented).

**EXHIBIT I.A.108**

FORM OF DETROIT GENERAL VEBA TRUST AGREEMENT

## **CITY OF DETROIT GENERAL RETIREE HEALTH CARE TRUST**

THIS TRUST AGREEMENT, entered into effective \_\_\_\_\_, 2014, by and among the City of Detroit ("Detroit" or the "City"), [\_\_\_\_\_ Bank] (the "Bank"), and the undersigned individual trustees ("Individual Trustees").

### **WITNESSETH:**

WHEREAS, Detroit filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 in the United States Bankruptcy Court for the United States Bankruptcy Court Eastern District of Michigan (the "Court");

WHEREAS, pursuant to the Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment"), the City agreed to establish a voluntary employees beneficiary association ("VEBA") to provide health care benefits to certain retirees and their Eligible Dependents;

WHEREAS, Detroit hereby establishes this City of Detroit General Retiree Health Care Trust (the "Trust");

WHEREAS, the undersigned Individual Trustees constituting the Board of Trustees shall be responsible for: (i) managing the property held by, and administration of, this Trust; and (ii) designing, adopting, maintaining and administering the "Health Care Plan for General Retirees of the City of Detroit" (the "Plan"), through which all health care benefits to the Trust's beneficiaries shall be provided;

WHEREAS, the Board of Trustees is willing to exercise the authority granted to it herein with regard to the Trust and Plan;

WHEREAS, through this Trust Agreement, Detroit intends to designate the Bank to serve in the capacity of the institutional trustee with respect to the Trust and to maintain custody of the Trust assets;

WHEREAS, the Bank is willing to receive, hold, and invest the assets of the Trust in accordance with the terms of this Trust Agreement; and

WHEREAS, the Trust and the interdependent Plan are intended to comply with the requirements of section 501(c)(9) of the Internal Revenue Code of 1986, as amended (the "Code"), and are together intended to constitute a "governmental plan" within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974;

NOW THEREFORE, in consideration of the premises and the covenants contained herein, Detroit and the Bank agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1 Bank. The entity referred to in the Preamble to this Trust Agreement named to perform the duties set forth in this Trust Agreement, or any successor thereto appointed

by the Board in accordance with Section 7.3. Any corporation continuing as the result of any merger or consolidation to which the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed automatically to be continuing as the Bank.

Section 1.2 Board of Trustees or Board. The Board of Trustees is the body described in Article VIII to which Detroit has delegated responsibility for: (i) managing the property held by, and administering, this Trust; and (ii) designing, adopting, maintaining and administering the Plan, through which all benefits to the Trust's beneficiaries shall be provided. It shall be constituted and operated in accordance with Article IX.

Section 1.3 Code. The Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.4 Detroit General VEBA Beneficiary. Has the meaning given to that term in the Plan of Adjustment.

Section 1.5 Eligible Dependent. An Eligible Retiree Member's dependent, within the meaning of Code section 501(c)(9) and the regulations promulgated thereunder, who is eligible to receive benefits under the Plan in accordance with its terms.

Section 1.6 Eligible Retiree Member. A former employee of Detroit, the Detroit Public Library, or the Detroit Regional Convention Facility Authority who is a Detroit General VEBA Beneficiary.

Section 1.7 Investment Manager. An investment manager appointed by the Board or its successor in accordance with the provisions of Section 9.4 hereof

Section 1.8 New B Notes. Has the meaning given to that term in the Plan of Adjustment.

Section 1.9 OPEB Claims Notes. The New B Notes the City is required to contribute to the Trust pursuant to the Plan of Adjustment.

Section 1.10 Other Supporting Organization. An organization other than the City, the Rate Stabilization Fund, or the Supporting Organization, having voluntarily contributed funds in excess of [\$500,000] to the Trust on or after the Effective Date.

Section 1.11 Participant. An Eligible Retiree Member or Eligible Dependent who is entitled to health care benefits pursuant to the terms of the Plan.

Section 1.12 Plan. The Health Care Plan for Retirees of the City of Detroit, to be adopted and thereafter amended from time to time by the Board, as specified herein, and which will provide health care benefits permitted to be provided by a VEBA under Code section 501(c)(9).

Section 1.13 Plan of Adjustment. The Plan for the Adjustment of Debts of the City of Detroit.



Section 1.14 Rate Stabilization Fund. The Rate Stabilization Reserves Fund maintained under the control of the Governing Board of the City of Detroit Employee Benefits Plan established pursuant to Title 9, Chapter VIII of the Charter of the City of Detroit for the exclusive purpose of providing hospital, surgical, and death benefits for current or former employees of the City.

Section 1.15 Supporting Organization. The Foundation for Detroit's Future, a not for profit that is created to collect certain contributions and make an annual contribution to an escrow account as described in Section 3.2, or the successor to such not for profit. The Supporting Organization was created to receive funds from organizations, including those listed in Exhibit B, and allocate such funds in the amounts described in Exhibit B, to, among other entities, this Trust Fund.

Section 1.16 Trust Agreement. This agreement as it may be amended thereafter from time to time by the parties hereto in accordance with the terms hereof.

Section 1.17 Trust or Trust Fund. The City of Detroit General Retiree Health Care Trust established by this Trust Agreement, comprising all property or interests in property held by the Bank from time to time under this Trust Agreement.

## **ARTICLE II ESTABLISHMENT OF TRUST**

Section 2.1 Purpose. The Trust is established for the purpose of providing life, sickness, accident, and other similar benefits, directly, through the purchase of insurance, or by reimbursement of expenses, to the Participants in accordance with the Plan and consistent with Section 501(c)(9) of the Code and the regulations and other guidance promulgated thereunder. The Trust, together with the Plan, is intended to constitute a VEBA under Section 501(c)(9) of the Code.

Section 2.2 Receipt of Funds. The Bank shall accept all sums of money and other property contributed to the Trust pursuant to Article III. The Bank shall hold, manage and administer the Trust Fund without distinction between principal and income. The Bank shall be accountable for the contributions or transfers it receives, but shall not be responsible for the collection of any contributions or transfers to the Trust or enforcement of the terms of the OPEB Claims Notes.

Section 2.3 Inurement and Reversion Prohibited. At no time shall any part of the principal or income of the Trust Fund be used for, or diverted to, any purpose other than sponsoring, operating and administering the Plan and Trust to provide benefits that are permitted under Code section 501(c)(9) to Participants. Nothing in this Trust Agreement shall be construed in such a way as to prohibit the use of assets of the Trust Fund to pay reasonable fees and other expenses and obligations incurred in maintaining, administering and investing the Trust Fund or in sponsoring, administering and operating the Plan in accordance with the provisions of this Trust Agreement. At no time shall any part of the net earnings inure to the benefit of any individual other than through the provision of benefits as permitted under Code section 501(c)(9) and the regulations promulgated thereunder. In no event will the assets held in the Trust Fund revert to Detroit. Upon termination of the Trust Fund, any assets remaining upon satisfaction of all liabilities to existing Participants shall be applied, either directly or through the

purchase of insurance, to provide life, sick accident or other permissible benefits under Code section 501(c)(9) and the rules and regulations promulgated thereunder, pursuant to criteria consistent with such rules and regulations.

Section 2.4 No Guarantee. Nothing contained in the Trust or the Plan shall constitute a guarantee that the assets of the Trust Fund will be sufficient to pay any benefit to any person or make any other payment. The obligation of the Plan to pay any benefit provided under the Plan is expressly conditioned on the availability of cash in the Trust to pay the benefit, and no plan fiduciary or any other person shall be required to liquidate the OPEB Claims Notes or any other Plan asset in order to generate cash to pay benefits. Detroit shall not have any obligation to contribute any amount to the Trust except as provided in Article III. Except for payments of benefits under the Plan, no Participant shall receive any distribution of cash or other thing of current or exchangeable value, either from the Board or the Bank, on account of or as a result of the Trust Fund created hereunder.

Section 2.5 No Interest. Detroit shall not have any legal or equitable interest in the assets of the Trust Fund at any time, including following the termination of the Trust.

### **ARTICLE III CONTRIBUTIONS TO THE TRUST FUND**

Section 3.1 Detroit Contributions. The Bank will accept the City's contribution of the OPEB Claims Notes to the Trust Fund pursuant to the Plan of Adjustment. Apart from the contribution of the OPEB Claims Notes, contributions to the Trust Fund made within sixty (60) days of the Effective Date by the Rate Stabilization Fund in the amount of \$[4.0] million, or from Other Supporting Organizations, and as otherwise provided in Section 3.2, Detroit shall have no further obligation to contribute to the Trust or otherwise fund the Plan. In connection with monies contributed by the Employee Benefit Plan of the City of Detroit, the General VEBA trustees shall establish a catastrophic illness fund within the General VEBA to be used to provide limited assistance to those participants who are otherwise unable to afford the cost of necessary and immediate life-threatening health care costs. The catastrophic illness fund shall operate pursuant to the criteria established in consultation with the Detroit Retired City Employees Association and approved by the VEBA Trustees.

Section 3.2 Other Contributions. The Bank will accept other contributions to the Trust Fund from Participants, from funds held in escrow by an escrow agent on behalf of the City that are received from the Supporting Organization, or from Other Supporting Organizations whether or not contributed through an escrow on behalf of the City.

### **ARTICLE IV PAYMENTS FROM THE TRUST FUND**

Section 4.1 Payments from the Trust Fund.

(a) Subject to paragraph (b) below, the Bank shall make payments from the Trust Fund to provide, directly or through the purchase of insurance, benefits under the Plan as directed by the Board.

(b) To the extent permitted by law, the Bank shall be fully protected in making payments out of the Trust Fund, and shall have no responsibility to see to the application of such payments or to ascertain whether such payments comply with the terms of the Plan, and shall not be liable for any payment made by it in good faith and in the exercise of reasonable care without actual notice or knowledge of the impropriety of such payments hereunder. The Bank may withhold all or any part of any payment as the Bank in the exercise of its reasonable discretion may deem proper, to protect the Bank and the Trust against any liability or claim on account of any income or other tax whatsoever; and with all or any part of any such payment so withheld, may discharge any such liability. Any part of any such payment so withheld by the Bank that may be determined by the Bank to be in excess of any such liability will upon such determination by the Bank be paid to the person or entity from whom or which it was withheld.

Section 4.2 Method of Payments. The Bank may make any payment required to be made by it hereunder, unless directed otherwise by the Board, by direct electronic deposit of the amount thereof to the financial institution where the person or entity to whom or to which such payment is to be made maintains an account, or by mailing a check in the amount thereof by first class mail in a sealed envelope addressed to such person or entity to whom or to which such payment is to be made, according to the direction of the Board. If any dispute arises as to the identity or rights of persons who may be entitled to benefits hereunder, the Bank may withhold payment until such dispute is resolved by a court of competent jurisdiction or, at the discretion of the Board pursuant to written instructions.

Section 4.3 Excessive Payments. If the payment of any benefit under the Plan is determined to have been excessive or improper, and the recipient thereof fails to make repayment to the Bank or an administrator chosen by the Board of such excessive or improper payment upon the Bank's or administrator's request, the Bank shall deduct the amount of such excessive or improper payment from any other benefits thereafter payable to such person. Until repaid to the Bank or Bank's agent, the amount of said excessive or improper payment shall not be included in any report by the auditor, the Bank, or the administrator as an asset of the Plan or the Trust Fund.

## **ARTICLE V BANK POWERS AND DUTIES**

Section 5.1 Powers of the Bank Generally. The Bank has whatever powers are required to discharge its obligations and to accomplish any of the purposes of this Trust Agreement, including (but not limited to) the powers specified in the following Sections of this Article, and the powers and authority granted to the Bank under other provisions of this Trust Agreement. The enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Bank.

Section 5.2 Powers Exercisable by the Bank in Its Discretion. The Bank is authorized and empowered to exercise the following powers at its discretion in satisfaction of the duties imposed on it under this Trust Agreement:

(a) To place securities orders, settle securities trades, hold securities in custody, deposit securities with custodians or securities clearing corporations or depositories or similar organizations, and other related activities as shall be necessary and appropriate in performing its duties under this Trust Agreement. Any indicia of ownership of any Trust Fund

assets, however, shall not be maintained outside the jurisdiction of the district courts of the United States. Trades and related activities conducted through a broker shall be subject to reasonable fees and commissions established by the broker, which may be paid from the Trust Fund or netted from the proceeds of trades.

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(c) To cause any investment in the Trust Fund to be registered in, or transferred into, its name as the institutional trustee or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Bank shall at all times show that all such investments are part of the Trust Fund, and the Bank shall be fully responsible for any misappropriation in respect of any investment held by its nominee or held in unregistered form and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States.

(d) To deliver to the Board, or the person or persons identified by the Board, on a timely basis as required under Section 5.5, proxies and powers of attorney and related informational material, for any shares or other property held in the Trust.

**Section 5.3 Powers Exercisable by the Bank Only Upon the Direction of the Board.**  
The Bank shall exercise the following powers only upon the direction of the Board (or, in the case of subparagraphs (a) and (b)), a duly appointed Investment Manager who has been conferred such power by the Board):

(a) To receive, hold, invest and reinvest Trust Fund assets and income under provisions of law from time to time existing and in accordance with Article IX.

(b) To exercise or abstain from exercising any option, privilege or right attaching to any Trust Fund assets.

(c) To make payments from the Trust Fund for the provision of benefits in accordance with Article IV and for the payment of expenses as provided in Section 5.8.

(d) To employ suitable agents and depositaries (domestic or foreign), public accountants, brokers, custodians, ancillary trustees, appraisers, enrolled actuaries, and legal counsel as shall be reasonably necessary and appropriate to fulfill its obligations under this Trust Agreement and to comply with the lawful instructions of the Board, and to pay their reasonable expenses and compensation.

(e) To pay any income or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on unrelated business income of the Trust, if any, out of the Trust Fund.

(f) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund.

(g) To accept, compromise or otherwise settle any obligations or liability due to or from them as the Bank hereunder, including any claim that may be asserted for taxes, assessments or penalties under present or future laws, or to enforce or contest the same by appropriate legal proceedings.

(h) To act as the sole trustee in the event that the Board, by reason of death, resignation, or failure to appoint successor Individual Trustees, has fewer than three (3) members.

Section 5.4 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Bank or any institutional successor trustee under this Trust Agreement.

Section 5.5 General Duties and Obligations of Bank.

(a) In accordance with Article II, the Bank shall hold all property received by it and any income and gains thereupon. In accordance with this Article and Article IX, the Bank shall manage, invest and reinvest the Trust Fund following the directions of the Board or a duly appointed Investment Manager (who has been conferred such power by the Board), shall collect the income therefrom, and shall make payments or disbursements as directed by the Board.

(b) Subject to the provisions of Articles VII and X, the Bank shall comply with any directive issued by the Board to withdraw and transfer all or any part of the Trust Fund to another institutional trustee, custodian or a funding agent.

(c) The Board shall have responsibility for directing the Bank as to the voting (by proxy or in person) of any shares or other property held in the Trust. Accordingly, the Bank shall deliver to the Board (or the person or persons identified by the Board), on a timely basis, proxies, powers of attorney and related informational material that are necessary for the Board to fulfill its responsibility.

The Bank may use agents to effect such delivery to the Board (or the person or persons identified by the Board).

(d) The Bank shall discharge its duties in the interests of Participants and for the exclusive purpose of providing benefits to Participants and defraying reasonable expenses of administering the Trust and the Plan and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims. The Bank will be under no liability or obligation to anyone with respect to any failure of the Board to perform any of its obligations under the Plan or Trust Agreement or for any error or omission of the Board.

Section 5.6 Determination of Rights. The Bank shall have no power, authority, or duty hereunder in respect to the determination of the eligibility of any person to coverage under the Plan, or the entitlement of any person to any benefit payments under the Plan.

Section 5.7 Continuance of Plan; Availability of Funds. Neither the Board, the Bank nor Detroit assumes any contractual obligation as to the continuance of the Plan and shall not be



responsible for the adequacy of the Trust Fund to meet and discharge any liabilities under the Plan, and the Bank's obligation to make any payment shall be limited to amounts held in the Trust Fund at the time of the payment.

Section 5.8 Payment of Expenses. The Bank shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses) reasonably incurred by the Bank or the Board in connection with establishing, sponsoring, administering or operating the Trust or Plan. The Board shall by written certificate provided to the Bank request payment for any expenses related to the administration of the Trust and/or the Plan. Upon receipt of the written certificate, the Bank may make the payment requested by the Board. The expenses of the Bank shall constitute a lien on the Trust Fund.

Section 5.9 Bank Compensation. The Bank will apply the assets of the Trust Fund to pay its own fees in the amounts and on the dates set forth in Exhibit A. The Bank's compensation shall constitute a lien on the Trust Fund.

Section 5.10 Reliance on Written Instruments. The Bank shall be fully protected in acting upon any instrument, certificate or paper believed by it to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

## **ARTICLE VI BANK ACCOUNTS**

Section 6.1 Records. The Bank shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to the Trust, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by the Board or such person or persons as the Board may designate.

Section 6.2 Annual Audit. The Trust Fund shall be audited annually by a firm of certified public accountants independent of the Bank, the members of the Board, and the City, and a statement of the results of such audit shall be provided to the Bank and the Board and also made available for inspection by interested persons at the principal office of the Trust. Such audit must be completed no later than 120 days after the expiration of the calendar year, or after expiration of the fiscal year if the Trust Fund is on a fiscal year other than a calendar year. The Board shall provide a copy of this statement to the Supporting Organization and any Other Supporting Organization no later than the May 15<sup>th</sup> immediately succeeding the last day of the year covered by such audited financial statements.

Section 6.3 No Interest by Participants. In no event shall any Participant or beneficiary have any interest in any specific asset of the Trust Fund. At no time shall any account or separate fund be considered a savings account or investment or asset of any particular Participant, beneficiary, or class of Participants or beneficiaries, and no Participant or beneficiary

shall have any right to any particular asset which the Board or Bank may have allocated to any account or separate fund for accounting purposes.

Section 6.4 Furnishing Written Accounts. The Bank shall file with the Board a written account setting forth a description of all securities and other property purchased and sold, and all receipts, disbursements, and other transactions effected by it during the accounting period to which the Board and the Bank have agreed, and showing the securities and other properties held, and their fair market values at such times and as of such dates as may be agreed by the Board and the Bank in writing. Such written account shall be filed with the Board within thirty (30) days after the close of each calendar quarter.

Section 6.5 Accounting Year, Cash Basis. The accounting year of the Trust shall be the calendar year. All accounts of the Bank shall be kept on a cash basis.

Section 6.6 Judicial Proceedings. If the Bank and the Board cannot agree with respect to any act or transaction reported in any statement, the Bank shall have the right to have its accounts settled by judicial proceedings in which only the Bank and the Board shall be necessary parties. No Participant shall have any right to compel an accounting, judicial or otherwise, by the Bank.

## **ARTICLE VII PROCEDURES FOR THE BANK**

Section 7.1 Removal. The Bank may be removed by the Board at any time upon thirty (30) days' advance written notice. Such removal shall be effective on the date specified in such written notice, provided that notice has been given to the Bank of the appointment of a successor institutional trustee or custodian in the manner set forth in Section 7.3 below.

Section 7.2 Resignation. The Bank may resign by filing with the Board a written resignation that shall take effect ninety (90) days after the date of such filing, unless prior thereto a successor institutional trustee or custodian has been appointed by the Board. In no event may the Bank's resignation take effect before a successor institutional trustee or custodian has been appointed by the Board and such successor trustee has accepted the appointment. If the Board fails to appoint a successor institutional trustee or custodian, the retiring Bank may seek the appointment of a successor entity in the manner set forth in Section 7.3.

### **Section 7.3 Successor Bank.**

(a) The Board may appoint a successor institutional trustee or custodian by delivering to such successor an instrument in writing, executed by an authorized representative of the Board, appointing such successor entity, and by delivering to the removed or resigning Bank an acceptance in writing, executed by the successor so appointed. Such appointment shall take effect upon the date specified in Section 7.1 or 7.2 above, as applicable.

(b) Alternatively, the Board may appoint a successor institutional trustee or custodian by securing from such successor an amendment to this Trust Agreement, executed by both the successor and an authorized representative of the Board, which replaces the current Bank with the successor institutional trustee or custodian, appointing such successor institutional



trustee or custodian, and by delivering to the removed or resigning Bank an executed copy of the amendment. Such appointment shall take effect upon the date specified in the amendment.

(c) If no appointment of a successor institutional trustee or custodian is made by the Board within a reasonable time after such resignation, removal or other event, any court of competent jurisdiction may, upon application by the retiring Bank, appoint a successor institutional trustee or custodian after such notice to the Board and the retiring Bank, as such court may deem suitable and proper.

Section 7.4 Effect of Removal or Resignation of Bank. Upon the removal or resignation of the Bank in accordance with Section 7.1 or 7.2 above, the Bank shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law.

Section 7.5 Merger or Consolidation of the Bank. Any corporation continuing as the result of any merger or resulting from any consolidation, to which merger or consolidation the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed to be continuing as the Bank.

## **ARTICLE VIII COMPOSITION OF AND PROCEDURES FOR THE BOARD OF TRUSTEES**

Section 8.1 Number and Appointment of Members. The Board of Trustees shall consist of seven (7) Individual Trustees as voting members, who are selected as provided below.

(a) The Mayor of Detroit shall appoint one (1) voting member, who may not be an employee or employed by an affiliate of the City (for such purposes, a contractor of the City shall not be deemed an affiliate), or of any labor union representing employees of the City, or a member of any such labor union, or a Participant. Such member shall have expert knowledge or extensive experience with respect to economics, finance, institutional investments, administration of public or private health and welfare benefit plans, executive management, benefits administration or actuarial science. The Board member selected by the Mayor to begin serving as of the Effective Date shall be Floyd Allen.

(b) The remaining six (6) voting members shall be appointed as follows: three (3) such voting members shall initially be designated by the Official Committee of Retirees of the City of Detroit, Michigan, and three (3) such voting members shall initially be designated by the Detroit Retired City Employees Association. The members initially selected by the Official Committee of Retirees of the City of Detroit, Michigan shall be: Suzanne Daniels Paranjpe, Roger Cheek, and Thomas Sheehan. The members initially selected by the Detroit Retired City Employees Association shall be: Doris Ewing, Barbara Wise-Johnson, and Shirley Lightsey.

Each Board member shall acknowledge his or her appointment and acceptance of the duties and responsibilities set forth in this Trust Agreement in writing.

Section 8.2 Term of Office. Each member of the Board shall serve a period of four (4) years, or if earlier, until his or her death, incapacity to serve hereunder, or resignation. A Board

member whose term has ended due to the passage of time may be reappointed to serve an additional four (4) year term pursuant to the procedures set forth in Section 8.4 below.

Section 8.3 Resignation. A Board member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least ninety (90) days' advance written notice to the Board (and in the case of a Board member selected by the Mayor, to the Mayor, and in the case of a Board member selected by the Official Committee of Retirees or the Detroit Retired City Employees Association, to the Detroit Retired City Employees Association), which notice shall state the date when such resignation shall take effect, which notice or time period may be waived by the Board.

Section 8.4 Vacancies. In the event of a vacancy, either by resignation, death, incapacity, expiration of term of office, or other reasons, the replacement Board member shall be appointed as provided below.

(a) In the event of a vacancy of the seat previously filled by the appointee of the Mayor of Detroit, the replacement Board member shall be appointed as provided in Section 8.1(a).

(b) In the event of a vacancy of a seat previously filled by an appointee of the Official Committee of Retirees or the Detroit Retired City Employees Association, the replacement Board member shall be appointed by the Detroit Retired City Employees Association.

Section 8.5 Fees and Expenses. Board members shall each be paid a stipend. For the 2015 and 2016 calendar year, this stipend shall be in the amount of \$12,000 per year (payable ratably on a monthly basis). Beginning with the 2017 calendar year and for each year thereafter, this stipend shall be in the amount of \$6,000 per year (payable ratably on a monthly basis); provided, however, that the Board, by a vote of not less than six (6) out of seven (7) Board members, shall have the power to provide for a different amount for the stipend; and provided, further, that in no event shall such annual stipend exceed \$12,000. Each Board member may be reimbursed for reasonable expenses properly and actually incurred in the performance of his or her duties. Compensation payable to the Board members and all reimbursed expenses shall be payable out of the Trust.

Section 8.6 Operation of the Board; Quorum. The Board shall select from among its members a chair and a vice chair. The Board shall hold regular meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. Each Board member shall be entitled to one vote on each question before the Board. Five (5) members shall constitute a quorum at any meeting. Except as provided in Section 8.5 and Article X, a majority vote of the seven (7) members of the Board, at a meeting in which a quorum exists, shall be necessary for a decision by the Board. Notwithstanding the foregoing, the voting members of the Board may act by unanimous written consent in lieu of a meeting.

## ARTICLE IX POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 9.1 General. The Board shall be responsible for designing, adopting, maintaining and administering the Plan, as well as administering the Trust and managing the Trust assets as provided herein. Subject to the provisions of this Trust Agreement, the Plan documents and applicable laws, the Board shall have sole, absolute and discretionary authority to adopt such rules and regulations and take all actions that it deems desirable for the administration of the Plan and Trust, and to interpret the terms of the Plan and Trust. The decisions of the Board will be final and binding on all Participants and all other parties to the maximum extent allowed by law. In performing its duties hereunder, the members of the Board shall comply with the terms of the Trust, and shall discharge their duties for the exclusive purposes of providing benefits to participants and beneficiaries of the Plan and Trust and defraying reasonable expenses of the Plan and Trust, and with the care, skill, prudence, and diligence then prevailing that a prudent person acting in a like capacity – and familiar with such matters – would use in the conduct of an enterprise of like character and with like aims.

### Section 9.2 Plan Design and Administration.

(a) Adoption of Plan. The Board shall adopt a Plan to offer life, sickness, accident or other similar benefits to Participants. All terms of the Plan shall be determined by the Board; provided that such terms shall be consistent with this Trust Agreement, Code section 501(c)(9) and the regulations promulgated thereunder. The Board shall be under no obligation to design the Plan to assure that the assets of the Trust Fund are sufficient to provide benefits to all potential Participants of the Plan in subsequent years.

(b) Benefits. The Plan shall include benefits and any other features including, without limitation, premium-sharing or other cost-sharing or reimbursements, that the Board from time to time determines appropriate or desirable in its sole discretion. The Plan may provide for different benefit structures or programs for different groups of Participants, as determined by the Board in its sole discretion. In designing the Plan and the benefits to be provided thereunder, the Board may take into account relevant circumstances, including, without limitation, the degree to which Participants may have alternative resources or coverage sources, as well as the resources of the Trust Fund. Benefits provided under the Plan shall be limited to those health care benefits permitted by Code Section 501(c)(9), and any Plan eligibility restrictions established by the Board shall conform with the requirements set forth in Treasury Regulation Section 1.501(c)(9)-2. Notwithstanding the foregoing or any authority granted trustees herein, and for the duration of this Trust, for purposes of determining benefit levels and determination of benefits under this Trust, including but not limited to any coordination of benefits, any amounts paid into or from any Library or Cobo Hall health reimbursement account for Detroit General VEBA Beneficiaries who are Library or Cobo Hall retirees (and their spouses) shall not be taken into account.

(c) Method of Providing Benefits. Benefits under the Plan may be fully insured, partially insured or self-insured, as determined by the Board from time to time in its sole discretion. The expected cost of benefits under the Plan shall not exceed the amount expected to be available under the Trust.

(d) Plan Documentation. The Board shall be responsible for creating, adopting and/or executing any documents necessary to set forth the Plan's governing terms, and shall be responsible for communicating the terms of the Plan to the Eligible Retiree Members and Eligible Dependents in accordance with applicable law.

Section 9.3 Investment of the Trust. The Board, with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar means, shall have full power and authority to manage, control, invest and reinvest the money and other assets of the Trust Fund, and the Bank shall comply with the proper written direction of the Board concerning those assets. The Board may employ outside advisors, including investment advisors, to advise it with regard to the investment of the assets of the Trust Fund. Any outside advisors shall acknowledge a fiduciary relationship to the Board and the Trust Fund.

In investing and managing the assets of the Trust, the Board:

shall consider among other circumstances: the general economic conditions; the possible effect of inflation or deflation; the role that each investment or course of action plays within the overall portfolio; the expected total return from income and the appreciation of capital; needs for liquidity, regularity of income, and preservation or appreciation of capital; and the adequacy of funding for the plan based on reasonable actuarial factors;

(b) shall diversify the investments of the Trust unless the Board reasonably determines that because of special circumstances, it is clearly prudent not to do so;

(c) shall make a reasonable effort to verify facts relevant to the investment and management of assets of the Trust; and

(d) may consider benefits created by an investment in addition to investment return only if the Board determines that the investment providing these collateral benefits would be prudent even without the collateral benefits.

Section 9.4 Appointment of Investment Managers. The Board, from time to time, may appoint one or more independent Investment Managers, pursuant to a written investment management agreement describing the powers and duties of the Investment Manager, to direct the investment and reinvestment of all or a portion of the Trust (hereinafter referred to as an "Investment Account"). The Board shall determine that each Investment Manager is a fiduciary to the Board and Trust with demonstrated expertise in the type of investments authorized by the Board and, is entitled (under its investment management agreement) to direct the investment and reinvestment of the Investment Account for which it is responsible, in its sole and independent discretion and without limitation, except for any limitations which from time to time the Board determines shall modify the scope of such authority. If an Investment Manager is appointed, it shall have the authority of the Bank specified in Section 5.1 hereof with respect to the Investment Account over which it has investment discretion and the Bank's duties with respect to such Investment Account shall be limited to following the instructions of the Investment Manager. Provided that an Investment Manager is prudently selected and monitored by the Board, the Board shall have no liability (a) for the acts or omissions of such Investment Manager; (b) for following directions of such Investment Manager which are given in

accordance with this Trust Agreement; or (c) for any loss of any kind which may result by reason of the manner of division of the Trust into Investment Accounts.

Section 9.5 Government Reports and Returns. The Board shall file all reports and returns that are required to be made with respect to the Trust and the Plan.

Section 9.6 Compromise or Settle Claims. The Board may compromise, settle and release claims or demands in favor of or against the Trust or the Board on such terms and conditions as the Board may deem advisable. The Board may at all times rely upon the advice of independent counsel in reaching such decisions.

Section 9.7 Appointment of Administrator. The Board may appoint one or more third parties to perform any administrative functions it has with regard to the Trust or Plan.

Section 9.8 Employment of Assistance. The Board has the exclusive authority to employ, contract and pay for all professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation and administration of the Plan and Trust. The powers granted to the Board in this subparagraph include complete control of the procurement process, including contracts for office space, computer hardware and software, and human resource services. In accordance with the provisions of Section 5.3 hereof, the Board may direct the Bank to pay reasonable compensation therefor from the Trust Fund. The Board may take or may refrain from taking any action in accordance with or reliance upon the opinion of counsel or such expert advisors.

Section 9.9 Reliance on Written Instruments. The Board shall be fully protected in acting upon any instrument, certificate or paper believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 9.10 No Individual Liability on Contracts. The Board shall not be liable personally for any debts, obligations, or undertakings contracted by them, or for the breach of any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that neither the Board nor any of its members shall be exempt from personal liability for willful misconduct, intentional wrongdoing, breach of applicable fiduciary duty, negligence or fraud, and the Trust shall not indemnify the Board for such liabilities to the extent that such indemnification would violate the provisions of Section 9.13 herein, or to the extent that application of this sentence would violate any law.

Section 9.11 Detroit Not Liable for Conduct of Board. The Board is not in its capacity as Board an officer, agent, employee, or representative of Detroit. In its capacity as Board, the Board is a principal acting independently of Detroit, which shall not be liable for any act, omission, contract, obligation, liability, debt, or undertaking of the Board or its officers, agents, or representatives.

Section 9.12 Liability Insurance. The Board shall obtain and keep current a policy or policies of insurance, insuring the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in



connection with the performance of their duties, responsibilities and obligations under this Trust Agreement or the Plan. To the extent permitted by applicable law, the premiums on such policies may be paid from the Trust Fund.

**Section 9.13 Reimbursement for Defense of Claims.**

(a) To the extent permitted by applicable law, and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Board, its individual trustees, employees of the Board and persons acting on the Board's behalf pursuant to an express written delegation to the extent such written delegation provides for indemnification (each separately, the "Indemnified Party") shall be indemnified and held harmless by the Trust Fund for all reasonable costs and expenses, including without limitation attorney's fees, judgments, settlements, liabilities, fines, or penalties, incurred or suffered in defense of any claim demand, cause of action or administrative proceeding that seeks to hold the Indemnified Party personally liable for any loss to the Plan or Trust Fund or for damages suffered by any party to, or beneficiary of this Trust Agreement arising out of conduct reasonably believed to be good faith acts within the scope and powers and duties of the Indemnified Party, provided that, the Board shall have the right to approve of the retention of any counsel whose fees would be paid by the Trust Fund, but such approval shall not be withheld unreasonably. In the event that indemnification is made by the Trust pursuant hereto, the Indemnified Party shall agree to reimburse the Trust for all fees, costs and expenses to the extent that it is determined that the Indemnified Party's acts or omissions constituted fraud, bad faith, willful misconduct, negligence, or breach of fiduciary duty, and an independent fiduciary shall take all reasonable steps to ensure reimbursement at the time the Trust Fund agrees to indemnify pursuant to this Section; provided further that in the case of a final judicial determination of negligence or breach of fiduciary duty the Indemnified Party's reimbursement obligation shall be limited to the lesser of \$50,000 or the deductible on any non-recourse commercial liability insurance policy.

(b) The Board may make, execute, record and file on its own behalf and on behalf of the Trust, all instruments and other documentation (including one or more separate indemnification agreements between the Trust and individual Indemnified Parties) that the Board deems necessary and appropriate in order to extend the benefit of the provisions of this Section to any Indemnified Party.

**Section 9.14 Subrogation and Reimbursement.** If the Plan is self-insured, the following provisions regarding subrogation and third-party reimbursement will apply.

(a) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of an individual ("Benefit Recipient"), the Trust Fund shall be subrogated as provided in this Section 9.14 to all the Benefit Recipient's rights of recovery with respect to the illness or injury for which the payment of benefits is made by the Trust Fund. The right of recovery referred to in the preceding sentence shall include the right to make a claim, sue, and recover against any person or entity from the first dollars of any funds which are paid or payable as a result of a personal injury claim or any reimbursement of health care expenses. If requested in writing by the Board, the Benefit Recipient shall take, through any representative designated by the Board, such action as may be necessary or appropriate to recover such payment from any person or entity, said action to be taken in the name of the Benefit Recipient. In the event of a recovery or

settlement, the Trust Fund shall be reimbursed in full on a first priority basis out of such recovery or settlement for expenses, costs, and attorneys' fees incurred by it in connection therewith.

(b) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of a Benefit Recipient for an illness or injury, the Trust Fund shall be entitled to, and shall have a first priority equitable lien on, the proceeds of any recovery, by judgment, settlement or otherwise, with respect to the illness or injury, and if paid to the Benefit Recipient, the Benefit Recipient shall immediately pay any such proceeds to the Trust Fund. If the Benefit Recipient fails to pay such proceeds, or does not cause such proceeds to be paid, to the Trust Fund, the Board may, in addition to any other remedy to which it may be entitled, recover the proceeds directly or by offset against claims for benefits under the Plan and Trust made with respect to the affected Benefit Recipient (or such Benefit Recipient's beneficiaries, heirs, attorneys, agents, representatives, or estate).

(c) The Trust Fund shall have the right of subrogation and reimbursement set forth in this Section 9.14 regardless of whether the Benefit Recipient is made whole and regardless of whether the recovery, or any part thereof, is designated as payment for health care expenses, pain and suffering, loss of income or any other specified or unspecified damages or reason, and without regard to whether recovery is designated as including or excluding the health care expenses covered by the Plan and Trust. Any recovery by a Benefit Recipient, an attorney or other third party shall be deemed to be for the benefit of the Plan and Trust and shall be held in constructive trust for the Trust Fund until the Trust Fund is reimbursed in full for all amounts paid by the Trust Fund. The subrogation and reimbursement rights of the Trust Fund described in this Section 9.14 include all rights against, and include all rights with respect to, proceeds from or held by any attorney, third party, insurance carrier or payer of medical benefits, including an uninsured or under-insured motorist carrier, a no-fault carrier and a school insurance carrier, even if such coverage was purchased by the Benefit Recipient, and without regard to whether the proceeds have been paid or are payable.

(d) By participating in the Plan, each Benefit Recipient agrees to cooperate fully with the Plan and Trust and to execute and deliver agreements, liens and other documents and do whatever else the Board deems necessary to enable and assist the Trust Fund in exercising its rights under this Section 9.14, but the Trust Fund's rights under this Section 9.14 shall be effective regardless of whether the Benefit Recipient actually signs any agreements, liens or other documents. By participating in the Plan, each Benefit Recipient also agrees (i) that he or she will not make or maintain any make whole, common trust fund or apportionment action or claim in contravention of the subrogation and reimbursement provisions of this Section 9.14; and (ii) that he or she will not oppose any proceeding by the Trust Fund to obtain reimbursement on procedural grounds. The Benefit Recipient, directly or through his or her representatives, shall not do anything to impair the Trust Fund's rights. If the Board determines that any Trust Fund recovery rights under Section 9.14 have been impaired by any action of the Benefit Recipient or his or her representatives or by the Benefit Recipient's or such other person's failure to comply with the Benefit Recipient's obligations under Section 9.14, the Board may, in addition to any other remedy to which it may be entitled, determine the amount by which the Trust Fund's recovery rights have been impaired and recover such amount directly or by offset against claims for benefits under the Trust Fund made with respect to the affected Benefit Recipient.



(e) This Section 9.14 entitles the Trust Fund to subrogation and reimbursement equal to the entire amount paid by the Trust Fund for the illness or injury to which the subrogation or reimbursement relates, including related expenses, costs and attorneys' fees, which shall be from the first dollars payable to or received by the Benefit Recipient, his representatives, heirs, legal counsel, estate or any other third party from any settlement, judgment or other payment, without reduction for attorneys' fees or for any other reason. The common fund, make-whole, apportionment or any similar doctrines shall not apply to any amounts received. Any attorneys' fees shall be the responsibility solely of the Benefit Recipient, and the Trust Fund shall not pay any attorneys' fees or costs associated with a Benefit Recipient's claim or lawsuit without the Board's prior written authorization.

(f) The intention of this Section 9.14 is to give the Trust Fund the first right of subrogation and reimbursement in full with respect to the first dollars paid or payable, even though the Benefit Recipient is not made whole. Each Benefit Recipient agrees that as a condition to receiving benefits under the Plan and from the Trust Fund, the Benefit Recipient shall comply with the requirements of this Section 9.14.

## **ARTICLE X AMENDMENT, TERMINATION AND MERGER**

Section 10.1 Amendment. The Trust Agreement may be amended at any time in writing by the Board, by a vote of not less than six (6) out of seven (7) Board members, or by Court order upon proper motion, provided, however, that no amendment may impose a contribution obligation on Detroit; provided further that no amendment shall in any way conflict with the terms of the Plan of Adjustment or a Court order confirming the Plan of Adjustment; and provided further that no amendment shall adversely affect the exempt status of the Trust or Plan under Section 501(c)(9) of the Code. No amendment to the Trust Agreement shall modify the responsibilities of the Bank hereunder unless the Bank has first consented to such amendment.

### Section 10.2 Termination.

(a) The Trust and this Trust Agreement may be terminated at any time in writing by action of the Board, acting by a vote of not less than six (6) out of seven (7) Board members, with a copy of such written instrument to be provided to the Bank, or by Court order upon proper motion. Upon termination of this Trust Agreement, the assets of the Trust Fund shall be paid out at the direction of the Board in the following order of priority: (i) the payment of reasonable and necessary administrative expenses (including taxes); (ii) the payment of benefits to Participants entitled to payments for claims arising prior to such termination; and (iii) upon satisfaction of all liabilities to existing Participants, either directly or through the purchase of insurance, to provide life, sick accident or other permissible benefits in accordance with Code section 501(c)(9) and the rules and regulations promulgated thereunder. Neither Detroit nor any member of the Board shall have any beneficial interest in the Trust Fund, except to the extent an Individual Trustee is also a Participant in the Plan. Any determination by the Board or an administrator to distribute assets of the Trust upon termination to an Individual Trustee who is also a Participant must have the written concurrence of the Bank. The Trust Fund shall remain in existence until all assets have been distributed.

(b) Upon termination, the Bank and the Board shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

Section 10.3 Transfer of Assets and/or Liabilities. To the extent permitted by Code section 501(c)(9) and other applicable law, some or all of the assets and/or liabilities of the Trust Fund may at the discretion of the Board be transferred directly to another trust for the purpose of providing health or welfare benefits to some or all of the Participants on such terms and conditions as the Board may determine.

## **ARTICLE XI MISCELLANEOUS**

Section 11.1 Rights in Trust Fund. No Participant or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right against the Bank, the Board, or Detroit, except as may be otherwise expressly provided in the Plan or in this Trust Agreement.

Section 11.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Participant to any benefits or future payments hereunder or under the provisions of the Plan shall not be subject to attachment or garnishment or other legal process by any creditor of any such Participant, nor shall any such Participant have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingent or otherwise, under this Trust Agreement.

Section 11.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 11.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.

Section 11.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 11.6 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (b) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (c) on the fourth business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the Bank:

**[insert name and address]**

### If to the Board:

**[insert 7 names and addresses]**

If to the Mayor:

**[insert name and address]**

If to the Supporting Organization:

**[insert name and address]**

If to the Other Supporting Organization:

**[insert name and address]**

If to the Detroit Retired City Employees Association:

**[insert name and address]**

IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

**BANK**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF DETROIT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**INDIVIDUAL TRUSTEES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
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Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT A

### Bank Compensation

## EXHIBIT B

### Supporting Organization Funding

Contributing Organization	Contribution Amount
Skillman Foundation	

**EXHIBIT I.A.112**

FORM OF DETROIT POLICE AND FIRE VEBA TRUST AGREEMENT



## **CITY OF DETROIT POLICE AND FIRE RETIREE HEALTH CARE TRUST**

THIS TRUST AGREEMENT, entered into effective \_\_\_\_\_, 2014, by and among the City of Detroit ("Detroit" or the "City"), [\_\_\_\_\_] Bank] (the "Bank"), and the undersigned individual trustees ("Individual Trustees").

### **WITNESSETH:**

WHEREAS, Detroit filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 in the United States Bankruptcy Court for the United States Bankruptcy Court Eastern District of Michigan (the "Court");

WHEREAS, pursuant to the Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment"), the City agreed to establish a voluntary employees beneficiary association ("VEBA") to provide health care benefits to certain retirees and their Eligible Dependents;

WHEREAS, Detroit hereby establishes this City of Detroit Police and Fire Retiree Health Care Trust (the "Trust");

WHEREAS, the undersigned Individual Trustees constituting the Board of Trustees shall be responsible for: (i) managing the property held by, and administration of, this Trust; and (ii) designing, adopting, maintaining and administering the "Health Care Plan for Police and Fire Retirees of the City of Detroit" (the "Plan"), through which all health care benefits to the Trust's beneficiaries shall be provided;

WHEREAS, the Board of Trustees is willing to exercise the authority granted to it herein with regard to the Trust and Plan;

WHEREAS, through this Trust Agreement, Detroit intends to designate the Bank to serve in the capacity of the institutional trustee with respect to the Trust and to maintain custody of the Trust assets;

WHEREAS, the Bank is willing to receive, hold, and invest the assets of the Trust in accordance with the terms of this Trust Agreement; and

WHEREAS, the Trust and the interdependent Plan are intended to comply with the requirements of section 501(c)(9) of the Internal Revenue Code of 1986, as amended (the "Code"), and are together intended to constitute a "governmental plan" within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974;

NOW THEREFORE, in consideration of the premises and the covenants contained herein, Detroit and the Bank agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1 Bank. The entity referred to in the Preamble to this Trust Agreement named to perform the duties set forth in this Trust Agreement, or any successor thereto appointed

by the Board in accordance with Section 7.3. Any corporation continuing as the result of any merger or consolidation to which the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed automatically to be continuing as the Bank.

Section 1.2 Board of Trustees or Board. The Board of Trustees is the body described in Article VIII to which Detroit has delegated responsibility for: (i) managing the property held by, and administering, this Trust; and (ii) designing, adopting, maintaining and administering the Plan, through which all benefits to the Trust's beneficiaries shall be provided. It shall be constituted and operated in accordance with Article IX.

Section 1.3 Code. The Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.4 Detroit Police and Fire VEBA Beneficiary. Has the meaning given to that term in the Plan of Adjustment.

Section 1.5 Eligible Dependent. An Eligible Retiree Member's dependent, within the meaning of Code section 501(c)(9) and the regulations promulgated thereunder, who is eligible to receive benefits under the Plan in accordance with its terms.

Section 1.6 Eligible Retiree Member. A former employee of Detroit who is a Detroit Police and Fire VEBA Beneficiary.

Section 1.7 Investment Manager. An investment manager appointed by the Board or its successor in accordance with the provisions of Section 9.4 hereof

Section 1.8 New B Notes. Has the meaning given to that term in the Plan of Adjustment.

Section 1.9 OPEB Claims Notes. The New B Notes the City is required to contribute to the Trust pursuant to the Plan of Adjustment.

Section 1.10 Other Supporting Organization. An organization other than the City, the Rate Stabilization Fund, or the Supporting Organization, having voluntarily contributed funds in excess of **[\$500,000]** to the Trust on or after the Effective Date.

Section 1.11 Participant. An Eligible Retiree Member or Eligible Dependent who is entitled to health care benefits pursuant to the terms of the Plan.

Section 1.12 Plan. The Health Care Plan for Retirees of the City of Detroit, to be adopted and thereafter amended from time to time by the Board, as specified herein, and which will provide health care benefits permitted to be provided by a VEBA under Code section 501(c)(9).

Section 1.13 Plan of Adjustment. The Plan for the Adjustment of Debts of the City of Detroit.

Section 1.14 Rate Stabilization Fund. The Rate Stabilization Reserves Fund maintained under the control of the Governing Board of the City of Detroit Employee Benefits Plan established pursuant to Title 9, Chapter VIII of the Charter of the City of Detroit for the exclusive purpose of providing hospital, surgical, and death benefits for current or former employees of the City.

Section 1.15 Supporting Organization. The Foundation for Detroit's Future, a not for profit that is created to collect certain contributions and make an annual contribution to an escrow account as described in Section 3.2, or the successor to such not for profit. The Supporting Organization was created to receive funds from organizations, including those listed in Exhibit B, and allocate such funds, in the amounts described in Exhibit B, to, among other entities, this Trust Fund.

Section 1.16 Trust Agreement. This agreement as it may be amended thereafter from time to time by the parties hereto in accordance with the terms hereof.

Section 1.17 Trust or Trust Fund. The City of Detroit Police and Fire Retiree Health Care Trust established by this Trust Agreement, comprising all property or interests in property held by the Bank from time to time under this Trust Agreement.

## **ARTICLE II ESTABLISHMENT OF TRUST**

Section 2.1 Purpose. The Trust is established for the purpose of providing life, sickness, accident, and other similar benefits, directly, through the purchase of insurance, or by reimbursement of expenses, to the Participants in accordance with the Plan and consistent with Section 501(c)(9) of the Code and the regulations and other guidance promulgated thereunder. The Trust, together with the Plan, is intended to constitute a VEBA under Section 501(c)(9) of the Code.

Section 2.2 Receipt of Funds. The Bank shall accept all sums of money and other property contributed to the Trust pursuant to Article III. The Bank shall hold, manage and administer the Trust Fund without distinction between principal and income. The Bank shall be accountable for the contributions or transfers it receives, but shall not be responsible for the collection of any contributions or transfers to the Trust or enforcement of the terms of the OPEB Claims Notes.

Section 2.3 Inurement and Reversion Prohibited. At no time shall any part of the principal or income of the Trust Fund be used for, or diverted to, any purpose other than sponsoring, operating and administering the Plan and Trust to provide benefits that are permitted under Code section 501(c)(9) to Participants. Nothing in this Trust Agreement shall be construed in such a way as to prohibit the use of assets of the Trust Fund to pay reasonable fees and other expenses and obligations incurred in maintaining, administering and investing the Trust Fund or in sponsoring, administering and operating the Plan in accordance with the provisions of this Trust Agreement. At no time shall any part of the net earnings inure to the benefit of any individual other than through the provision of benefits as permitted under Code section 501(c)(9) and the regulations promulgated thereunder. In no event will the assets held in the Trust Fund revert to Detroit. Upon termination of the Trust Fund, any assets remaining upon satisfaction of all liabilities to existing Participants shall be applied, either directly or through the

purchase of insurance, to provide life, sick accident or other permissible benefits under Code section 501(c)(9) and the rules and regulations promulgated thereunder, pursuant to criteria consistent with such rules and regulations.

Section 2.4 No Guarantee. Nothing contained in the Trust or the Plan shall constitute a guarantee that the assets of the Trust Fund will be sufficient to pay any benefit to any person or make any other payment. The obligation of the Plan to pay any benefit provided under the Plan is expressly conditioned on the availability of cash in the Trust to pay the benefit, and no plan fiduciary or any other person shall be required to liquidate the OPEB Claims Notes or any other Plan asset in order to generate cash to pay benefits. Detroit shall not have any obligation to contribute any amount to the Trust except as provided in Article III. Except for payments of benefits under the Plan, no Participant shall receive any distribution of cash or other thing of current or exchangeable value, either from the Board or the Bank, on account of or as a result of the Trust Fund created hereunder.

Section 2.5 No Interest. Detroit shall not have any legal or equitable interest in the assets of the Trust Fund at any time, including following the termination of the Trust.

### **ARTICLE III CONTRIBUTIONS TO THE TRUST FUND**

Section 3.1 Detroit Contributions. The Bank will accept the City's contribution of the OPEB Claims Notes to the Trust Fund pursuant to the Plan of Adjustment. Apart from the contribution of the OPEB Claims Notes, contributions to the Trust Fund made within sixty (60) days of the Effective Date by the Rate Stabilization Fund in the amount of \$[1.5] million, or from Other Supporting Organizations, and as otherwise provided in Section 3.2, Detroit shall have no further obligation to contribute to the Trust or otherwise fund the Plan.

Section 3.2 Other Contributions. The Bank will accept other contributions to the Trust Fund from Participants, from funds held in escrow by an escrow agent on behalf of the City that are received from the Supporting Organization, or from Other Supporting Organizations whether or not contributed through an escrow on behalf of the City.

### **ARTICLE IV PAYMENTS FROM THE TRUST FUND**

Section 4.1 Payments from the Trust Fund.

(a) Subject to paragraph (b) below, the Bank shall make payments from the Trust Fund to provide, directly or through the purchase of insurance, benefits under the Plan as directed by the Board.

(b) To the extent permitted by law, the Bank shall be fully protected in making payments out of the Trust Fund, and shall have no responsibility to see to the application of such payments or to ascertain whether such payments comply with the terms of the Plan, and shall not be liable for any payment made by it in good faith and in the exercise of reasonable care without actual notice or knowledge of the impropriety of such payments hereunder. The Bank may withhold all or any part of any payment as the Bank in the exercise of its reasonable discretion may deem proper, to protect the Bank and the Trust against any liability or claim on

account of any income or other tax whatsoever; and with all or any part of any such payment so withheld, may discharge any such liability. Any part of any such payment so withheld by the Bank that may be determined by the Bank to be in excess of any such liability will upon such determination by the Bank be paid to the person or entity from whom or which it was withheld.

Section 4.2 Method of Payments. The Bank may make any payment required to be made by it hereunder, unless directed otherwise by the Board, by direct electronic deposit of the amount thereof to the financial institution where the person or entity to whom or to which such payment is to be made maintains an account, or by mailing a check in the amount thereof by first class mail in a sealed envelope addressed to such person or entity to whom or to which such payment is to be made, according to the direction of the Board. If any dispute arises as to the identity or rights of persons who may be entitled to benefits hereunder, the Bank may withhold payment until such dispute is resolved by a court of competent jurisdiction or, at the discretion of the Board pursuant to written instructions.

Section 4.3 Excessive Payments. If the payment of any benefit under the Plan is determined to have been excessive or improper, and the recipient thereof fails to make repayment to the Bank or an administrator chosen by the Board of such excessive or improper payment upon the Bank's or administrator's request, the Bank shall deduct the amount of such excessive or improper payment from any other benefits thereafter payable to such person. Until repaid to the Bank or Bank's agent, the amount of said excessive or improper payment shall not be included in any report by the auditor, the Bank, or the administrator as an asset of the Plan or the Trust Fund.

## **ARTICLE V BANK POWERS AND DUTIES**

Section 5.1 Powers of the Bank Generally. The Bank has whatever powers are required to discharge its obligations and to accomplish any of the purposes of this Trust Agreement, including (but not limited to) the powers specified in the following Sections of this Article, and the powers and authority granted to the Bank under other provisions of this Trust Agreement. The enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Bank.

Section 5.2 Powers Exercisable by the Bank in Its Discretion. The Bank is authorized and empowered to exercise the following powers at its discretion in satisfaction of the duties imposed on it under this Trust Agreement:

(a) To place securities orders, settle securities trades, hold securities in custody, deposit securities with custodians or securities clearing corporations or depositories or similar organizations, and other related activities as shall be necessary and appropriate in performing its duties under this Trust Agreement. Any indicia of ownership of any Trust Fund assets, however, shall not be maintained outside the jurisdiction of the district courts of the United States. Trades and related activities conducted through a broker shall be subject to reasonable fees and commissions established by the broker, which may be paid from the Trust Fund or netted from the proceeds of trades.

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(c) To cause any investment in the Trust Fund to be registered in, or transferred into, its name as the institutional trustee or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Bank shall at all times show that all such investments are part of the Trust Fund, and the Bank shall be fully responsible for any misappropriation in respect of any investment held by its nominee or held in unregistered form and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States.

(d) To deliver to the Board, or the person or persons identified by the Board, on a timely basis as required under Section 5.5, proxies and powers of attorney and related informational material, for any shares or other property held in the Trust.

**Section 5.3 Powers Exercisable by the Bank Only Upon the Direction of the Board.**  
The Bank shall exercise the following powers only upon the direction of the Board (or, in the case of subparagraphs (a) and (b)), a duly appointed Investment Manager who has been conferred such power by the Board):

(a) To receive, hold, invest and reinvest Trust Fund assets and income under provisions of law from time to time existing and in accordance with Article IX.

(b) To exercise or abstain from exercising any option, privilege or right attaching to any Trust Fund assets.

(c) To make payments from the Trust Fund for the provision of benefits in accordance with Article IV and for the payment of expenses as provided in Section 5.8.

(d) To employ suitable agents and depositaries (domestic or foreign), public accountants, brokers, custodians, ancillary trustees, appraisers, enrolled actuaries, and legal counsel as shall be reasonably necessary and appropriate to fulfill its obligations under this Trust Agreement and to comply with the lawful instructions of the Board, and to pay their reasonable expenses and compensation.

(e) To pay any income or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on unrelated business income of the Trust, if any, out of the Trust Fund.

(f) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund.

(g) To accept, compromise or otherwise settle any obligations or liability due to or from them as the Bank hereunder, including any claim that may be asserted for taxes, assessments or penalties under present or future laws, or to enforce or contest the same by appropriate legal proceedings.



(h) To act as the sole trustee in the event that the Board, by reason of death, resignation, or failure to appoint successor Individual Trustees, has fewer than three (3) members.

Section 5.4 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Bank or any institutional successor trustee under this Trust Agreement.

Section 5.5 General Duties and Obligations of Bank.

(a) In accordance with Article II, the Bank shall hold all property received by it and any income and gains thereupon. In accordance with this Article and Article IX, the Bank shall manage, invest and reinvest the Trust Fund following the directions of the Board or a duly appointed Investment Manager (who has been conferred such power by the Board), shall collect the income therefrom, and shall make payments or disbursements as directed by the Board.

(b) Subject to the provisions of Articles VII and X, the Bank shall comply with any directive issued by the Board to withdraw and transfer all or any part of the Trust Fund to another institutional trustee, custodian or a funding agent.

(c) The Board shall have responsibility for directing the Bank as to the voting (by proxy or in person) of any shares or other property held in the Trust. Accordingly, the Bank shall deliver to the Board (or the person or persons identified by the Board), on a timely basis, proxies, powers of attorney and related informational material that are necessary for the Board to fulfill its responsibility.

The Bank may use agents to effect such delivery to the Board (or the person or persons identified by the Board).

(d) The Bank shall discharge its duties in the interests of Participants and for the exclusive purpose of providing benefits to Participants and defraying reasonable expenses of administering the Trust and the Plan and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims. The Bank will be under no liability or obligation to anyone with respect to any failure of the Board to perform any of its obligations under the Plan or Trust Agreement or for any error or omission of the Board.

Section 5.6 Determination of Rights. The Bank shall have no power, authority, or duty hereunder in respect to the determination of the eligibility of any person to coverage under the Plan, or the entitlement of any person to any benefit payments under the Plan.

Section 5.7 Continuance of Plan; Availability of Funds. Neither the Board, the Bank nor Detroit assumes any contractual obligation as to the continuance of the Plan and shall not be responsible for the adequacy of the Trust Fund to meet and discharge any liabilities under the Plan, and the Bank's obligation to make any payment shall be limited to amounts held in the Trust Fund at the time of the payment.



Section 5.8 Payment of Expenses. The Bank shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses) reasonably incurred by the Bank or the Board in connection with establishing, sponsoring, administering or operating the Trust or Plan. The Board shall by written certificate provided to the Bank request payment for any expenses related to the administration of the Trust and/or the Plan. Upon receipt of the written certificate, the Bank may make the payment requested by the Board. The expenses of the Bank shall constitute a lien on the Trust Fund.

Section 5.9 Bank Compensation. The Bank will apply the assets of the Trust Fund to pay its own fees in the amounts and on the dates set forth in Exhibit A. The Bank's compensation shall constitute a lien on the Trust Fund.

Section 5.10 Reliance on Written Instruments. The Bank shall be fully protected in acting upon any instrument, certificate or paper believed by it to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

## **ARTICLE VI BANK ACCOUNTS**

Section 6.1 Records. The Bank shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to the Trust, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by the Board or such person or persons as the Board may designate.

Section 6.2 Annual Audit. The Trust Fund shall be audited annually by a firm of certified public accountants independent of the Bank, the members of the Board, and the City, and a statement of the results of such audit shall be provided to the Bank and the Board and also made available for inspection by interested persons at the principal office of the Trust. Such audit must be completed no later than 120 days after the expiration of the calendar year, or after expiration of the fiscal year if the Trust Fund is on a fiscal year other than a calendar year. The Board shall provide a copy of this statement to the Supporting Organization and any Other Supporting Organization no later than the May 15<sup>th</sup> immediately succeeding the last day of the year covered by such audited financial statements.

Section 6.3 No Interest by Participants. In no event shall any Participant or beneficiary have any interest in any specific asset of the Trust Fund. At no time shall any account or separate fund be considered a savings account or investment or asset of any particular Participant, beneficiary, or class of Participants or beneficiaries, and no Participant or beneficiary shall have any right to any particular asset which the Board or Bank may have allocated to any account or separate fund for accounting purposes.

Section 6.4 Furnishing Written Accounts. The Bank shall file with the Board a written account setting forth a description of all securities and other property purchased and sold, and all receipts, disbursements, and other transactions effected by it during the accounting period to which the Board and the Bank have agreed, and showing the securities and other properties held, and their fair market values at such times and as of such dates as may be agreed by the Board and the Bank in writing. Such written account shall be filed with the Board within thirty (30) days after the close of each calendar quarter.

Section 6.5 Accounting Year, Cash Basis. The accounting year of the Trust shall be the calendar year. All accounts of the Bank shall be kept on a cash basis.

Section 6.6 Judicial Proceedings. If the Bank and the Board cannot agree with respect to any act or transaction reported in any statement, the Bank shall have the right to have its accounts settled by judicial proceedings in which only the Bank and the Board shall be necessary parties. No Participant shall have any right to compel an accounting, judicial or otherwise, by the Bank.

## **ARTICLE VII PROCEDURES FOR THE BANK**

Section 7.1 Removal. The Bank may be removed by the Board at any time upon thirty (30) days' advance written notice. Such removal shall be effective on the date specified in such written notice, provided that notice has been given to the Bank of the appointment of a successor institutional trustee or custodian in the manner set forth in Section 7.3 below.

Section 7.2 Resignation. The Bank may resign by filing with the Board a written resignation that shall take effect ninety (90) days after the date of such filing, unless prior thereto a successor institutional trustee or custodian has been appointed by the Board. In no event may the Bank's resignation take effect before a successor institutional trustee or custodian has been appointed by the Board and such successor trustee has accepted the appointment. If the Board fails to appoint a successor institutional trustee or custodian, the retiring Bank may seek the appointment of a successor entity in the manner set forth in Section 7.3.

### Section 7.3 Successor Bank.

(a) The Board may appoint a successor institutional trustee or custodian by delivering to such successor an instrument in writing, executed by an authorized representative of the Board, appointing such successor entity, and by delivering to the removed or resigning Bank an acceptance in writing, executed by the successor so appointed. Such appointment shall take effect upon the date specified in Section 7.1 or 7.2 above, as applicable.

(b) Alternatively, the Board may appoint a successor institutional trustee or custodian by securing from such successor an amendment to this Trust Agreement, executed by both the successor and an authorized representative of the Board, which replaces the current Bank with the successor institutional trustee or custodian, appointing such successor institutional trustee or custodian, and by delivering to the removed or resigning Bank an executed copy of the amendment. Such appointment shall take effect upon the date specified in the amendment.

(c) If no appointment of a successor institutional trustee or custodian is made by the Board within a reasonable time after such resignation, removal or other event, any court of competent jurisdiction may, upon application by the retiring Bank, appoint a successor institutional trustee or custodian after such notice to the Board and the retiring Bank, as such court may deem suitable and proper.

Section 7.4 Effect of Removal or Resignation of Bank. Upon the removal or resignation of the Bank in accordance with Section 7.1 or 7.2 above, the Bank shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law.

Section 7.5 Merger or Consolidation of the Bank. Any corporation continuing as the result of any merger or resulting from any consolidation, to which merger or consolidation the Bank is a party, or any corporation to which substantially all the business and assets of the Bank may be transferred, will be deemed to be continuing as the Bank.

## **ARTICLE VIII COMPOSITION OF AND PROCEDURES FOR THE BOARD OF TRUSTEES**

Section 8.1 Number and Appointment of Members. The Board of Trustees shall consist of seven (7) Individual Trustees as voting members and for the first four (4) years, one (1) non-voting, ex-officio member, who are selected as provided below.

(a) The Mayor of Detroit shall appoint one (1) voting member, who may not be an employee or employed by an affiliate of the City (for such purposes, a contractor of the City shall not be deemed an affiliate), or of any labor union representing employees of the City, or a member of any such labor union, or a Participant. Such member shall have expert knowledge or extensive experience with respect to economics, finance, institutional investments, administration of public or private health and welfare benefit plans, executive management, benefits administration or actuarial science. The Board member selected by the Mayor to begin serving as of the Effective Date shall be Floyd Allen.

(b) The remaining six (6) voting members shall be appointed as follows: three (3) such voting members shall initially be designated by the Official Committee of Retirees of the City of Detroit, Michigan, and three (3) such voting members shall initially be designated by the Retired Detroit Police and Fire Fighters Association. The members initially selected by the Official Committee of Retirees of the City of Detroit, Michigan shall be: Gregory Best, John Clark, and Thomas Sheehan. The members initially selected by the Retired Detroit Police and Fire Fighters Association shall be: Allan Grant, Greg Trozak, and Andrew Dillon.

(c) The Retired Detroit Police Members Association shall appoint one (1) non-voting, ex-officio member who shall initially be: Shirley Berger. The non-voting member may attend any meeting of the Board, provide whatever opinion and recommendations he or she deems warranted, and receive all written product received by the full Board. To the extent the Board appoints any committee or subcommittee, such non-voting member is also eligible to be appointed, in the full voting Board's discretion, as an ex-officio member of such committee/subcommittee, but if appointed would not vote as a committee/subcommittee member.

Each voting Board member shall acknowledge his or her appointment and acceptance of the duties and responsibilities set forth in this Trust Agreement in writing.

Section 8.2 Term of Office. Each member of the Board shall serve a period of four (4) years, or if earlier, until his or her death, incapacity to serve hereunder, or resignation. A voting Board member whose term has ended due to the passage of time may be reappointed to serve an additional four (4) year term pursuant to the procedures set forth in Section 8.4 below.

Section 8.3 Resignation. A Board member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least ninety (90) days' advance written notice to the Board (and in the case of a Board member selected by the Mayor, to the Mayor; and in the case of a Board member selected by the Official Committee of Retirees or the Retired Detroit Police and Fire Fighters Association, to the Retired Detroit Police and Fire Fighters Association), which notice shall state the date when such resignation shall take effect, which notice or time period may be waived by the Board.

Section 8.4 Vacancies. In the event of a vacancy, either by resignation, death, incapacity, expiration of term of office, or other reasons, the replacement Board member shall be appointed as provided below.

(a) In the event of a vacancy of the seat previously filled by the appointee of the Mayor of Detroit, the replacement Board member shall be appointed as provided in Section 8.1(a).

(b) In the event of a vacancy of a seat previously filled by an appointee of the Official Committee of Retirees or the Retired Detroit Police and Fire Fighters Association, the replacement Board member shall be appointed by the Retired Detroit Police and Fire Fighters Association.

(c) In the event of a vacancy of the non-voting, ex-officio seat previously filled by the appointee of the Retired Detroit Police Members Association, the replacement Board member shall be appointed by the Retired Detroit Police Members Association; provided, however, that such seat shall terminate on December 31, 2018, and in no event shall a vacancy in this seat after December 31, 2018 be filled.

Section 8.5 Fees and Expenses. Voting Board members shall each be paid a stipend. For the 2015 and 2016 calendar year, this stipend shall be in the amount of \$12,000 per year (payable ratably on a monthly basis). Beginning with the 2017 calendar year and for each year thereafter, this stipend shall be in the amount of \$6,000 per year (payable ratably on a monthly basis); provided, however, that the Board, by a vote of not less than six (6) out of seven (7) voting Board members, shall have the power to provide for a different amount for the stipend; and provided, further, that in no event shall such annual stipend exceed \$12,000. The ex-officio member appointed by the Retired Detroit Police Members Association shall be paid a stipend of \$4,800 per year (payable ratably on a monthly basis) for the 2015 and 2016 calendar years, and shall be paid an amount equal to 50% of the stipend of a voting Board member for the 2017 and 2018 calendar years. Each voting Board member may be reimbursed for reasonable expenses properly and actually incurred in the performance of his or her duties, and in the case of the non-voting member, he or she may be reimbursed for reasonable expenses properly and actually

incurred in connection with attendance at Board or Board committee meetings. Compensation payable to the Board members and all reimbursed expenses shall be payable out of the Trust.

Section 8.6 Operation of the Board; Quorum. The Board shall select from among its members a chair and a vice chair. The Board shall hold regular meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. Each Board member shall be entitled to one vote on each question before the Board. Five (5) voting members shall constitute a quorum at any meeting. Except as provided in Section 8.5 and Article X, a majority vote of the seven (7) voting members of the Board at a meeting in which a quorum exists shall be necessary for a decision by the Board. Notwithstanding the foregoing, the voting members of the Board may act by unanimous written consent in lieu of a meeting.

## **ARTICLE IX POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

Section 9.1 General. The Board shall be responsible for designing, adopting, maintaining and administering the Plan, as well as administering the Trust and managing the Trust assets as provided herein. Subject to the provisions of this Trust Agreement, the Plan documents and applicable laws, the Board shall have sole, absolute and discretionary authority to adopt such rules and regulations and take all actions that it deems desirable for the administration of the Plan and Trust, and to interpret the terms of the Plan and Trust. The decisions of the Board will be final and binding on all Participants and all other parties to the maximum extent allowed by law. In performing its duties hereunder, the voting members of the Board shall comply with the terms of the Trust, and shall discharge their duties for the exclusive purposes of providing benefits to participants and beneficiaries of the Plan and Trust and defraying reasonable expenses of the Plan and Trust, and with the care, skill, prudence, and diligence then prevailing that a prudent person acting in a like capacity – and familiar with such matters – would use in the conduct of an enterprise of like character and with like aims.

### **Section 9.2 Plan Design and Administration.**

(a) Adoption of Plan. The Board shall adopt a Plan to offer life, sickness, accident or other similar benefits to Participants. All terms of the Plan shall be determined by the Board; provided that such terms shall be consistent with this Trust Agreement, Code section 501(c)(9) and the regulations promulgated thereunder. The Board shall be under no obligation to design the Plan to assure that the assets of the Trust Fund are sufficient to provide benefits to all potential Participants of the Plan in subsequent years.

(b) Benefits. The Plan shall include benefits and any other features including, without limitation, premium-sharing or other cost-sharing or reimbursements, that the Board from time to time determines appropriate or desirable in its sole discretion. The Plan may provide for different benefit structures or programs for different groups of Participants, as determined by the Board in its sole discretion. In designing the Plan and the benefits to be provided thereunder, the Board may take into account relevant circumstances, including, without limitation, the degree to which Participants may have alternative resources or coverage sources, as well as the resources of the Trust Fund. Benefits provided under the Plan shall be limited to those health care benefits permitted by Code Section 501(c)(9), and any Plan eligibility



restrictions established by the Board shall conform with the requirements set forth in Treasury Regulation Section 1.501(c)(9)-2.

(c) Method of Providing Benefits. Benefits under the Plan may be fully insured, partially insured or self-insured, as determined by the Board from time to time in its sole discretion. The expected cost of benefits under the Plan shall not exceed the amount expected to be available under the Trust.

(d) Plan Documentation. The Board shall be responsible for creating, adopting and/or executing any documents necessary to set forth the Plan's governing terms, and shall be responsible for communicating the terms of the Plan to the Eligible Retiree Members and Eligible Dependents in accordance with applicable law.

Section 9.3 Investment of the Trust. The Board, with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar means, shall have full power and authority to manage, control, invest and reinvest the money and other assets of the Trust Fund, and the Bank shall comply with the proper written direction of the Board concerning those assets. The Board may employ outside advisors, including investment advisors, to advise it with regard to the investment of the assets of the Trust Fund. Any outside advisors shall acknowledge a fiduciary relationship to the Board and the Trust Fund.

In investing and managing the assets of the Trust, the Board:

shall consider among other circumstances: the general economic conditions; the possible effect of inflation or deflation; the role that each investment or course of action plays within the overall portfolio; the expected total return from income and the appreciation of capital; needs for liquidity, regularity of income, and preservation or appreciation of capital; and the adequacy of funding for the plan based on reasonable actuarial factors;

(b) shall diversify the investments of the Trust unless the Board reasonably determines that because of special circumstances, it is clearly prudent not to do so;

(c) shall make a reasonable effort to verify facts relevant to the investment and management of assets of the Trust; and

(d) may consider benefits created by an investment in addition to investment return only if the Board determines that the investment providing these collateral benefits would be prudent even without the collateral benefits.

Section 9.4 Appointment of Investment Managers. The Board, from time to time, may appoint one or more independent Investment Managers, pursuant to a written investment management agreement describing the powers and duties of the Investment Manager, to direct the investment and reinvestment of all or a portion of the Trust (hereinafter referred to as an "Investment Account"). The Board shall determine that each Investment Manager is a fiduciary to the Board and Trust with demonstrated expertise in the type of investments authorized by the Board and, is entitled (under its investment management agreement) to direct the investment and reinvestment of the Investment Account for which it is responsible, in its sole and independent

discretion and without limitation, except for any limitations which from time to time the Board determines shall modify the scope of such authority. If an Investment Manager is appointed, it shall have the authority of the Bank specified in Section 5.1 hereof with respect to the Investment Account over which it has investment discretion and the Bank's duties with respect to such Investment Account shall be limited to following the instructions of the Investment Manager. Provided that an Investment Manager is prudently selected and monitored by the Board, the Board shall have no liability (a) for the acts or omissions of such Investment Manager; (b) for following directions of such Investment Manager which are given in accordance with this Trust Agreement; or (c) for any loss of any kind which may result by reason of the manner of division of the Trust into Investment Accounts.

Section 9.5 Government Reports and Returns. The Board shall file all reports and returns that are required to be made with respect to the Trust and the Plan.

Section 9.6 Compromise or Settle Claims. The Board may compromise, settle and release claims or demands in favor of or against the Trust or the Board on such terms and conditions as the Board may deem advisable. The Board may at all times rely upon the advice of independent counsel in reaching such decisions.

Section 9.7 Appointment of Administrator. The Board may appoint one or more third parties to perform any administrative functions it has with regard to the Trust or Plan.

Section 9.8 Employment of Assistance. The Board has the exclusive authority to employ, contract and pay for all professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation and administration of the Plan and Trust. The powers granted to the Board in this subparagraph include complete control of the procurement process, including contracts for office space, computer hardware and software, and human resource services. In accordance with the provisions of Section 5.3 hereof, the Board may direct the Bank to pay reasonable compensation therefor from the Trust Fund. The Board may take or may refrain from taking any action in accordance with or reliance upon the opinion of counsel or such expert advisors.

Section 9.9 Reliance on Written Instruments. The Board shall be fully protected in acting upon any instrument, certificate or paper believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 9.10 No Individual Liability on Contracts. The Board shall not be liable personally for any debts, obligations, or undertakings contracted by them, or for the breach of any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that neither the Board nor any of its members shall be exempt from personal liability for willful misconduct, intentional wrongdoing, breach of applicable fiduciary duty, negligence, or fraud, and the Trust shall not indemnify the Board for such liabilities to the extent that such indemnification would violate the provisions of Section 9.13 herein, or to the extent that application of this sentence would violate any law.



Section 9.11 Detroit Not Liable for Conduct of Board. The Board is not in its capacity as Board an officer, agent, employee, or representative of Detroit. In its capacity as Board, the Board is a principal acting independently of Detroit, which shall not be liable for any act, omission, contract, obligation, liability, debt, or undertaking of the Board or its officers, agents, or representatives.

Section 9.12 Liability Insurance. The Board shall obtain and keep current a policy or policies of insurance, insuring the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under this Trust Agreement or the Plan. To the extent permitted by applicable law, the premiums on such policies may be paid from the Trust Fund.

Section 9.13 Reimbursement for Defense of Claims.

(a) To the extent permitted by applicable law, and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Board, its individual trustees, employees of the Board and persons acting on the Board's behalf pursuant to an express written delegation to the extent such written delegation provides for indemnification (each separately, the "Indemnified Party") shall be indemnified and held harmless by the Trust Fund for all reasonable costs and expenses, including without limitation attorney's fees, judgments, settlements, liabilities, fines, or penalties, incurred or suffered in defense of any claim demand, cause of action or administrative proceeding that seeks to hold the Indemnified Party personally liable for any loss to the Plan or Trust Fund or for damages suffered by any party to, or beneficiary of this Trust Agreement arising out of conduct reasonably believed to be good faith acts within the scope and powers and duties of the Indemnified Party, provided that, the Board shall have the right to approve of the retention of any counsel whose fees would be paid by the Trust Fund, but such approval shall not be withheld unreasonably. In the event that indemnification is made by the Trust pursuant hereto, the Indemnified Party shall agree to reimburse the Trust for all fees, costs and expenses to the extent that it is determined that the Indemnified Party's acts or omissions constituted fraud, bad faith, willful misconduct, negligence, or breach of fiduciary duty, and an independent fiduciary shall take all reasonable steps to ensure reimbursement at the time the Trust Fund agrees to indemnify pursuant to this Section; provided further that in the case of a final judicial determination of negligence or breach of fiduciary duty the Indemnified Party's reimbursement obligation shall be limited to the lesser of \$50,000 or the deductible on any non-recourse commercial liability insurance policy.

(b) The Board may make, execute, record and file on its own behalf and on behalf of the Trust, all instruments and other documentation (including one or more separate indemnification agreements between the Trust and individual Indemnified Parties) that the Board deems necessary and appropriate in order to extend the benefit of the provisions of this Section to any Indemnified Party.

Section 9.14 Subrogation and Reimbursement. If the Plan is self-insured, the following provisions regarding subrogation and third-party reimbursement will apply.

(a) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of an individual ("Benefit Recipient"), the Trust Fund shall be subrogated as provided in this Section 9.14 to all the Benefit Recipient's rights of recovery with respect to the illness or injury for which the payment of benefits is made by the Trust Fund. The right of recovery referred to in the preceding sentence shall include the right to make a claim, sue, and recover against any person or entity from the first dollars of any funds which are paid or payable as a result of a personal injury claim or any reimbursement of health care expenses. If requested in writing by the Board, the Benefit Recipient shall take, through any representative designated by the Board, such action as may be necessary or appropriate to recover such payment from any person or entity, said action to be taken in the name of the Benefit Recipient. In the event of a recovery or settlement, the Trust Fund shall be reimbursed in full on a first priority basis out of such recovery or settlement for expenses, costs, and attorneys' fees incurred by it in connection therewith.

(b) If the Trust Fund pays, or is obligated to pay, any amount to or on behalf of a Benefit Recipient for an illness or injury, the Trust Fund shall be entitled to, and shall have a first priority equitable lien on, the proceeds of any recovery, by judgment, settlement or otherwise, with respect to the illness or injury, and if paid to the Benefit Recipient, the Benefit Recipient shall immediately pay any such proceeds to the Trust Fund. If the Benefit Recipient fails to pay such proceeds, or does not cause such proceeds to be paid, to the Trust Fund, the Board may, in addition to any other remedy to which it may be entitled, recover the proceeds directly or by offset against claims for benefits under the Plan and Trust made with respect to the affected Benefit Recipient (or such Benefit Recipient's beneficiaries, heirs, attorneys, agents, representatives, or estate).

(c) The Trust Fund shall have the right of subrogation and reimbursement set forth in this Section 9.14 regardless of whether the Benefit Recipient is made whole and regardless of whether the recovery, or any part thereof, is designated as payment for health care expenses, pain and suffering, loss of income or any other specified or unspecified damages or reason, and without regard to whether recovery is designated as including or excluding the health care expenses covered by the Plan and Trust. Any recovery by a Benefit Recipient, an attorney or other third party shall be deemed to be for the benefit of the Plan and Trust and shall be held in constructive trust for the Trust Fund until the Trust Fund is reimbursed in full for all amounts paid by the Trust Fund. The subrogation and reimbursement rights of the Trust Fund described in this Section 9.14 include all rights against, and include all rights with respect to, proceeds from or held by any attorney, third party, insurance carrier or payer of medical benefits, including an uninsured or under-insured motorist carrier, a no-fault carrier and a school insurance carrier, even if such coverage was purchased by the Benefit Recipient, and without regard to whether the proceeds have been paid or are payable.

(d) By participating in the Plan, each Benefit Recipient agrees to cooperate fully with the Plan and Trust and to execute and deliver agreements, liens and other documents and do whatever else the Board deems necessary to enable and assist the Trust Fund in exercising its rights under this Section 9.14, but the Trust Fund's rights under this Section 9.14 shall be effective regardless of whether the Benefit Recipient actually signs any agreements, liens or other documents. By participating in the Plan, each Benefit Recipient also agrees (i) that he or she will not make or maintain any make whole, common trust fund or apportionment action or claim in contravention of the subrogation and reimbursement provisions of this Section 9.14; and (ii) that he or she will not oppose any proceeding by the Trust Fund to obtain reimbursement

on procedural grounds. The Benefit Recipient, directly or through his or her representatives, shall not do anything to impair the Trust Fund's rights. If the Board determines that any Trust Fund recovery rights under Section 9.14 have been impaired by any action of the Benefit Recipient or his or her representatives or by the Benefit Recipient's or such other person's failure to comply with the Benefit Recipient's obligations under Section 9.14, the Board may, in addition to any other remedy to which it may be entitled, determine the amount by which the Trust Fund's recovery rights have been impaired and recover such amount directly or by offset against claims for benefits under the Trust Fund made with respect to the affected Benefit Recipient.

(e) This Section 9.14 entitles the Trust Fund to subrogation and reimbursement equal to the entire amount paid by the Trust Fund for the illness or injury to which the subrogation or reimbursement relates, including related expenses, costs and attorneys' fees, which shall be from the first dollars payable to or received by the Benefit Recipient, his representatives, heirs, legal counsel, estate or any other third party from any settlement, judgment or other payment, without reduction for attorneys' fees or for any other reason. The common fund, make-whole, apportionment or any similar doctrines shall not apply to any amounts received. Any attorneys' fees shall be the responsibility solely of the Benefit Recipient, and the Trust Fund shall not pay any attorneys' fees or costs associated with a Benefit Recipient's claim or lawsuit without the Board's prior written authorization.

(f) The intention of this Section 9.14 is to give the Trust Fund the first right of subrogation and reimbursement in full with respect to the first dollars paid or payable, even though the Benefit Recipient is not made whole. Each Benefit Recipient agrees that as a condition to receiving benefits under the Plan and from the Trust Fund, the Benefit Recipient shall comply with the requirements of this Section 9.14.

## **ARTICLE X AMENDMENT, TERMINATION AND MERGER**

Section 10.1 Amendment. The Trust Agreement may be amended at any time in writing by the Board, by a vote of not less than six (6) out of seven (7) voting Board members, or by Court order upon proper motion, provided, however, that no amendment may impose a contribution obligation on Detroit; provided further that no amendment shall in any way conflict with the terms of the Plan of Adjustment or a Court order confirming the Plan of Adjustment; and provided further that no amendment shall adversely affect the exempt status of the Trust or Plan under Section 501(c)(9) of the Code. No amendment to the Trust Agreement shall modify the responsibilities of the Bank hereunder unless the Bank has first consented to such amendment.

### Section 10.2 Termination.

(a) The Trust and this Trust Agreement may be terminated at any time in writing by action of the Board, acting by a vote of not less than six (6) out of seven (7) voting Board members, with a copy of such written instrument to be provided to the Bank, or by Court order upon proper motion. Upon termination of this Trust Agreement, the assets of the Trust Fund shall be paid out at the direction of the Board in the following order of priority: (i) the payment of reasonable and necessary administrative expenses (including taxes); (ii) the payment of benefits to Participants entitled to payments for claims arising prior to such termination; and

(iii) upon satisfaction of all liabilities to existing Participants, either directly or through the purchase of insurance, to provide life, sick accident or other permissible benefits in accordance with Code section 501(c)(9) and the rules and regulations promulgated thereunder. Neither Detroit nor any member of the Board shall have any beneficial interest in the Trust Fund, except to the extent an Individual Trustee is also a Participant in the Plan. Any determination by the Board or an administrator to distribute assets of the Trust upon termination to an Individual Trustee who is also a Participant must have the written concurrence of the Bank. The Trust Fund shall remain in existence until all assets have been distributed.

(b) Upon termination, the Bank and the Board shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

Section 10.3 Transfer of Assets and/or Liabilities. To the extent permitted by Code section 501(c)(9) and other applicable law, some or all of the assets and/or liabilities of the Trust Fund may at the discretion of the Board be transferred directly to another trust for the purpose of providing health or welfare benefits to some or all of the Participants on such terms and conditions as the Board may determine.

## **ARTICLE XI MISCELLANEOUS**

Section 11.1 Rights in Trust Fund. No Participant or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right against the Bank, the Board, or Detroit, except as may be otherwise expressly provided in the Plan or in this Trust Agreement.

Section 11.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Participant to any benefits or future payments hereunder or under the provisions of the Plan shall not be subject to attachment or garnishment or other legal process by any creditor of any such Participant, nor shall any such Participant have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingent or otherwise, under this Trust Agreement.

Section 11.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 11.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.

Section 11.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 11.6 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (b) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (c) on the fourth business day after mailing if

mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the Bank:

**[insert name and address]**

If to the Board:

**[insert 8 names and addresses]**

If to the Mayor:

**[insert name and address]**

If to the Supporting Organization:

**[insert name and address]**

If to the Other Supporting Organization:

**[insert name and address]**

If to the Retired Detroit Police and Fire Fighters Association:

**[insert name and address]**

If to the Retired Detroit Police Members Association

**[insert name and address]**

IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

**BANK**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF DETROIT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**INDIVIDUAL TRUSTEES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
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Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**  
**Bank Compensation**



## EXHIBIT B

## Supporting Organization Funding

Contributing Organization	Contribution Amount
Skillman Foundation	

**EXHIBIT I.A.126**

PRINCIPAL TERMS OF DIA SETTLEMENT

## Term Sheet

Definitions	<p>For the purposes of this Term Sheet the following terms have the meanings provided below:</p> <p><b><u>CFSEM</u></b> means Community Foundation for Southeast Michigan.</p> <p><b><u>City</u></b> means the City of Detroit.</p> <p><b><u>Closing</u></b> means the closing of the transactions contemplated herein.</p> <p><b><u>Definitive Documentation</u></b> means the definitive agreements and other transaction documents to be executed and delivered at Closing.</p> <p><b><u>DIA Funders</u></b> means those persons, businesses, business-affiliated foundations and other foundations that are listed on Exhibit C to this Term Sheet and all additional persons, businesses, business-affiliated foundations and any other foundations from which The DIA secures commitments to contribute monies as "DIA Funders" in furtherance of the transactions contemplated by this Term Sheet.</p> <p><b><u>Foundation Funders</u></b> means the foundations that are listed on Exhibit B to this Term Sheet and any additional foundations (other than foundations that are DIA Funders) that, subsequent to the date of this Term Sheet, agree to contribute monies as "Foundation Funders" in furtherance of the transactions contemplated by this Term Sheet.</p> <p><b><u>Funder</u></b> means a Foundation Funder, a DIA Funder, or The DIA (collectively, the "<b>Funders</b>").</p> <p><b><u>Museum</u></b> means the museum that is commonly referred to as the Detroit Institute of Arts.</p> <p><b><u>Museum Assets</u></b> means the Museum art collection, operating assets, buildings, parking lots and structures, and any other assets having title vested in the City that are used primarily in servicing the Museum, including those covered by the 1997 Operating Agreement between the City and The DIA (the "<b>Operating Agreement</b>") all as more particularly described on Exhibit A to this Term Sheet.</p> <p><b><u>Payment Amount</u></b> means at least \$815 million without interest and, to the extent applicable, reduced by any Present Value Discount.</p>
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	<p><b><u>Payment Period</u></b> means the twenty year period commencing on and immediately following the date of the Closing.</p> <p><b><u>State</u></b> means the State of Michigan.</p> <p><b><u>Supporting Organization</u></b> means the Foundation for Detroit's Future, a Michigan nonprofit corporation, which is a supporting organization of CFSEM, which was established to accommodate the contribution and payment of monies from the Funders, as contemplated under this Term Sheet, and will obtain 501(c)(3) status prior to the Closing.</p> <p><b><u>The DIA</u></b> means The Detroit Institute of Arts, a Michigan not-for-profit corporation.</p> <p><b><u>Tri-Counties</u></b> means the Counties of Macomb, Oakland and Wayne, all in the State.</p> <p>Other capitalized terms are defined elsewhere in this Term Sheet.</p>
Scope of Settlement	<p>The consummation of the transactions contemplated in this Term Sheet shall be in full and final settlement of all disputes relating to the rights of the City, the Police and Fire Retirement System and the General Retirement System for the City (collectively, the "<b>Pensions</b>"), The DIA, and the State with respect to the Museum, including the Museum Assets. Disputes held by other of the City's creditors pertaining to the foregoing subject matter shall be resolved by confirmation of the Plan of Adjustment (defined below).</p>
Reservation of Rights	<p>This Term Sheet proposes a settlement of disputed factual and legal issues. Nothing in this Term Sheet constitutes an admission as to any factual or legal issue or a waiver of any claim or defense, and all rights of the City, The DIA, the Funders and all other parties in the City's bankruptcy case regarding the Museum and the Museum Assets are fully preserved until the Closing.</p>
Treatment of Museum Assets	<p>As a result of this settlement, at Closing, all right, title and interest in and to the Museum Assets shall be conveyed to The DIA to be held in perpetual charitable trust for the benefit of the people of the City and the State, including the citizens of the Tri-Counties, permanently free and clear of all liens, encumbrances, claims and interests of the City and its creditors (the "<b>Transfer</b>").</p>

<p style="text-align: center;"><b>Funding Commitments</b></p>	<p>All commitments of the Funders shall, subject to the terms and conditions of this Term Sheet and the Definitive Documentation, be the irrevocable, authorized, valid and binding commitments by the Funders, enforceable against such Funders, except that the commitment of The DIA as to any DIA Deficiency will be subject to its right of substitution as discussed in "<i>DIA Commitment Regarding Funding</i>" below. Exhibit B and Exhibit C, as applicable, set forth the commitment amount and, to the extent known prior to the date of this Term Sheet, the payment schedule for each Funder. Prior to execution of the Definitive Documentation, each Funder with respect to which the payment schedule was not known as of the date of this Term Sheet (unless such party becomes a "<b>Funder</b>" only after the date of the Definitive Documentation) shall agree to a payment schedule. Each Funder shall have the right to prepay its commitment in whole or in part at any time without penalty and no interest will be owed on any Funder's payments.</p> <p>All payments by the Funders shall be made as set forth in "<i>Payment Mechanism</i>" of this Term Sheet. (The mechanics, timing and terms of all payments by the State shall be determined between the State and the City.)</p> <p>The parties acknowledge that Funder payments are conditioned on the City meeting certain conditions both initially and on a continuing basis. See "<i>Conditions to Future Funding Obligations</i>" of this Term Sheet. Failure of the City to meet those conditions in any material respect may result in the delay of a scheduled payment by the Funders to the Supporting Organization and a delay of a scheduled payment by the Supporting Organization to the City until (i) all material requisite conditions for that payment are met; or (ii) cancellation of that payment if the material requisite conditions are not met within any established cure period.</p> <p>Funding commitments of the following amounts (before giving effect to any Present Value Discount, as applicable) are required as a condition to Closing:</p> <table data-bbox="727 1570 1341 1682"> <tr> <td>Foundation Funders (net)</td><td>\$366 million</td></tr> <tr> <td>DIA Funders and DIA</td><td>\$100 million*</td></tr> <tr> <td>State</td><td>\$350 million</td></tr> </table> <p style="text-align: center;">*inclusive of the intended funding amounts for the identified Foundation Funders</p>	Foundation Funders (net)	\$366 million	DIA Funders and DIA	\$100 million*	State	\$350 million
Foundation Funders (net)	\$366 million						
DIA Funders and DIA	\$100 million*						
State	\$350 million						

	<p>listed in Exhibit B</p> <p>To the extent the City fails to meet its indemnity obligations further described in Exhibit D, the Funders', the Supporting Organization's and The DIA's (with respect to a DIA Deficiency or under the Guaranty) funding commitments will be reduced by any litigation or defense costs, damages or settlement costs incurred by the applicable Funder, the Supporting Organization or The DIA in connection therewith. Similarly, the Funders, the Supporting Organization and The DIA may reduce their funding commitments to the extent that any litigation or defense costs, damages or settlement costs incurred by them and arising from the transactions contemplated by this Term Sheet and the Definitive Documentation are not otherwise covered by the City's indemnity obligations described in Exhibit D.</p>
Present Value Discount	<p>To the extent that the DIA Funders and The DIA have agreed upon an aggregate payment schedule (determined as of the Closing and adjusted after the Closing for any New Donor Commitments), that provides for the payment of greater than an aggregate of \$5 million per year during the Payment Period (the "<b>Agreed Required Minimum Schedule</b>"), the amount and timing of such annual excess in commitments shall, applying a discount rate to be agreed upon hereafter but prior to Closing, which may or may not be the same earnings rate that the Pensions use as provided for in the confirmed Plan of Adjustment as the Pensions' assumed future investment return, result in a present value discount in an amount which reflects the payments required to be made being instead made more rapidly than required by the Agreed Required Minimum Payment Schedule, which present value discount shall reduce the aggregate amount of the commitments that The DIA is required to secure or, as to any DIA Deficiency, undertake itself (the "<b>Present Value Discount</b>").</p> <p>Each Foundation Funder which funds its commitment more rapidly than ratably over twenty years shall likewise be entitled to a Present Value Discount determined in the same manner as set forth in the preceding paragraph.</p> <p>Any disputes regarding the calculation or application of a Present Value Discount will be irrevocably determined,</p>





	<p>to a scheduled payment have been satisfied and, if not initially satisfied, whether they have been timely cured. In the event that the Supporting Organization has determined that the conditions have not been satisfied (or timely cured) and the City disputes that determination, the City's only recourse shall be to dispute the Supporting Organization's determination. The City shall have no claim against any Funder (or under the Guaranty) for such Funder's reliance upon the determination of the Board of Directors of the Supporting Organization. Any dispute between the City and the Supporting Organization regarding whether the conditions had been satisfied or timely cured shall be determined in accordance with the "<i>Dispute Resolution</i>" section of this Term Sheet.</p> <p>In the event it is determined by the Supporting Organization or through arbitration that the conditions to a scheduled payment have been satisfied or timely cured, all Funders shall be required to make their scheduled payments to the Supporting Organization (or, as to DIA Funders that so elect in accordance with the "<i>Payment Mechanism</i>" section of this Term Sheet, to The DIA, which will be required to make its scheduled payments to the Supporting Organization). If a Foundation Funder, a DIA Funder or The DIA (either with respect to a Deficiency Amount or on behalf of a DIA Funder who elects to make its payments to The DIA) has made its scheduled payment to the Supporting Organization, the City shall have recourse only to the Supporting Organization (and not any Funder that made its scheduled payment) for such payment. If a Foundation Funder, a DIA Funder or The DIA (either with respect to a Deficiency Amount or on behalf a DIA Funder who elects to make its payments to The DIA) has not made its scheduled payment after it is determined by the Supporting Organization or through arbitration that the conditions to such payment have been satisfied or timely cured, the Supporting Organization shall, after making reasonable efforts to collect the scheduled payment from the Funder (the "<b>Non-funding Party</b>"), assign its right to enforce payment of that scheduled payment (the "<b>Default Amount</b>") to the City in full satisfaction of the Supporting Organization's obligation to make such payment to the City.</p> <p>If the Supporting Organization assigns to the City, in accordance with the preceding paragraph, the Supporting Organization's right to enforce payment of a Default Amount from a DIA Funder (a "<b>Defaulted DIA Funder</b>"), during the twelve-month period following the assignment of the claim</p>
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	<p>to the City (the “<b>City Collection Period</b>”), the City shall exercise commercially reasonable efforts to collect the Default Amount from that Defaulted DIA Funder, and any amounts collected from that Defaulted DIA Funder shall reduce the amount subject to the Guaranty. If the City is unable to collect the Default Amount from a Defaulted DIA Funder during the City Collection Period, upon the expiration of the City Collection Period, the City may collect the Default Amount from The DIA under the Guaranty and, in such event, assign to The DIA all right and title to (and exclusive authority to collect) the Default Amount.</p> <p>In no event will any Funder other than the Non-funding Party have any responsibility for the payment or obligations of such Non-funding Party (except, as to The DIA, under the Guaranty), and the City will not have any right to collect any amounts from any Funder except as set forth above. Moreover, there will be no third-party beneficiaries to the rights of the City or the Supporting Organization, and no party other than the City or the Supporting Organization (or The DIA in respect of the Guaranty), as applicable, shall have the right to assert any claim against any Funder in respect of the obligations arising under the Definitive Documentation. Without limiting the foregoing, the failure of any Funder or the Supporting Organization to make a scheduled payment shall give rise to a claim by the City against such Non-funding Party, as set forth above, and not against any other Funder, the Supporting Organization, The DIA or the Museum Assets; provided, however, (i) as contemplated in “<i>The DIA Commitment Regarding Funding</i>” above, The DIA will be obligated for any DIA Deficiency except to the extent the DIA Deficiency is replaced during the Payment Period with a New Donor Commitment, and (ii) The DIA will have its obligations under the Guaranty.</p> <p>The City will be responsible for all costs of its enforcement against the Non-funding Party and will not seek reimbursement of costs of enforcement from any other party or the Supporting Organization. No other person or entity shall have the right to enforce payment.</p>
Initial Payment	<p>At and as a condition to the Closing (a) each of the Foundation Funders and the State shall pay at least 5% of its commitment under this Term Sheet and (b) The DIA and the DIA Funders in the aggregate shall pay at least \$5 million.</p>

<p><b>Transfer on Initial Payment</b></p>	<p>The Transfer shall be irrevocably consummated upon the Initial Payment to the City Account (defined in "<i>Conditions to Future Funding Obligations</i>" of this Term Sheet) (which shall be made at the Closing). In addition, at the Closing, the City and The DIA will enter into an agreement that (1) terminates the Operating Agreement, (2) includes a mutual release of pre-Closing claims, and (3) assigns (without recourse) from the City to The DIA all current and future commitments or gifts made or intended for the benefit of the Museum or The DIA, including without limitation money and works of art. The City will not, however, make any representations or warranties relating to the condition of, or title to, the Museum Assets or such commitments and will not have any liability with respect thereto.</p>
<p><b>Payment Mechanism</b></p>	<p>All payments by the Funders shall be made directly to the Supporting Organization which shall hold such payments in a segregated account (the "<b>Account</b>") pending payment to the City. Notwithstanding the foregoing, any DIA Funder may make its payments to The DIA instead of to the Supporting Organization; payments by The DIA (either with respect to a Deficiency Amount or on behalf a DIA Funder who elects pursuant to the preceding sentence to make its payments to The DIA) to the Supporting Organization shall be pursuant to the terms of an agreement which will be entered into between The DIA and the Supporting Organization in connection with the execution of the Definitive Documentation. As set forth under "<i>Default and Remedies</i>" above, only the City will have recourse or claims against the Account, provided all conditions specified in "<i>Conditions to Future Funding Obligations</i>" of this Term Sheet have been satisfied and as otherwise provided in this Term Sheet, and the City shall be paid when due, directly from the Account for the exclusive payment of the Pensions. The City will not be entitled to any interest or earnings on the balances of the Account. The City shall then pay such amounts to and for the exclusive payment of the Pensions in accordance with the allocation determined by the City and agreed by the Funders.</p>
<p><b>DIA Commitment for State-wide Services for State Contribution</b></p>	<p>In addition to continuing to operate the Museum for the benefit of the people of the City and the State, including the citizens of the Tri-Counties, and continuing to provide the special services to the residents of the Tri-Counties during the millage term that are provided for in the millage</p>

	<p>agreements, during the Payment Period The DIA will provide an array of art programs at no or discounted costs to the residents of the State. In determining which programs to offer, both the cost to The DIA of developing and operating these programs and The DIA's other fundraising obligations, including its need to raise funds for general operations and its stated goal of building endowment funds, as well as any fundraising obligation under this settlement, will be taken into account. As appropriate, The DIA will collaborate with its Michigan museum colleagues in the development of these programs. Given the length of the Payment Period, it is expected that these programs would be developed and adjusted over time. Such programs could include at the outset:</p> <ul style="list-style-type: none"> <li>• Two exhibitions in each twelve-month period, with the first such period beginning six months after the Closing, of objects from the Museum collection that would rotate through museums and art centers around the State on a schedule to be determined by The DIA and the recipient museums. Each exhibition will be developed and organized by The DIA and will include installation and de-installation of the objects, a marketing package (logo and advertising template) and, possibly, input on programming and education opportunities.</li> <li>• An annual professional development program coordinated with the Michigan Museums Association designed to strengthen museum professionals and introduce museum job opportunities to student audiences.</li> <li>• An expansion of the Museum's popular Inside/Out program (during the tenure of the program), which places high-quality art reproductions in Southeast Michigan communities, to include two additional outstate locations annually, supporting tourism, cultural awareness and life-long learning.</li> <li>• Art object conservation services at a discounted rate to Michigan museums conducted in consultation with the Museum conservators and the curatorial staff of the requesting museum.</li> <li>• The development of an educational program based on the Museum collection that supports National Common Core Standards, to be offered in two</li> </ul>
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	Michigan communities annually and to include follow-up support for educators.
DIA Operating and Maintenance Commitments	<p>(1) Subject to the terms set forth herein and the Definitive Documentation, The DIA shall have complete responsibility for and control over Museum operations, capital expenditures, collection management, purchase or sale of assets, <i>etc.</i> and will be responsible for all related liabilities, including existing liabilities of The DIA to its employees, contractors and vendors.</p> <p>(2) The permanent primary situs of The DIA and its art collection will remain in the City in perpetuity. This Term Sheet and the Definitive Documentation will not otherwise restrict the ability of The DIA to lend or to otherwise allow works to travel outside of the City or the State, consistent with ordinary Museum operations and the state-wide services proposed under this settlement. Notwithstanding anything to the contrary set forth in this Term Sheet, The DIA acknowledges and agrees that the Museum shall be operated primarily for the benefit of the people of the City and the State, including the citizens of the Tri-Counties.</p> <p>(3) The DIA will be required to operate the Museum as an encyclopedic art museum in the City, in accordance with changing future demands in the operation of such a Museum. The DIA will not deaccession from its collection or sell, lease, pledge, mortgage, or otherwise encumber art that is accessioned to or otherwise held in its collection except in accordance with the code of ethics or applicable standards for museums published by the American Alliance of Museums (the "AAM") as amended or modified by the accreditation organization. If the AAM ceases to exist or to be generally regarded by leading American art museums as the preeminent American art museum accreditation organization, then the AAM's successor organization or such other organization that is at that time generally regarded by leading American art museums as the preeminent American art museum accreditation organization shall be substituted for the AAM.</p>

	<p>(4) In the event of a liquidation of The DIA, the Museum Assets will be transferred only to another not-for-profit entity (which entity shall be subject to the reasonable approval of the City and the Supporting Organization, if then in existence, and otherwise by majority vote of the City and the then-existing Foundation Funders). Such successor entity would subject itself to the same conditions as set forth in this Term Sheet and the Definitive Documentation, including but not limited to holding the Museum Assets in perpetual charitable trust for the people of the City and the State, including the citizens of the Tri-Counties. For the purposes of determining the majority vote described above, and for the avoidance of doubt, the parties agree that the City and each of the then-existing Foundation Funders shall each have one vote with respect to such approval.</p>
<p><b>City Commitments Relating to Pensions</b></p>	<p>(1) The City will adopt and maintain pension governance mechanisms that meet or exceed commonly accepted best practices reasonably satisfactory to the Funders and the State to ensure acceptable fiscal practices and procedures for management and investment of pensions and selection of acceptable pension boards to ensure the foregoing.</p> <p>(2) The City will establish, by the Effective Date (as defined below), a Receivership Transition Review Board ("<b>Review Board</b>") or other independent fiduciary that is independent of the City and any association of City employees or retirees for future supervision of the Pensions' management, administration and investments for at least twenty years after the Effective Date.</p> <p>(3) Any commitments by the City to make payments hereunder, or cause payments to be made, to the Pensions shall be subject to receipt of the related payment amount from the Supporting Organization which, in turn, will be conditioned on the City's compliance with the above.</p> <p>(4) The Pension funds themselves shall agree as part of the settlements approved through the confirmed Plan of Adjustment that they waive and release</p>

	<p>any and all claims against, and shall have no recourse directly against, the Funders or the Supporting Organization with respect to enforcement of the City's commitment to make payments to the Pensions or any such party, nor for any matter arising from the contemplated transaction. The agreement of the Pension funds, as implemented through the Plan of Adjustment and any associated court orders shall be binding on the Pensions and all entities or persons claiming through the Pensions, including without limitation any successors or assigns and any plan participants, and any of their representatives, successors or assigns.</p>
Other City Commitments	<ol style="list-style-type: none"> <li>(1) The City shall pass no charter, ordinance or other provision that solely affects or primarily targets the Museum, The DIA or museums within the City generally which such charter, ordinance or other provision has a material adverse impact on the Museum or The DIA (it being understood that a "material adverse impact" shall include any adverse financial impact or any contradiction, or adverse impact on the enforceability, of the terms of this settlement), except pursuant to State-enabling legislation, and the City agrees that the Detroit Arts Commission will henceforth have no oversight of The DIA, the Museum or the Museum Assets.</li> <li>(2) The City shall not impose any fee, tax or other cost on the Museum or The DIA that solely affects or primarily targets the Museum, The DIA or museums within the City generally.</li> <li>(3) The City shall provide (or cause to be provided) utilities and other City services to The DIA at the same pricing and on the same terms upon which the City offers to provide utilities and such other City services to arm's-length third parties generally.</li> <li>(4) The City agrees that there are no further commitments from the Funders, the Supporting Organization, The DIA or the State relating to the Museum or the Museum Assets beyond those contained in the Term Sheet or the Definitive</li> </ol>



	<p>Documentation.</p> <p>(5) The City agrees to the indemnification, jurisdiction, venue and choice of law language contained in Exhibit D for the benefit of the Funders.</p>
<p><b>Bankruptcy Court Approval Process</b></p>	<p>The settlement between the City and The DIA over the Transfer in exchange for the Funders' and the State's commitments for the Payment Amount and The DIA's commitment to provide for the operation and maintenance of the Museum is subject to the Bankruptcy Court's approval in a manner acceptable to the parties hereto, which the City shall seek promptly after the signing of the Definitive Documentation for the settlement.</p>
<p><b>Conditions to The DIA's, the City's and the Funders' Commitments and Initial Payments under the Settlement</b></p>	<p>The City's and the Funders' obligations under the settlement will become binding only upon:</p> <ol style="list-style-type: none"> <li>(1) execution of Definitive Documentation acceptable in all respects to The DIA, the City, the State and the Funders, memorializing the terms of this Term Sheet, including irrevocable commitments (subject to The DIA's right of substitution as to the DIA Deficiency) of the Funders, in the aggregate, for the full Payment Amount,</li> <li>(2) Bankruptcy Court entry of an order confirming the Plan of Adjustment of Debts of the City of Detroit, Michigan (the "<b>Plan of Adjustment</b>") that is binding on The DIA, the City and all of the City's creditors and provides, among other things, for approval and inclusion of all of the terms of this settlement, including treatment of the Payment Amount in accordance with this Term Sheet and protection of the Museum Assets as provided in "<i>Treatment of Museum Assets</i>" of this Term Sheet, and not stayed on appeal,</li> <li>(3) occurrence of the Effective Date,</li> <li>(4) approval of the settlement by the Michigan Attorney General as consistent with Michigan law and with Attorney General Opinion No. 7272,</li> <li>(5) agreement by the millage authorities for each of the Tri-Counties to the settlement for protection of the three-county millage payable to the Museum for the balance of the millage period approved in 2012,</li> </ol>

	<p>(6) approval of the relevant City and State persons or entities specified in the Local Financial Stability and Choice Act (PA 436) to the extent applicable, including, but not limited to, the Emergency Manager, the Governor of the State and/or the Treasurer of the State and (if needed) the Detroit City Council and/or Detroit Arts Commission, in each case, for the Transfer,</p> <p>(7) The DIA, the Foundation Funders, the City and the State being satisfied with The DIA's governance structure, mechanisms and documents, program for provision of statewide services, multi-year fundraising plan, insurance coverage, policies, practices and procedures and such other matters as the Funders determine are critical to their decision to fund and the City determines are critical to its decision to execute the Definitive Documentation,</p> <p>(8) Closing occurring no later than December 31, 2014,</p> <p>(9) All existing agreements and other arrangements between the City and The DIA are either affirmed, modified or terminated, as provided in this Term Sheet or as otherwise agreed between the City and The DIA.</p> <p>(10) The DIA agrees to indemnify and hold harmless the Foundation Funders, the City and the Supporting Organization from any and all claims against them (together with all reasonable associated costs and expenses) that result from The DIA's failure to perform any of its obligations under the Definitive Documentation. The DIA acknowledges that the Foundation Funders and the Supporting Organization have no financial obligations other than, in the case of the Foundation Funders, the amount specified in the "<i>Funding Commitments</i>" of this Term Sheet and are not guaranteeing payment to the City of any amount committed by the DIA Funders or The DIA.</p>
Closing of Settlement	<p>Upon satisfaction of all "<i>Conditions to The DIA's, the City's, the State's and the Funders' Commitments and Initial Payments under the Settlement</i>" under this Term Sheet (any of which may be waived by agreement of all parties to this Term Sheet for whose benefit the condition exists) and the occurrence of the</p>

	effective date of the Plan of Adjustment (" <b>Effective Date</b> ").
Conditions to Future Funding Obligations	<p>The Funders' obligations to continue to fund the settlement (and the Supporting Organization's obligation to continue to pay funds provided by the Funders to the City) are conditioned on the following:</p> <ol style="list-style-type: none"> <li>(1) all amounts paid by the Funders shall be used only to pay Pensions as provided in this Term Sheet and the confirmed Plan of Adjustment,</li> <li>(2) the Funders' receipt of an annual certification from the Review Board or other oversight authority reasonably acceptable to the Funders that the City is in compliance with its obligation to use the amounts paid by the Funders solely for the benefit of the pensioners and that the amounts received from the Funders are unencumbered by the City or any other entity,</li> <li>(3) the amounts paid by the Funders and transmitted by the Supporting Organization to the City are placed into a segregated account to be used for payments to the Pensions only and shown separately on the City's books ("<b>City Account</b>"),</li> <li>(4) the Funders' receipt of an annual reconciliation report of the City Account prepared by external auditors reasonably satisfactory to the Funders at the City's expense, certifying use of funds in a manner consistent with the settlement,</li> <li>(5) full compliance by the City with the terms of the funding agreements with the Funders or the Supporting Organization, and</li> <li>(6) the City's continued compliance with the first two commitments set forth above in the provision entitled "<i>City Commitments Relating to Pensions</i>" of this Term Sheet.</li> </ol> <p>The City shall have the opportunity to cure any breach or failure of these conditions within 180 days of issuance of notice of the same by the Funders or the Supporting Organization. Notwithstanding the foregoing, to the extent that the applicable event of default cannot reasonably be cured within the period specified above, and as long as the City has commenced to cure, and diligently pursues the cure of such default in good faith, such cure period shall be</p>

	<p>extended by a reasonable period of time to permit the City to cure such event of default; provided, however, such additional extended cure period shall not extend beyond the later of: (i) 180 days beyond the initial cure period; and (ii) the date that the next applicable payment is due the City by the Supporting Organization. The City's ability to receive the benefit of the extended cure period, beyond the initial cure period, shall be subject to the approval of the Supporting Organization upon receipt of a written request from the City setting forth why the City is entitled to such extended cure period by meeting the requirements set forth above, which approval shall not be unreasonably withheld, conditioned or delayed. All obligations of the Funders and Supporting Organization to make payments shall be suspended for the duration of the cure period. If the City fails to cure a breach or failure during the cure period each Funder and the Supporting Organization shall have the right to cancel its remaining commitments.</p>
Changes in DIA Governance	<p>The DIA shall establish an ad-hoc committee (the "<b>Governance Committee</b>") to review best practices in museum governance, gather input from the parties to this Term Sheet and the State, and make recommendations regarding the future governance of The DIA. In addition to three members representing the perspective of The DIA, The DIA shall appoint to the Governance Committee one member representing each of the following perspectives: 1) the Foundation Funders; 2) the City; and 3) the State. In addition, The DIA shall appoint to the Governance Committee one person who is selected by agreement of the millage authorities of the Tri-Counties. The parties believe the proposed make-up of the Governance Committee will appropriately represent the perspectives of The DIA, the City, the State, the millage authorities and the Foundation Funders, but The DIA will consider adjustments to the proposed membership to the extent necessary to address any concerns raised by the State. Susan Nelson, principal of Technical Development Corporation, will facilitate and advise the process, with funding as required from the Foundation Funders. The process will be completed as quickly as possible but in any event prior to the Closing, with the Governance Committee's recommendations taking effect upon their approval by The DIA's Board of Directors and prior to Closing. The goal of the Governance Committee will be to ensure that The DIA has the best possible governance</p>



## EXHIBIT A

### MUSEUM ASSETS

1. The Museum building and grounds, and the employee parking lot located at 5200 Woodward Avenue, Detroit, Michigan, comprised of land and improvements bounded by Woodward Avenue as widened, existing John R Street, existing East Kirby Avenue and the South line of Farnsworth Avenue, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in Commitment for Title Insurance No. 58743275 revision 5, with an effective date of December 16, 2013, and Commitment for Title Insurance No. 58781215, with an effective date of December 26, 2013, (collectively, the "Title Commitment") issued by Title Source Inc., as follows:

PARCEL 1: Block A; together with the Northerly half of vacated Frederick Douglass Avenue adjacent thereto, of Ferry's Subdivision of Park Lot 40 and of Lots 1 to 18 inclusive of Farnsworth's Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 18 of Plats, Page 71, Wayne County Records.

PARCEL 6: Lots 43 through 78, both inclusive, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 43 through 58, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 63 through 78, and together with vacated alleys appurtenant to said lots.

PARCEL 11: Lots 103 through 120, both inclusive, together with the Southerly half of vacated Farnsworth Avenue adjacent to Lots 103 through 118, and vacated portions of Farnsworth Avenue adjacent to the South of Lots 103 through 117 and Lot 120, and vacated alleys appurtenant to said lots, of Farnsworth Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

2. The Frederick Lot (across from the Museum, Easterly from existing John R to existing Brush) located, in the City of Detroit, Wayne County, Michigan, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in the Title Commitment as follows:

PARCEL 4: Lots 31 to 37 of Farnsworth Subdivision of Park Lots 38 and 39, together with the southerly half of vacated Frederick Douglass Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

PARCEL 7: Lots 79 and 80 of Farnsworth Subdivision of Park Lots 38 and 39, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 9: The East 5 feet of Lot 85 and Lots 86 and 87 and the West 16 feet of Lot 88, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots of Farnsworth Subdivision of Park Lots 38 and 39, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 12: Lots 1 through 5, both inclusive, and Lots 10 through 14, both inclusive, Block 25, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 1 through 5, Block 25, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 10 through 14, Block 25 and together with the vacated alley appurtenant to said lots of Brush's Subdivision of that part of the Brush Farm lying between the North line of Farnsworth Street and South line of Harper Avenue, as recorded in Liber 17, Page 28 of Plats, Wayne County Records.

3. The cultural center underground garage<sup>1</sup> *i.e.*, the parking garage with all appurtenant utilities, equipment, drives, pedestrian and vehicular entrances and easements therefor, on the south side of the Museum building located at 40 Farnsworth, Detroit, Michigan, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in the Title Commitment as follows:

PARCEL 14: A parking structure in the City of Detroit occupying space under and on the following described parcel of land. Land in the City of Detroit, being a part of Lots 62 through 68 inclusive; parts of Lot 112 and 118 through 120 inclusive; all that part of Lots 113 through 117 inclusive not set aside as a part of Farnsworth Avenue, parts of public alleys and Farnsworth Avenue (60 feet wide) vacated by the Common Council on October 7, 1924 and January 11, 1927; all as platted in "Farnsworth's Subdivision of Park Lots 38 and 39, City of Detroit" recorded in Liber 1, Page 16 of Plats, Wayne County Records and also a portion of the Northerly 49 feet of Farnsworth Avenue (70 feet wide), which was opened as a public street by action of the Common Council on October 7, 1924. Being more particularly described as follows: Commencing at the intersection of the South line of Farnsworth Avenue 70 feet wide and the East line of Woodward Avenue as widened August 2, 1932, J.C.C. Page 1279, thence North 29 degrees 42 minutes 10 seconds West 22.17 feet, thence North 60 degrees 17 minutes 50 seconds East 6.00 feet to the point of beginning of this parcel, thence North 29 degrees 42 minutes 10 seconds West 248.16 feet; thence North 60 degrees 11 minutes 50 seconds East 268.00 feet; thence South 29 degrees 42 minutes 10 seconds East 15.79 feet; thence North 60 degrees 17 minutes 50 seconds East 1.00 feet to a point of curve; thence 11.77 feet along the arc of a curve concave to the Northeast with a Radius of 14.00 feet, a Delta of 48 degrees 11 minutes 23 seconds with a Long Chord of 11.43 feet which bears South 53 degrees 47 minutes 52 seconds East to a point of reverse curve; thence 26.07 feet along the arc of curve concave to the Southwest, with a Radius of 31 feet, a Delta 48

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<sup>1</sup> In connection with the preparation for Closing, the City will advise on the mechanics for the release of existing encumbrances on title to the garage.



degrees 11 minutes 23 seconds with a Long Chord of 25.31 feet which bears South 53 degrees 47 minutes 52 seconds East; thence South 29 degrees 42 minutes 10 seconds East 140.50 feet; thence 78.54 feet along the arc of a curve concave to the Northwest, with a Radius of 50.00 feet, a Delta of 90 degrees with a Long Chord of 70.71 feet which bears South 15 degrees 17 minutes 50 seconds West; thence South 60 degrees 17 minutes 50 seconds West 0.50 feet; thence South 29 degrees 42 minutes 10 seconds East 4.00 feet; thence South 60 degrees 17 minutes 50 seconds West 4.00 feet; thence South 29 degrees 42 minutes 10 seconds East 6.00 feet; thence South 60 degrees 17 minutes 50 seconds West 39.50 feet; thence North 29 degrees 42 minutes 10 seconds West 1.67 feet; thence South 60 degrees 17 minutes 50 seconds West 190 feet to the point of beginning.

The bottom floor of this structure is at elevation 129.10 feet as related to the City of Detroit Datum Plane; the structure has two (2) floors of vehicle parking with the top of the roof at elevation 149.34 feet. The structure has three (3) pedestrian exit buildings, four (4) air exhaust shafts and a vehicular ramp all of which extend upwards from the garage roof to the ground surface at elevations varying from 150.6 to 153.7 feet.

Together with the Easements created in Liber 20846, Page 762, Wayne County Records.

4. The collection of works of art owned by the City and located primarily at the Museum, the Museum's off-site warehouse or the Josephine Ford Sculpture Garden located at or about 201 East Kirby Street, Detroit, Michigan (which included at the effective date of the Operating Agreement the items listed in Exhibit 2 to the Operating Agreement) or included in the Museum collection (whether or not accessioned), whether or not reflected on any inventory and irrespective of the manner in which acquired by the City.
5. All assets of any kind located on or within the real estate described in items 1-4 above and used in the operations of the Museum, as well as any easements or other property rights benefiting such real estate.
6. All intangible property solely to the extent used in connection with the Museum and its art collection, including trademarks, copyrights and intellectual property, whether or not related to collection pieces.
7. All City records, books, files, records, ledgers and other documents (whether on paper, computer, computer disk, tape or other storage media) presently existing to the extent relating to the Museum, its art collection or its operations or to The DIA (other than those documents which are confidential to the City and not The DIA).
8. All monies held by the City that are designated for The DIA or the Museum or that were raised for the benefit of, or express purpose of supporting, The DIA or the Museum, including the approximately \$900,000 balance of proceeds of bonds issued for the benefit of The DIA by the City in 2010.

## EXHIBIT B

### FOUNDATION FUNDERS

**NOTE:** The list of Foundation Funders below is being provided based on information known as of March 27, 2014. Foundation Funder commitments remain subject to: (i) final approval of the commitments by the appropriate governing body of the respective foundation listed below; (ii) all conditions otherwise contained in the Term Sheet and Definitive Documentation being met; (iii) approval of the Definitive Documentation by the Foundation Funder; and (iv) approval of the Plan of Adjustment through the bankruptcy proceedings.

<u>Foundation Funder</u>	<u>Intended Funding Amount</u>
Community Foundation for Southeast Michigan	\$10,000,000
William Davidson Foundation	25,000,000
The Fred A. and Barbara M. Erb Family Foundation	10,000,000
Max M. and Marjorie S. Fisher Foundation	2,500,000*
Ford Foundation	125,000,000
Hudson-Webber Foundation	10,000,000
The Kresge Foundation	100,000,000
W. K. Kellogg Foundation	40,000,000
John S. and James L. Knight Foundation	30,000,000
McGregor Fund	6,000,000
Charles Stewart Mott Foundation	10,000,000
A. Paul and Carol C. Schaap Foundation	5,000,000*
<b>Total</b>	<b>\$373,500,000</b>
Less Credits to DIA Commitments	(7,500,000)
<b>Net Total</b>	<b>\$366,000,000</b>

\*The payment of the intended funding amount by these Foundation Funders will be credited against the \$100 million to be paid by DIA Funders and the DIA provided under *Funding Commitments* of the Term Sheet.

### Payment Schedule

Each Foundation Funder intends to make payments available at 5% of the total intended funding amount per year over the 20 year term, subject to the right of any Foundation Funder to pay early without penalty and as otherwise provided in the Term Sheet and Definitive Documentation. Collectively, this will result in an annual payment of **\$18,300,000** (exclusive of Foundation Funder commitments credited to the DIA) to the City of Detroit as provided in the Term Sheet and Definitive Documentation.

EXHIBIT C

DIA FUNDERS

[to be provided]

## EXHIBIT D

### INDEMNIFICATION, JURISDICTION, VENUE AND CHOICE OF LAW

*All capitalized terms used but not defined in this Exhibit D are defined in the Term Sheet.*

- (a) To the maximum extent permitted by law, the City shall indemnify, defend, and hold the Foundation Funders, the DIA Funders, The DIA and the Supporting Organization and their affiliates and all their respective shareholders, officers, directors, members, managers, employees, successors, assigns, representatives, attorneys and agents (the “**Indemnified Parties**”) harmless from, against, and with respect to any claim, liability, obligation, loss, damage, assessment, judgment, cost and expense (including, without limitation, actual out-of-pocket attorney fees and actual expenses incurred in investigating, preparing, defending against, or prosecuting any litigation or claim, action, suit, hearing, proceeding or demand) of any kind or character, arising out of or in any manner, incident, relating or attributable to the following (provided indemnification will not be available to an Indemnified Party to the extent resulting from such Indemnified Party’s breach of contract, sole ordinary negligence, gross negligence or intentional wrongful acts):
  - (i) *Any claims by third parties or the City arising out of any action properly taken by the Indemnified Parties under the Definitive Documentation with respect to the contemplated transaction including, but not limited to, any payment, non-payment or other obligation of the Indemnified Parties permitted thereunder;*
  - (ii) *Any breach or failure of any representation or warranty of the City contained in the Definitive Documentation between the City and the Indemnified Parties and/or other parties related to the contemplated transaction;*
  - (iii) *Any failure by the City to perform, satisfy or comply with any covenant, agreement or condition to be performed, satisfied or complied with by the City under the Definitive Documentation with the Indemnified Parties or under agreements with any third parties contemplated by this transaction;*
  - (iv) *Reliance by the Indemnified Parties upon any books or records of the City or reliance by them on any written information furnished by the City or any of the City’s employees, officials or agents to them to the extent any such information should prove to be false or materially inaccurate or misleading (including, without limitation, by omission), but only to the extent that such books, records or written information was furnished by the City in connection with the City showing its compliance with the conditions to initial or future funding as set forth in the Term Sheet;*
  - (v) *Any claim or objection made in the City’s Chapter 9 Bankruptcy (Case No. 13-53846) or any other action brought against, or involving, the Indemnified Parties with respect to their participation in any transaction contemplated by the proposed or confirmed Plan of Adjustment;*

(vi) *The transfer, assignment or sale by the City to The DIA of any assets or property (real or personal) and any rights, title and interests therein including, but not limited to, the Museum and all of the Museum Assets;*

(vii) *Any action or claim against the Indemnified Parties made by the Pensions, including any successors or assigns and any plan participants, or their representatives, successors or assigns (collectively, the "Pension Funds"), as nothing under the Term Sheet or the Definitive Documentation is intended to, nor are they to be construed or interpreted to, make the Indemnified Parties a party in privity with, or having an obligation in any capacity to the Pension Funds. By way of illustration and not limitation, the following statements apply:*

*First, the Indemnified Parties have no responsibility for the operation or administration of the Pension Funds and have no fiduciary responsibility for the Pension Funds as plan sponsor, plan administrator, investment advisor or otherwise.*

*Second, the Indemnified Parties have no obligation to contribute towards the funding of the Pension Funds and are not a funding guarantor.*

(viii) *Any action or claim brought by the City, The DIA, the Pension Funds or any other party concerning non-payment of the contributions pursuant to the contemplated transaction by the Indemnified Parties due to the breach of the Definitive Documentation by the City, the DIA, the Pension Funds or any other party, so long as the Indemnified Parties have made a good faith determination of the breach of the Definitive Documentation or payment condition.*

(b) An Indemnified Party shall notify the City in a timely manner of any matters as to which the Indemnified Party is entitled to receive indemnification and shall set forth in such notice reasonable detail regarding specific facts and circumstances then known by the Indemnified Party which pertain to such matters. Failure or delay in providing such notice shall not relieve the City of its defense or indemnity obligations except to the extent the City's defense of an applicable claim against an Indemnified Party is actually prejudiced by such Indemnified Party's failure or delay.

(c) The City shall not contest on any grounds the enforceability of its indemnification obligations hereunder.

(d) Notwithstanding the foregoing, the parties acknowledge that the City is not making any representations to The DIA regarding the City's title to the Museum Assets prior to the Closing and that The DIA will not be entitled to indemnification in connection with its defense of any post-Closing claims by third parties challenging The DIA's title to any Museum Asset to the extent that such claim is based on an allegation that the City did not have legal title to the particular Museum Asset prior to the Closing (a "**Quitclaim Challenge**"). To be clear, however, The DIA will be entitled to indemnification by the City under this Exhibit D in connection with any post-Closing challenges to The DIA's title to Museum Assets that are in any way based upon a claim that the title that the City

had to the Museum Assets prior to Closing was not effectively conveyed to The DIA at and as a result of the Closing.

### Defense of Indemnity Claims

(a) To the extent the City is notified of claim for which it is required to indemnify an Indemnified Party, the City shall be solely responsible for responding to or otherwise defending such claim. In such event, the City shall assume exclusive control of the defense of such claim at its sole expense using counsel of its sole choosing and may settle such claim in its sole discretion; provided, however, that (i) with respect to any claim that involves allegations of criminal wrongdoing, the City shall not settle such claim without the prior written approval of the Indemnified Party, which approval may be withheld in such Indemnified Party's sole discretion, and (ii) with respect to any other claim, the City shall not settle such claim in a manner that requires the admission of liability, fault, or wrongdoing on the part of an Indemnified Party, that fails to include a release of all covered claims pending against the Indemnified Party, or that imposes any obligation on the Indemnified Party without the prior written approval of the Indemnified Party, which approval may be withheld in such Indemnified Party's sole discretion. The City will keep the Indemnified Party reasonably informed of the status of any negotiations or legal proceedings related to any claim, and the Indemnified Party shall be entitled to engage counsel (at its own expense) to monitor the handling of any claim by the City. Notwithstanding the foregoing, other than as relates to a Quitclaim Challenge (for which The DIA will not be entitled to indemnification, as set forth above), The DIA shall be entitled to defend on its own behalf any claims regarding title to, interest in or control of the Museum Assets or operation of the Museum. To the extent The DIA intends to exercise such right, the City and The DIA shall use their commercially reasonable efforts in good faith to coordinate a joint defense of such claim (including as to selection of joint counsel). If the City and The DIA cannot agree on a joint defense of the claim, each party shall undertake its own defense, reserving all rights against the other for indemnification hereunder with respect to such claim, but, in such case, The DIA shall not be entitled to indemnification of its defense costs in connection therewith.

(b) Notwithstanding anything to the contrary set forth in this Exhibit D or the Term Sheet, to the extent that the City is required to indemnify an Indemnified Party hereunder, and the underlying claim being indemnified does not arise out of the City's breach of contract, sole ordinary negligence, gross negligence or intentional wrongful acts and is not due to a claim brought by the City, the City may reimburse itself for the costs of such indemnity out of the payments from the Supporting Organization, in which case the amount payable by the City to the Pensions shall be reduced by the amount reimbursed to the City for such indemnity.

### Jurisdiction/Venue/Choice of Law

The parties agree that, except as to disputes that are subject to arbitration in accordance with the "*Dispute Resolution*" section of the Term Sheet, jurisdiction shall be retained by

the United States Bankruptcy Court for the Eastern District of Michigan for all matters related to the contemplated transaction and venue shall be in Detroit. The parties agree that this agreement is to be governed by Michigan law.



**EXHIBIT I.A.127**

FORM OF DIA SETTLEMENT DOCUMENTS

**OMNIBUS TRANSACTION AGREEMENT**

**BY AND AMONG**

**THE CITY OF DETROIT**

**THE DETROIT INSTITUTE OF ARTS**

**AND**

**FOUNDATION FOR DETROIT'S FUTURE**

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### **List of Exhibits**

- Exhibit A - Settlement, Conveyance and Charitable Trust Agreement
- Exhibit B - Foundation FDF Agreement
- Exhibit C - DIA Direct Funder FDF Agreement
- Exhibit D - DIA FDF Agreement
- Exhibit E - Closing Direction

### **List of Schedules**

- Schedule 1 - Wire Transfer Instructions for City Account
- Schedule 2 - Examples of Calculation of The DIA's Payment Obligation

## OMNIBUS TRANSACTION AGREEMENT

THIS OMNIBUS TRANSACTION AGREEMENT (this “Agreement”), effective as of the Closing Date, is entered into by and among the City of Detroit, Michigan (the “City”), The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts (“The DIA”), and Foundation for Detroit’s Future, a Michigan nonprofit corporation (the “Supporting Organization”). The City, The DIA, and the Supporting Organization are collectively referred to herein as the “Parties” and individually as a “Party”.

### RECITALS

WHEREAS, The DIA currently manages and operates the museum that is now commonly referred to as the Detroit Institute of Arts (the “Museum”) under an Operating Agreement for the Detroit Institute of Arts, made on December 12, 1997, between The DIA and the City (the “Operating Agreement”);

WHEREAS, on July 18, 2013, the City filed a petition under chapter 9 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”) captioned “*In re City of Detroit, Michigan*”, Case No. 13-53846 (the “Bankruptcy Case”);

WHEREAS, the City and The DIA are willing, on the terms and conditions set forth herein, to enter into a settlement (the “DIA Settlement”) pursuant to which the City will convey all of its right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) to the Museum and the Museum Assets (as defined in the Charitable Trust Agreement) to The DIA in exchange for fair value by virtue of (i) the settlement of any dispute regarding the ownership of the Museum Assets, (ii) the commitment of The DIA to hold the DIA Assets in perpetual charitable trust and to operate the Museum primarily for the benefit of the residents of the City and the Tri-Counties and the citizens of the State and (iii) the contributions through the Supporting Organization by The DIA (and through it, DIA Indirect Funders), DIA Direct Funders and Special Foundation Funders of \$100 million, by Foundation Funders (excluding Special Foundation Funders) of \$366 million, and an additional contribution by the State of Michigan (the “State”) of \$350 million, which total \$816 million (in each case and in the aggregate before applying any discount for early payment) (the “Payment Amount”);

WHEREAS, the Payment Amount will be paid for the benefit of Pension Claims of the City;

WHEREAS, the Bankruptcy Court has entered an order confirming the Corrected Fifth Amended Plan for the Adjustment of Debts of the City of Detroit, as it may be further amended and as modified prior to the Closing Date (the “Plan of Adjustment”) which provides for the treatment of the Payment Amount and the conveyance and protection of the Museum Assets in a manner consistent with the DIA Settlement;

WHEREAS, all conditions to the Effective Date of the Plan of Adjustment (as defined therein) have been satisfied or waived;

WHEREAS, the City, the State, each of their Related Entities (as defined in the Plan of Adjustment) and each of the Indemnified Parties is the beneficiary of the release and exculpation provisions of the Plan of Adjustment;

WHEREAS, the Supporting Organization has been established by the Community Foundation for Southeast Michigan as a tax exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to accommodate the contribution and payment of moneys from The DIA, DIA Direct Funders and Foundation Funders (and certain other contributions and payments that are not related to the DIA Settlement);

WHEREAS, the Attorney General of the State has approved the DIA Settlement as being consistent with Michigan law and with Attorney General Opinion No. 7272;

WHEREAS, The DIA and the applicable Art Institute Authority in each of Macomb, Oakland and Wayne Counties, Michigan (the “**Tri-Counties**”) have amended the applicable Art Institute Service Agreement for such county in a manner to provide that termination of the Operating Agreement will not affect the obligations of the Art Institute Authorities’ obligations under such agreements to collect and pay millage proceeds (the “**Millage**”) to The DIA;

WHEREAS, the Governor of the State, the Treasurer of the State, the applicable legislative bodies of the State, the Emergency Manager specified in the Local Financial Stability and Choice Act (PA 436), and the Detroit City Council, in each case, have approved the DIA Settlement and the Transfer;

WHEREAS, the board of directors of The DIA has, to the extent necessary, adopted the recommendations of the ad-hoc committee established by The DIA, comprised of representatives from Foundation Funders, the City, the State and a representative of the Tri-Counties, regarding the future governance and oversight of The DIA;

WHEREAS, the City has adopted the Combined Plan for the General Retirement System of the City of Detroit, Michigan (“**GRS**”), effective July 1, 2014, which provides for the establishment, membership, terms, operation and duties of the GRS Investment Committee (“**GRS Pension Governance Terms**”), as set forth in the GRS, attached as Exhibit I.A.212.a to the Plan of Adjustment;

WHEREAS, the City has adopted the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan (“**PFRS**”), effective July 1, 2014, which provides for the establishment, membership, terms operation and duties of the PFRS Investment Committee (“**PFRS Pension Governance Terms**,” together with the GRS Pension Governance Terms referred to as the “**Pension Governance Terms**”), as set forth in the PFRS, attached as Exhibit I.A.216.a to the Plan of Adjustment;

WHEREAS, in accordance with the Pension Governance Terms, the initial independent members for the respective GRS and PFRS Investment Committees shall be selected by mutual agreement of the appropriate representatives of the State, the City and the respective Boards of Trustees of GRS and PFRS, in consultation with the Supporting Organization, and shall be named in the Plan of Adjustment; provided, however, that if one of more of the initial independent Investment Committee members for GRS and PFRS, respectively, are not selected

by mutual agreement prior to confirmation of the Plan of Adjustment, then the United States Bankruptcy Court, Eastern District of Michigan shall designate such number of independent Investment Committee members as necessary to bring the number of independent members for the GRS and PFRS Investment Committees to five each;

WHEREAS, in accordance with the Pension Governance Terms and rules and procedures that may be adopted by the Investment Committees, successor independent members of the respective GRS and PFRS Investment Committees shall be recommended by a majority of the remaining independent members of the applicable Investment Committee and confirmed by the GRS Board or PFRS Board, as applicable, and the State Treasurer in consultation with the Supporting Organization; provided, however, that if the applicable Board and State Treasurer cannot agree on the successor independent member, the remaining independent members of the applicable Investment Committee shall appoint the successor independent member;

WHEREAS, the Emergency Manager has issued an order directing the City to comply with the covenants benefitting The DIA and the Museum incorporated in Section 5.3 of this Agreement; and

WHEREAS, the Michigan Settlement Administration Authority, the disbursement agent for the State, shall disburse to GRS and to PFRS the total contribution by the State of \$194.8 million, which is the present value of \$350 million paid in installments over twenty (20) years applying the discount rate of 6.75% per annum, in accordance with the terms and conditions of the State Contribution Agreement attached as Exhibit I.A.294 to the Plan of Adjustment.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereby agree as follows:

## **ARTICLE I** **Definitions**

### **1.1 Definitions.** As used in this Agreement:

“**AAM**” means the American Alliance of Museums.

“**Business Day**” means any day other than a Saturday, Sunday or “legal holiday” on which banks in the State of Michigan are closed for business.

“**Charitable Trust Agreement**” means that certain Settlement, Conveyance and Charitable Trust Agreement between the City and The DIA in the form of **Exhibit A** to this Agreement pursuant to which the DIA Settlement will be consummated, including by virtue of the Transfer, the termination of the Operating Agreement, and the other transactions contemplated therein, as the same may be amended or modified from time to time.

“**City Account**” means a segregated escrow account titled “City of Detroit, in Trust for Certain of Its Retirement Systems and Associated Accounts”, established pursuant to that certain Escrow Agreement dated as of even date herewith by and among the City, the Supporting Organization and U.S. Bank National Association (the “**Escrow Agent**”) with instructions that



the amounts contributed to this escrow account by the Supporting Organization, which except as otherwise provided in Section 6.3(e) of this Agreement and the payment of reasonable expenses of maintaining the City Account, shall be used only for the payment of contributions to GRS and PFRS in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan (attached as Exhibit I.A.244 to the Plan of Adjustment) (the "**Prior GRS Pension Plan**") and the Prior PFRS Pension Plan (attached as Exhibit I.A.245 to the Plan of Adjustment) (the "**Prior PFRS Pension Plan**") and which is shown separately on the City's books and records. For the avoidance of doubt, in addition to the contributions made hereunder, contributions to the City Account may be made by the Supporting Organization to be used for the payment of contributions to the City of Detroit Retiree Health Care Trust, the City of Detroit Police and Fire Retiree Health Care Trust, the Section 401(h) Medical Benefits Account for Retirees in the Combined Plan for the General Retirement System of the City of Detroit, Michigan and the Section 401(h) Medical Benefits Account for Retirees in the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan.

**"DIA Assets"** has the same definition contained in the Charitable Trust Agreement.

**"DIA Direct Funders"** means those DIA Funders whose commitments (whether made before or after the Effective Time) to contribute monies in furtherance of The DIA's payment obligations under this Agreement are made directly to the Supporting Organization pursuant to a DIA Direct Funder FDF Agreement.

**"DIA Funders"** means those persons, businesses, business-affiliated foundations and other foundations from which The DIA secures commitments (whether made before or after the Effective Time) to contribute monies or otherwise secures contributions of monies in support of The DIA's payment obligations under this Agreement and, for clarity, includes all DIA Direct Funders and all DIA Indirect Funders.

**"DIA Indirect Funders"** means those DIA Funders whose commitments (whether made before or after the Effective Time) to contribute monies or whose actual contributions in furtherance of The DIA's payment obligations under this Agreement are made directly to The DIA.

**"Effective Time"** has the same definition contained in the Charitable Trust Agreement.

**"Foundation Funder"** means a business-affiliated foundation or other foundation that has entered into a Foundation FDF Agreement.

**"Funder"** means a Foundation Funder, a DIA Direct Funder, a DIA Indirect Funder or The DIA (collectively, the "**Funders**").

**"Funding Agreements"** means, collectively, the Foundation FDF Agreement, the DIA Direct Funder FDF Agreement and the DIA FDF Agreement, as such written agreements may be amended or modified in writing from time to time in accordance with this Agreement.

**"Indemnified Parties"** means, as applicable, DIA Indemnified Parties or City Indemnified Parties.

“**Loss**” means any claim, liability, obligation, loss, damage, assessment, judgment, cost and expense (including, without limitation, actual out-of-pocket attorney fees and actual expenses incurred in investigating, preparing, defending against, or prosecuting any litigation or claim, action, suit, hearing, proceeding or demand) of any kind or character.

“**Museum Assets**” has the same definition contained in the Charitable Trust Agreement.

“**Payment Date**” means the later of (x) June 30 of each calendar year commencing June 30, 2016 and (y) thirty (30) days after receipt by the Supporting Organization of evidence for that year of the satisfaction of the conditions precedent to funding set forth in Sections 2.4(a) - (d) of this Agreement (subject to the City’s right to cure in Section 2.5 of this Agreement).

“**Payment Period**” means the period commencing on the Closing Date and ending on June 30, 2034, subject to extension for any cure period in Section 2.5 of this Agreement.

“**Pension Claims**” means the Claims in Classes 10 and 11 of the Plan of Adjustment (as such terms are defined in the Plan of Adjustment).

“**Present Value Discount**” means the value of any amount that The DIA, a DIA Direct Funder or a Foundation Funder pays to the Supporting Organization as contemplated under this Agreement, discounted from the date that the Supporting Organization remits such payment to the City Account (on behalf of the Funder that paid the amount to the Supporting Organization) to the Closing Date at the rate of 6.75% per annum.

“**Related Parties**” means a person’s or entity’s Affiliates (as defined in the United States Bankruptcy Code), predecessors, successors and assigns (whether by operation of law or otherwise), and with respect to any of the foregoing, their respective present and former Affiliates and each of their respective current and former officials, officers, directors, employees, managers, members, attorneys, advisors, professionals, agents and consultants each acting in such capacity, and any entity claiming by or through any of them (including their respective officials, officers, directors, employees, managers, advisors, professionals, agents and consultants).

“**Special Foundation Funders**” means the following Foundation Funders: Max M. and Marjorie S. Fisher Foundation and the A. Paul and Carol C. Schaap Foundation.

“**Title Company**” means Title Source, Inc.

“**Transaction Documentation**” means the agreements and other transaction documents to be executed and delivered at the Closing under this Agreement and under the Charitable Trust Agreement.

“**Transfer**” has the same definition contained in the Charitable Trust Agreement.

**1.2 Other Defined Terms.** The following capitalized terms shall have the meanings given to them in the Sections of this Agreement set forth opposite such term:

.pdf ..... Section 7.12

AAA .....	Section 7.3
Accountant .....	Section 2.3(c)
Agreement .....	Preamble
Bankruptcy Case .....	Recitals
Bankruptcy Court .....	Recitals
City .....	Preamble
City Event of Default .....	Section 2.4(d)
City Indemnified Parties .....	Section 6.2(a)
Closing .....	Section 3.1
Closing Date .....	Section 3.1
Closing Direction .....	Section 3.1
Compliance Report .....	Section 2.4(b)(iii)
Contribution Agreement .....	Section 2.4(b)(iii)
Default Amount .....	Section 2.8(b)
Defaulted DIA Funder .....	Section 2.8(b)
DIA Direct Funder FDF Agreement .....	Section 3.3(b)
DIA FDF Agreement .....	Section 3.3(c)
DIA Indemnified Parties .....	Section 6.1(a)
DIA Settlement .....	Recitals
Escrow Agent .....	Section 1.1
Extended Cure Period .....	Section 2.5(a)
Foundation FDF Agreement .....	Section 3.3(a)
Funders .....	Section 1.1
GRS .....	Recitals
GRS Board .....	Section 2.4(a)(iv)(A)
GRS Investment Committee .....	Section 2.4(a)(iv)(C)
GRS Pension Governance Terms .....	Recitals
Indemnifying Party .....	Section 6.3(a)
Independent Audited Financial Reports .....	Section 2.4(b)(i)
Interim Reaffirmation .....	Section 2.4(c)
Millage .....	Recitals
Museum .....	Recitals
Non- funding Party .....	Section 2.8(b)
Operating Agreement .....	Recitals
Parties .....	Preamble
Party .....	Preamble
Payment Amount .....	Recitals
Pension Certificate .....	Section 2.4(b)(ii)
Pension Funds .....	Section 6.2(a)(vii)
Pension Governance Terms .....	Recitals
PFRS .....	Recitals
PFRS Board .....	Section 2.4(a)(iv)(B)
PFRS Investment Committee .....	Section 2.4(a)(iv)(D)
PFRS Pension Governance Terms .....	Recitals
Plan of Adjustment .....	Recitals
Prior GRS Pension Plan .....	Section 1.1

Prior PFRS Pension Plan .....	Section 1.1
Quitclaim Challenge .....	Section 6.2(c)
State.....	Recitals
Supporting Organization.....	Preamble
Termination Date .....	Section 2.1(b)
The DIA .....	Preamble
Treasurer .....	Section 2.4(b)(iii)
Tri-Counties .....	Recitals

## **ARTICLE II**

### **The Commitments**

#### **2.1 DIA Funding Obligation.**

(a) Subject to the terms and conditions of this Agreement, including The DIA's guaranty obligations in Section 2.8(c) of this Agreement, The DIA hereby commits to pay to the Supporting Organization on the Closing Date and with respect to each Payment Date: (A) \$5 million multiplied by the number of annual payments required before and with respect to the then current Payment Date (treating the Closing Date for such purpose as a Payment Date) minus (B) the sum of (i) the aggregate amounts previously paid by The DIA, all DIA Direct Funders and both Special Foundation Funders plus (ii) the amount to be paid in the aggregate by all DIA Direct Funders and both Special Foundation Funders on such Payment Date. The DIA may pay an amount in excess of its obligation in this Section 2.1(a) without penalty or premium in connection with any payment otherwise made with respect to a Payment Date.

(b) Except for The DIA's guaranty obligations as provided in Section 2.8(c) of this Agreement, and taking into account the application of Sections 2.1(c) and (d) below, The DIA shall have no obligation to make any further payments and The DIA's obligations shall be entirely satisfied at such time (the "**Termination Date**") as: (A) the sum of (1) the remaining aggregate funding commitments of DIA Direct Funders to the Supporting Organization assuming such commitments are paid precisely in accordance with the funding schedule reflected in their individual DIA Direct Funder FDF Agreements plus, (2) the remaining aggregate funding commitments of both Special Foundation Funders to the Supporting Organization assuming such commitments are paid precisely in accordance with the funding schedule reflected in their individual Foundation FDF Agreements, plus (3) the aggregate amount theretofore paid by DIA Direct Funders, The DIA and both Special Foundation Funders to the Supporting Organization that is paid to the City Account is greater than or equal to (B) the sum of (i) \$5 million paid on the Closing Date plus (ii) nineteen (19) payments of \$5 million on each Payment Date thereafter, with each of the amounts in (A) and (B) being calculated with application of the Present Value Discount. The term "Termination Date" includes the date, if any, of the cancellation of the commitment of The DIA hereunder in accordance with Section 2.5(b) of this Agreement. Hypothetical examples of the calculation of The DIA's payment obligations pursuant to this Section 2.1 are attached as Schedule 2 to this Agreement.

(c) For purposes of the calculations in Sections 2.1(a) and 2.1(b) of this Agreement, in the event of a City Event of Default during a particular fiscal year (July 1 through June 30) that results in the cancellation of a payment pursuant to Section 2.5(b) of this

Agreement, The DIA, all DIA Direct Funders and both Special Foundation Funders shall, in each case, be deemed to have made the annual payment required by, with respect to The DIA, Section 2.1(a) of this Agreement and The DIA FDF Agreement, and with respect to DIA Direct Funders and Special Foundation Funders by their respective Funding Agreements, on June 30 of such year notwithstanding such cancellation of such scheduled payment.

(d) The DIA's payment obligations under Sections 2.1(a) and 2.1(b) above and Section 2.8(c) shall be reduced by (x) any litigation or defense costs, damages or settlement costs incurred by The DIA, any DIA Direct Funder or any Special Foundation Funder to the extent the City fails to meet its indemnity obligations set forth in Section 6.2 of this Agreement, and (y) to the extent of any litigation or defense costs, damages or settlement costs incurred by The DIA, any DIA Direct Funder or any Special Foundation Funder arising from the transactions contemplated by this Agreement and the other Transaction Documentation that are not otherwise covered by the City's indemnity obligations in Section 6.2 of this Agreement.

**2.2 Foundation Funders Commitments to Supporting Organization.** Under their respective Foundation FDF Agreements, each Foundation Funder has committed to make an aggregate amount of payments to the Supporting Organization. The obligation of each Foundation Funder to make such aggregate amount of payments to the Supporting Organization shall terminate at such time as, taking into account the application of Section 2.3(d), (A) the aggregate amount theretofore paid by that Foundation Funder to the Supporting Organization that is paid to the City Account is greater than or equal to (B) the aggregate amount of its commitment paid (i) on the Closing Date plus (ii) the nineteen (19) payments on each Payment Date thereafter, with each of the amounts in (A) and (B) being calculated with application of the Present Value Discount. For purposes of the calculations in this Section 2.2, in the event of a City Event of Default during a particular fiscal year (July 1 through June 30) that results in the cancellation of a payment pursuant to Section 2.5(b) of this Agreement, all Foundation Funders shall be deemed to have made the scheduled payment under their respective Foundation FDF Agreements on June 30 of such year notwithstanding the cancellation of such scheduled payment.

### **2.3 Payments.**

(a) Subject to the terms and conditions of ARTICLE II, funding of the commitments shall be made by (i) each Foundation Funder pursuant to the terms and conditions of its Foundation FDF Agreement, (ii) The DIA pursuant to the terms and conditions of this Agreement and the DIA FDF Agreement, and (iii) each DIA Direct Funder pursuant to the terms and conditions of its DIA Direct Funder FDF Agreement.

(b) Subject to the terms and conditions of this Agreement, on the Closing Date, and on an annual basis thereafter commencing in 2016, on each Payment Date the Supporting Organization will remit to the City Account pursuant to the wire transfer instructions on Schedule 1 to this Agreement: (x) the payments made by all Foundation Funders as described in Section 2.2 of this Agreement and any prepayments by Foundation Funders, plus (y) the payments made by The DIA pursuant to Section 2.1 of this Agreement and the DIA FDF Agreement and any prepayments by The DIA, plus (z) the payments made by all DIA Direct Funders pursuant to the DIA Direct Funder FDF Agreements and any prepayments by DIA



Direct Funders. No interest will be owed on any Funder's payments. The Supporting Organization shall not have any obligation to remit funds to the City Account if it has not received scheduled payments from a Funder, except as provided in Section 2.8(c) of this Agreement with respect to The DIA's guaranty of payment obligations with respect to a Defaulted DIA Funder. Further, the obligation of the Supporting Organization to remit payments to the City shall terminate upon the remittance in the aggregate of \$466 million, comprised of \$100 million from The DIA (including the commitments of DIA Direct Funders and Special Foundation Funders) and \$366 million from Foundation Funders (excluding Special Foundation Funders), in each case, without interest and before applying any Present Value Discount, if applicable, or the equivalent of such amount, applying the Present Value Discount, payable \$23.3 million at Closing and \$23.3 million with respect to each Payment Date thereafter. For purposes of the calculations in this Section 2.3(b), (x) in the event of a City Event of Default during a particular fiscal year (July 1 through June 30) that results in the cancellation of a payment by any Funder pursuant to Section 2.5(b) of this Agreement, the Supporting Organization shall be deemed to have made the scheduled payment under this Agreement on June 30 of such year notwithstanding such cancellation of such scheduled payment and (y) the provisions of Section 2.3(d) shall, if applicable, be taken into account in such calculation.

(c) Either the City or the Supporting Organization may deliver written notice to the other party that they have been unable to reach agreement upon the calculation of the amount of any prepayment by any Foundation Funder applying the Present Value Discount in accordance with the applicable Foundation FDF Agreement in advance of a particular Payment Date. In addition, the City may deliver a written notice of objection to the Supporting Organization regarding the calculation of the payment obligations of The DIA with respect to a particular Payment Date within sixty (60) days after the remittance of the funds by the Supporting Organization to the City on behalf of The DIA. Any such disputes regarding the calculation of any such payment obligations under this Agreement or the applicable Foundation FDF Agreement will be determined by an independent accounting firm of national or regional (Midwest) reputation; provided that no such firm may have a conflict of interest and such firm shall be required to maintain independence as those terms are defined by the AICPA Code of Professional Conduct (as of June 1, 2012) (the "Accountant"). The Accountant shall be agreed to by the City and the Supporting Organization with respect to a Foundation Funder or by the City and The DIA if the dispute relates to The DIA's payment obligations. If the applicable Parties cannot agree on the Accountant within fourteen (14) days after either Party issues written notice to the other Party of the existence of a dispute, then within seven (7) days after the end of such fourteen (14) day notice period, each of such Parties shall submit the names of two (2) accounting firms that meet the standards of the preceding sentence, within seven (7) days thereafter, either Party may strike one name submitted by the other Party and the Accountant shall be selected by lot from the remaining names. The City and the Supporting Organization or The DIA, as applicable, shall deliver their calculations of the amounts they assert are owing to the Accountant within fourteen (14) days after the selection of the Accountant. The Accountant shall deliver its determination of the disputed payment obligations under this Agreement within thirty (30) days after receipt of the written notice of calculations from the Parties, and when rendered in writing, shall be final and binding upon each of the Parties. The City and The DIA agree that the Supporting Organization shall not be responsible for any shortfall in the amount of funds remitted to the City Account on behalf of The DIA due to a dispute regarding the calculation of The DIA's payment obligations in accordance with the provisions of this Section

2.3(c) nor shall the Supporting Organization have any other liability as a result of any such dispute.

(d) The obligation of the Foundation Funders under Section 2.2 of this Agreement and of the Supporting Organization to remit funds to the City Account under Section 2.3(b) above shall be reduced by (x) any litigation or defense costs, damages or settlement costs incurred by the Supporting Organization or the Foundation Funder to the extent the City fails to meet its indemnity obligations set forth in Section 6.2 of this Agreement, and (y) to the extent of any litigation or defense costs, damages or settlement costs incurred by the Supporting Organization or the Foundation Funder arising from the transactions contemplated by this Agreement and the other Transaction Documentation, that are not otherwise covered by the City's indemnity obligations in Section 6.2 of this Agreement.

## **2.4 City Reporting and Conditions to Funding.**

(a) Commencing in 2015, by December 31<sup>st</sup> of each year, the City shall, at its expense, provide an annual report (the "**Annual Report**") to the Supporting Organization containing the following information:

(i) an annual reconciliation report of the City Account, performed at the City's expense, prepared by an independent external auditor, the selection of which is reasonably satisfactory to the Supporting Organization, certifying that the amounts transferred to the City Account by the Supporting Organization on each preceding Payment Date were used by the City in a manner consistent with the terms of the Transaction Documentation, including, without limitation, to make contributions to GRS and PFRS in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan in accordance with the Plan of Adjustment, the payment of reasonable expenses of maintaining the City Account and consistent with Section 6.3(e) of this Agreement,

(ii) certification by the City's Chief Financial Officer on behalf of the City that the City has complied with the covenants in Sections 5.2 and 5.3(a)-(d) of this Agreement through the date of the Annual Report,

(iii) certification from the Escrow Agent that to its knowledge the amounts contributed to the GRS or PFRS from the City Account were unencumbered by the City or any other entity,

(iv) information as of the date of the Annual Report about the current membership of the:

- (A) board of trustees of the GRS (the "**GRS Board**"),
- (B) board of trustees of the PFRS (the "**PFRS Board**"),
- (C) investment committee of the GRS (the "**GRS Investment Committee**"), and



- (D) investment committee of the PFRS (the “**PFRS Investment Committee**”).

The information for this subsection (iv) should include the term of each member (where applicable), whether the person is a member of the GRS Board or PFRS Board by virtue of his or her position with the City, by appointment or by election, and, with respect to the independent members of the Investment Committees, such person’s qualifications.

(v) evidence from the respective Investment Committee reasonably necessary to show that the internal controls governing the investment of the respective Pension Funds are in compliance with the applicable provision of the Plan of Adjustment, and

(vi) any additional information that is necessary to evidence that the City is in compliance with the terms of this Agreement as may be reasonably requested by the Supporting Organization from time to time.

(b) Prior to the Closing Date, the City shall cause the Pension Governance Terms to be amended to provide that, commencing in 2015, no later than December 31 of each year, the GRS Investment Committee and the PFRS Investment Committee will provide the Supporting Organization with the following information:

(i) a copy of the audited annual financial statement and the corresponding management letter for each of the GRS and the PFRS, as applicable, for the fiscal period ending June 30 of that year, containing a non-qualified opinion of an independent external auditor to the GRS and the PFRS, as applicable (the “**Independent Audited Financial Reports**”).

(ii) a certification as of the date of the Annual Report from the respective Chair of each of the PFRS Investment Committee and the GRS Investment Committee on behalf of their respective Investment Committees in a form reasonably acceptable to the Supporting Organization (the “**Pension Certificate**”) that:

- (A) the City is current in its obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan in accordance with the Plan of Adjustment,
- (B) the operation of the respective Investment Committees is in accordance with the applicable Pension Governance Terms, and
- (C) the City has complied and is continuing to comply with the covenants in Section 5.2(a) of this Agreement,

(iii) copies of the documentation provided for under Section 6 of the Contribution Agreement by and among the Michigan Settlement Administration Authority, GRS, PFRS and the City (“**Contribution Agreement**”), including, as

applicable: (A) the compliance report(s) ("**Compliance Report**") covering the calendar year for which the Annual Report is made that the respective Investment Committee provided to the Treasurer of the State of Michigan ("**Treasurer**"); (B) any additional compliance reports provided during the calendar year for which the Annual Report is made as requested by the Treasurer; (C) either the certificate of compliance or the Default Notice, within the meaning of Section 6 of the Contribution Agreement, as applicable, that was provided to the respective Investment Committee by the Treasurer; and (D) in the event that the Treasurer issued a Default Notice, the Cure Certification, within the meaning of Section 6 of the Contribution Agreement, provided by the Investment Committee for the defaulting system. Notwithstanding anything in this subsection (iii) to the contrary, if the parties to the Contribution Agreement agree to revise the requirements of Section 6 of the Contribution Agreement or the information required in the Compliance Report, in order to meet the conditions of this subsection (iii), the respective Investment Committee shall be required only to provide documentation to the Supporting Organization that meets such revised requirements. However, any such change in reporting requirements pursuant to this subsection (iii) shall not change the reporting obligations under subsections (i), (ii), (iv) and (v) of this Section 2.4(b).

(iv) Commencing in 2016, before May 15th of each year, the GRS Investment Committee and the PFRS Investment Committee will provide the Chief Financial Officer of the City with the information required of the GRS and PFRS in Section 2.4(c) of this Agreement, and

(v) any additional information from the GRS Investment Committee or the PFRS Investment Committee that may be reasonably requested by the Supporting Organization from time to time.

(c) Commencing in 2016, by May 15<sup>th</sup> of each year, the City shall provide (or with respect to the Pension Certificates cause to be provided) to the Supporting Organization a reaffirmation of the information and certifications provided by the City in the Annual Report which shall be executed by the Chief Financial Officer of the City (the "**Interim Reaffirmation**") and which shall confirm that as of the date of the Interim Reaffirmation there has been no impairment or modification of the information in the most recent Annual Report since the date of that Annual Report, and which shall include confirmation from the GRS Investment Committee and PFRS Investment Committee that as of the date of the Interim Reaffirmation there has been no impairment or modification of the information in the most recent Pension Certificates since the date of such Pension Certificates. The Interim Reaffirmation shall include copies of the unaudited financial statements as of and for the most recent period prepared for each of the PFRS and the GRS.

To further confirm that the conditions precedent to funding are satisfied, the Supporting Organization reserves the right to make an onsite review and inspection of the City's records and financial information and may employ at its cost an outside agent or consultant to undertake that review. The City will cooperate with any such onsite review and will provide those persons conducting the review adequate office space and assistance (without charge) to conduct that review. The City specifically waives, in favor of the Supporting Organization, or its agent or consultant, any fee for a public record search, pursuant to MCLA 15.234.

(d) The obligation of The DIA, a DIA Direct Funder and a Foundation Funder to make payment to the Supporting Organization of any portion of its commitment under this Agreement or any other Funding Agreement is conditioned upon the City's compliance with the covenants in Sections 5.2 and 5.3(a)-(d) of this Agreement, satisfaction of the conditions specified in Sections 2.4(a)-(c) above, the receipt of the Independent Audited Financial Reports and the Pension Certificate. The City acknowledges that The DIA under this Agreement, and under the DIA FDF Agreement, and each DIA Direct Funder and Foundation Funder under its respective Funding Agreement, shall have no obligation to make any payment to the Supporting Organization, nor shall the Supporting Organization have any obligation to remit any funds to the City Account, until all material requisite conditions precedent to funding in Section 2.4 of this Agreement are met. Failure of the City to meet the conditions to funding specified in this Section 2.4 in any material respect, including based on the Supporting Organization informing the City that the information provided in the Annual Report, the Independent Audited Financial Reports, the Pension Certificates or the Interim Reaffirmation is incomplete or unsatisfactory, shall be a "City Event of Default".

## **2.5 The City's Cure Right; Suspension or Cancellation of Funding.**

(a) The City shall have the opportunity to cure any City Event of Default by May 15th of the year following the date the Annual Report is due under Section 2.4(a) above (this being 135 days from the time conditions to funding were due to be met by the City) provided an issuance of written notice of a City Event of Default by the Supporting Organization was provided to the City by the Supporting Organization by January 31st of the year following the year such Annual Report was due from the City under Section 2.4(a) above. Notwithstanding the foregoing, to the extent that the applicable City Event of Default cannot reasonably be cured by May 15th as specified above or if the Event of Default arises out of the Independent Audited Financial Reports, the Pension Certificates or the Interim Reaffirmation of that Annual Report, and as long as the City has commenced to cure, and diligently pursues the cure of such default in good faith, such cure period shall be extended in writing by a reasonable period of time (the "Extended Cure Period"), to permit the City to cure such City Event of Default; provided, however, such Extended Cure Period shall not extend beyond December 15<sup>th</sup> (being 346 days from the date the Annual Report was due under Section 2.4(a) above). The City's ability to receive the benefit of the Extended Cure Period shall be subject to the written approval of the Supporting Organization upon receipt of a written request from the City setting forth why the City believes that it will be able to meet the requirements set forth above within the requested Extended Cure Period, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) All obligations of The DIA under this Agreement, and as acknowledged by the City, all obligations of The DIA under the DIA FDF Agreement and of DIA Direct Funders and Foundation Funders under their respective Funding Agreements, to make scheduled payments and of the Supporting Organization to remit funds to the City Account shall be suspended for the duration of the initial and any Extended Cure Period. The City acknowledges and agrees that, if the City fails to cure a City Event of Default during the initial and any Extended Cure Period, the scheduled payment of The DIA under this Agreement and under the DIA FDF Agreement and of all DIA Direct Funders and Foundation Funders under their respective Funding Agreements shall be cancelled, and the Supporting Organization shall have

no obligation to remit any funds to the City Account with respect to such Payment Date. Further, the City acknowledges and agrees that if the City fails to cure a City Event of Default during the initial and any Extended Cure Period under this Agreement, The DIA, all DIA Direct Funders, Foundation Funders and the Supporting Organization shall have the right to cancel their respective remaining commitments under their respective Funding Agreements and this Agreement.

**2.6 Disputes and Remedies Regarding Conditions Precedent to Funding.** The DIA shall have the right to rely upon the determination of the board of directors of the Supporting Organization as to whether the conditions to a scheduled payment have been satisfied and, if not initially satisfied, whether any City Event of Default shall have been timely cured. The City acknowledges that each DIA Direct Funder and each Foundation Funder shall, pursuant to its respective Funding Agreement, similarly have the right to rely upon the determination of the board of directors of the Supporting Organization as to whether the conditions to a scheduled payment have been satisfied and, if not initially satisfied, whether any City Event of Default shall have been timely cured. The City shall have no claim (and not pursue any claim) against The DIA, any DIA Direct Funder or any Foundation Funder for such Funder's reliance upon the determination of the Supporting Organization. In the event that the Supporting Organization has determined that the conditions have not been satisfied (or the City Event of Default not timely cured) and the City disputes that determination, the City's only recourse shall be to dispute the Supporting Organization's determination in accordance with the provisions of Section 7.3 of this Agreement.

**2.7 Notification of Funding Conditions.** In the event it is determined by the Supporting Organization or through the dispute resolution provisions in Section 7.3 of this Agreement that the conditions to funding in Section 2.4 of this Agreement have been satisfied or a City Event of Default timely cured, the Supporting Organization shall within five (5) Business Days thereafter give written notification to each of The DIA, DIA Direct Funders and Foundation Funders. The DIA, and pursuant to each Funder's respective Funding Agreement, each DIA Direct Funder and Foundation Funder, shall be required to make its respective payment to the Supporting Organization (without interest) within twenty (20) days after written notification of such determination is issued by the Supporting Organization.

**2.8 Failures to Fund.**

(a) If The DIA has made its payment required under Section 2.1 of this Agreement or a Foundation Funder or DIA Direct Funder has made its scheduled payment under its respective Funding Agreement, in each case, to the Supporting Organization, the City shall have recourse only to the Supporting Organization (and not to any such Funder that made its payment) for such payment.

(b) If The DIA, a DIA Direct Funder or a Foundation Funder (the "**Non-funding Party**") has not within the twenty (20) day period specified in Section 2.7 of this Agreement made its payment to the Supporting Organization in accordance with this Agreement with respect to The DIA, or such DIA Direct Funder's or Foundation Funder's schedule reflected in its Funding Agreement, as applicable ("**Default Amount**"), the Supporting Organization shall notify the Non-funding Party that it must pay its Default Amount within thirty (30) days and if

not so paid, that the Supporting Organization shall assign its right to enforce payment of the Default Amount to the City. If the Non-funding Party does not pay its Default Amount within the thirty (30) day period, the Supporting Organization shall assign its right to enforce payment of the Default Amount to the City in full satisfaction of the Supporting Organization's obligation to make such payment to the City; provided that if the Non-funding Party is a DIA Direct Funder or a Special Foundation Funder (a "**Defaulted DIA Funder**") such assignment shall be made to The DIA and not the City. Except with respect to the guaranty obligation of The DIA with respect to a Defaulted DIA Funder in accordance with Section 2.8(c) below, the annual payment amount due to the City from the Supporting Organization on the Payment Date will be reduced by the Default Amount.

(c) In the case of a Defaulted DIA Funder, the Supporting Organization shall issue written notice to The DIA within two (2) days after the expiration of the twenty (20) day funding period specified in Section 2.7 of this Agreement of the name of the Defaulted DIA Funder and the Default Amount. The DIA shall within five (5) Business Days of receipt of such notice pay to the Supporting Organization (x) the Default Amount if the Termination Date has occurred and (y) if the Termination Date has not occurred, such additional amount as is necessary, if any, such that The DIA's payment to the Supporting Organization with respect to such Payment Date is equal to the amount that The DIA is otherwise required to pay pursuant to Section 2.1 of this Agreement. The DIA shall not, however, have any obligation pursuant to this Section 2.8(c) if The DIA's commitment has been cancelled as provided in Section 2.5 of this Agreement. If the Supporting Organization thereafter collects the Default Amount from the Defaulted DIA Funder, the Supporting Organization shall promptly pay such amount to The DIA.

(d) The City agrees that, except for the guaranty obligation of The DIA in Section 2.8(c) of this Agreement with respect to a Defaulted DIA Funder, in no event will any Funder other than the Non-funding Party have any responsibility for the payment or obligations of such Non-funding Party, and the City will not have any right to collect any amounts from any Funder except as set forth in Section 2.8(b) of this Agreement. No party other than the City (as provided in Section 2.8(b) of this Agreement), the Supporting Organization, or The DIA with respect to a Defaulted DIA Funder or a DIA Indirect Funder pursuant to any grant agreement directly with The DIA shall have the right to assert any claim against any Funder. Without limiting the foregoing, the failure of The DIA, any DIA Direct Funder, any Foundation Funder or the Supporting Organization to make a scheduled payment shall only give rise to a claim by the City against such Non-funding Party (pursuant to Section 2.8(b) above), or by the Supporting Organization, and not against any other Funder, the Supporting Organization, The DIA or the DIA Assets; provided, however, (x) The DIA will have its guaranty obligations under Section 2.8(c) of this Agreement and its rights under its applicable grant agreement with each DIA Indirect Funder and (y) the foregoing shall not preclude the City from asserting claims in satisfaction of an indemnity claim pursuant to Section 6.1(b) of this Agreement but only against cash, cash equivalents or cash receivables of The DIA (excluding any cash, cash equivalents or cash receivables that are restricted in use by the terms of the donation, gift, bequest or contribution of a third party or by restrictions imposed on the use of proceeds from the sale of art by the applicable standards or ethical guidelines of the AAM or the Association of Art Museum Directors (or such other organizations by which The DIA or the Museum or its Director is accredited in the future or of which they become members in accordance with then applicable art



museum best practices). Without limiting the foregoing, under no circumstances shall the City or the Supporting Organization have a claim against any DIA Indirect Funder.

(e) The City will be responsible for all costs of its enforcement against the Non-funding Party or the Supporting Organization, as applicable, and will not seek reimbursement of costs of enforcement from any other Funder or the Supporting Organization. No other person or entity shall have the right to enforce payment of any commitments in connection with any Funding Agreement or any Transactional Documentation except as specifically set forth in this Agreement.

### **ARTICLE III** **Initial Funding; Closing**

**3.1 Closing.** The closing of the transactions pursuant to this Agreement (the “**Closing**”) will take place immediately following the written confirmation from an authorized representative of the City, the Supporting Organization and The DIA in the form of **Exhibit E** to this Agreement (the “**Closing Direction**”); provided, that the Closing hereunder shall in all events occur concurrently with the closing under the Charitable Trust Agreement. The time and date on which the Closing occurs is referred to in this Agreement as the “**Closing Date**”.

**3.2 Initial Funding.** On the Closing Date, subject to the satisfaction of the deliverables pursuant to Section 3.3 of this Agreement, the Supporting Organization shall remit to the City Account pursuant to the wire transfer instructions on Schedule 1 to this Agreement:

(i) the aggregate payment by Foundation Funders (excluding Special Foundation Funders) of at least \$18.3 million, and

(ii) the aggregate payment by The DIA, DIA Direct Funders and Special Foundation Funders of at least \$5 million.

**3.3 At the Closing.** At the Closing, the Supporting Organization shall deliver, or cause to be delivered, to each of the other Parties fully executed copies of the following which, to the extent held by the Title Company in escrow, shall be deemed delivered by virtue of the release of such documents by the Title Company in accordance with escrow instructions previously delivered to the Title Company:

(a) each grant agreement between a Foundation Funder and the Supporting Organization in substantially the form of **Exhibit B** to this Agreement (the “**Foundation FDF Agreement**”).

(b) each grant agreement between a DIA Direct Funder and the Supporting Organization in substantially the form of **Exhibit C** to this Agreement (the “**DIA Direct Funder FDF Agreement**”).

(c) the agreement between The DIA and the Supporting Organization in substantially the form of **Exhibit D** to this Agreement with respect to The DIA’s payment obligations as set forth in Section 2.1 of this Agreement (the “**DIA FDF Agreement**”).

## **ARTICLE IV**

### **Representations and Warranties; Covenants of The DIA and the Supporting Organization**

#### **4.1 DIA Representations, Warranties and Covenants.**

(a) The DIA represents and warrants that this Agreement and the DIA FDF Agreement have been duly executed and The DIA's obligations under this Agreement and under the DIA FDF Agreement are authorized, valid and binding commitments of The DIA, enforceable against it in accordance with their respective terms.

(b) The DIA acknowledges that (x) Foundation Funders, DIA Funders and the Supporting Organization have no financial obligations other than, in the case of Foundation Funders, on a several basis, their individual commitments in their respective Foundation FDF Agreement, in the case of DIA Direct Funders, their respective commitments in each of their DIA Direct Funder FDF Agreements, and DIA Indirect Funders pursuant to any grant agreement directly with The DIA, and (y) that the Funders are not guaranteeing payment to the City of any amount committed by any other Funder (other than The DIA with respect to its obligations in Section 2.8(c) of this Agreement).

(c) The DIA agrees not to amend or modify the DIA FDF Agreement, or release or waive any rights that it has under such Funding Agreement, in a manner that would reasonably be expected to adversely affect the timing or amount of the payments to be made thereunder without the consent of the City.

**4.2 Supporting Organization Representations and Warranties.** The Supporting Organization represents that its obligations under this Agreement and under the applicable Funding Agreements have been duly executed and are authorized, valid and binding upon the Supporting Organization, enforceable against it in accordance with their respective terms.

#### **4.3 Supporting Organization Covenants as to Funding Agreements.**

(a) The Supporting Organization agrees not to amend or modify any Funding Agreement, or release or waive any rights that it has under any Funding Agreement, in a manner that would reasonably be expected to adversely affect the timing or amount of the payments to be made thereunder (i) without the consent of the City and, (ii) with respect to any DIA Direct Funder FDF Agreement or Foundation FDF Agreement with a Special Foundation Funder, the consent of The DIA.

(b) The Supporting Organization shall promptly after execution thereof deliver to The DIA and the City copies of any DIA Direct Funder FDF Agreement entered into after the Closing Date, or any modifications to any DIA Direct Funder FDF Agreement or Foundation FDF Agreement with a Special Foundation Funder executed at Closing, in the event that the commitments thereunder are increased or modified (with the consent of The DIA) after the Closing Date.

(c) Concurrently with the remittance of payments to the City Account by the Supporting Organization, the Supporting Organization shall deliver to The DIA and the City a schedule which reflects all payments received in such year from DIA Direct Funders and Special



Foundation Funders and shall denote thereon whether any such payment represents a prepayment in excess of the funding schedule under the applicable DIA Direct Funder FDF Agreement or Foundation FDF Agreement, as applicable, and the date on which such payment was remitted to the City Account.

**4.4 Reporting Obligations.** The DIA will provide to the other Funders and the City, and/or their representatives, within 150 days after the end of each fiscal year during the Payment Period (i) annual financial statements of The DIA audited by an independent certified public accountant and (ii) the annual report of the Director of the Museum in the form provided to the board of directors of the Museum.

**4.5 Supporting Organization Observer Right.** During the Payment Period, the Supporting Organization shall have the right to designate a representative to attend and participate in a non-voting observer capacity in the meetings of the Board of The DIA (or its successor entity) subject to such observer's compliance with the applicable policies regarding confidentiality, conflicts of interest and other similar matters as may reasonably be adopted from time to time by The DIA.

## **ARTICLE V** **Representations and Warranties; Covenants of the City**

### **5.1 City Representations and Warranties.**

(a) The City represents and warrants that this Agreement has been duly executed and the City's obligations under this Agreement are authorized, valid and binding commitments of the City, enforceable against it in accordance with its terms.

(b) The City acknowledges that (x) Foundation Funders, DIA Funders and the Supporting Organization have no financial obligations other than, in the case of Foundation Funders, on a several basis, each of their commitments in their individual Foundation FDF Agreements, in the case of DIA Direct Funders, their respective commitments in each of their DIA Direct Funder FDF Agreements, and DIA Indirect Funders pursuant to any grant agreement directly with The DIA, and (y) that the Funders are not guaranteeing payment to the City of any amount committed by any other Funder (other than The DIA with respect to its obligations in Section 2.8(c) of this Agreement). The City further acknowledges that it has no rights under any grant agreement between any DIA Indirect Funder and The DIA.

**5.2 City Commitments Relating to Pensions.** The City covenants to The DIA and Supporting Organization as follows:

(a) For the twenty (20) year period following the effective date of the Plan of Adjustment, the City shall maintain the Pension Governance Terms reflected in the GRS and the PFRS, as applicable, without modification or amendment, except as required to comply with applicable federal law, including without limitation to maintain the tax qualified status of the GRS or PFRS under the Internal Revenue Code, or the Plan of Adjustment.

(b) The City acknowledges that, except as provided in Section 6.3(e) and to pay reasonable expenses of maintaining the City Account, all funds remitted by the Supporting

Organization to the City Account in connection with this Agreement shall be used solely for the payment of contributions to GRS and PFRS, allocated as provided in the Plan of Adjustment, in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan in accordance with the Plan of Adjustment. Except as provided in Section 6.3(e) and to pay reasonable expenses of maintaining the City Account, the City shall cause to be transferred from the City Account for payment of contributions to the Prior GRS Pension Plan and the Prior PFRS Pension Plan all amounts received from the Supporting Organization within not more than three (3) Business Days after such funds are deposited in the City Account.

(c) The City shall notify the Supporting Organization in writing prior to the selection of the initial and successor independent GRS Investment Committee and PFRS Investment Committee members and such notice shall include information regarding the identity and qualifications of the candidates under consideration by the State, the City and the GRS Board or PFRS Board, as applicable. In addition, upon the written request of the Supporting Organization, the City shall provide to the appropriate representatives of the State and the applicable Board any written comments or observations about the candidates that the Supporting Organization elects in its consulting role to provide to the City, provided that such written comments or observations are received by the City no later than three (3) days after the City has provided notice to the Supporting Organization of the identity of the candidates under consideration.

(d) The City shall provide written notification of any change to the wire transfer instructions to the City Account on Schedule 1 to this Agreement at least ten (10) Business Days prior to the next Payment Date.

**5.3 Other City Commitments.** The City covenants to The DIA and Supporting Organization as follows:

(a) The City shall pass no charter, ordinance or other provision that solely affects or primarily targets the Museum, The DIA or museums within the City generally which charter, ordinance or other provision has a material adverse impact on the Museum or The DIA (it being understood that a "material adverse impact" shall include any adverse financial impact or any contradiction, or adverse impact on the enforceability, of the terms of the DIA Settlement or the Transaction Documentation), except pursuant to State-enabling legislation.

(b) The City agrees that after the Effective Time the City of Detroit Arts Commission will have no oversight of The DIA, the Museum or the DIA Assets.

(c) The City shall not impose any fee, tax or other cost on the Museum or The DIA that solely affects or primarily targets the Museum, The DIA, the DIA Assets or museums within the City generally.

(d) The City shall provide (or cause to be provided) utilities, police, fire and other City services to The DIA at the same pricing and on the same terms upon which the City offers to provide utilities, police, fire and such other City services to arm's-length third parties generally.

(e) The City agrees that, as of the date hereof, there are no further commitments from the Funders, the Supporting Organization, The DIA or the State relating to the Museum or the DIA Assets beyond those contained in this Agreement or the other Transaction Documentation.

## **ARTICLE VI** **Indemnification**

**6.1 Indemnification by The DIA.** To the maximum extent permitted by law, The DIA shall indemnify, defend and hold harmless:

(a) DIA Funders, Foundation Funders, the City and the Supporting Organization and each of their Related Parties (the “**DIA Indemnified Parties**”) from, against, and with respect to any Loss arising out of or in any manner, incident, relating or attributable to, or resulting from The DIA’s failure to perform any of its obligations under the Transaction Documentation; and

(b) the City and its Related Parties from, against, and with respect to any Loss arising out of or in any manner, incident, relating or attributable to, or resulting from any claim brought by an employee of The DIA arising from or relating to his/her employment with The DIA which employment commenced at any time after the effective date of the Operating Agreement and prior to the Effective Time, including without limitation, wrongful termination, workers’ compensation, unemployment compensation, discrimination, violation of federal or state labor or employment laws, ERISA, bodily injury, personal injury or defamation, but excluding any claim relating to pension benefits from the GRS to which such employee was or is entitled by virtue of having been employed by the City prior to the commencement of employment with The DIA (the “**Employee Liabilities**”).

### **6.2 Indemnification by the City.**

(a) To the maximum extent permitted by law, the City shall indemnify, defend, and hold Foundation Funders, DIA Funders, The DIA and the Supporting Organization and their respective Related Parties (the “**City Indemnified Parties**”) harmless from, against, and with respect to any Loss arising out of or in any manner incident, relating or attributable to, or resulting from the following (provided indemnification will not be available to an Indemnified Party to the extent resulting from such Indemnified Party’s breach of contract, sole ordinary negligence, gross negligence or intentional wrongful acts):

(i) Any claims by third parties or the City arising out of any action properly taken by a City Indemnified Party under the Transaction Documentation, including but not limited to, any payment or non-payment or performance of any other obligation of the City Indemnified Parties permitted thereunder;

(ii) Any breach or failure of any representation or warranty of the City contained in the Transaction Documentation between the City and the City Indemnified Parties and/or other parties related to the transactions consummated pursuant to this Agreement or the Charitable Trust Agreement;

(iii) Any failure by the City to perform, satisfy or comply with any covenant, agreement or condition to be performed, satisfied or complied with by the City under the Transaction Documentation with the City Indemnified Parties or under agreements with any third parties contemplated by this Agreement or the Charitable Trust Agreement;

(iv) Reliance by the City Indemnified Parties upon any books or records of the City or reliance by them on any written information furnished by the City or any of the City's employees, officials or agents to them to the extent any such information should prove to be false or materially inaccurate or misleading (including, without limitation, by omission), but only to the extent that such books, records or written information was furnished by the City in connection with the City showing its compliance with the conditions to initial or future funding as set forth in this Agreement;

(v) Any claim or objection made after the Effective Date of the Plan of Adjustment in the Bankruptcy Case or any other action brought against, or involving, the City Indemnified Parties with respect to their participation in any transaction contemplated by the proposed or confirmed Plan of Adjustment;

(vi) The transfer, assignment or sale by the City to The DIA of any assets or property (real or personal) and any rights, title and interests therein including but not limited to, the Museum and all of the Museum Assets;

(vii) Any action or claim against the City Indemnified Parties made by the GRS or PFRS, including any successors or assigns and any plan participants, or their representatives, successors or assigns (collectively, the "**Pension Funds**"), as nothing under the Transaction Documentation is intended to, nor are they to be construed or interpreted to, make the City Indemnified Parties a party in privity with, or having an obligation in any capacity to the Pension Funds. By way of illustration and not limitation, the following statements apply:

First, the City Indemnified Parties have no responsibility for the operation or administration of the Pension Funds and have no fiduciary responsibility for the Pension Funds as plan sponsor, plan administrator, investment advisor or otherwise; and

Second, the City Indemnified Parties have no obligation to contribute towards the funding of the Pension Funds and are not a funding guarantor.

(viii) Any action or claim brought by the City, The DIA, the Pension Funds or any other party concerning non-payment of the commitments pursuant to this Agreement (and the Funding Agreements) by the City Indemnified Parties due to the breach of the Transaction Documentation by the City, The DIA, the Pension Funds or any other party, so long as the City Indemnified Parties have made a good faith determination of the breach of the Transaction Documentation or payment condition.

(b) The City shall not contest on any grounds the enforceability of its indemnification obligations hereunder.

(c) Notwithstanding the foregoing, the Parties acknowledge that the City is not making any representations to The DIA regarding the City's title to the Museum Assets prior to the Effective Time and that The DIA will not be entitled to indemnification in connection with its defense of any claims by third parties after the Effective Time challenging The DIA's title to any Museum Asset to the extent that such claim is based on an allegation that the City did not have legal title to the particular Museum Asset prior to the Effective Time (a "**Quitclaim Challenge**"). To be clear, however, The DIA will be entitled to indemnification by the City under this Section 6.2 in connection with any challenges after the Effective Time to The DIA's title to Museum Assets that are in any way based upon a claim that the title that the City had to the Museum Assets prior to the Effective Time was not effectively conveyed to The DIA at and as a result of the closing under the Charitable Trust Agreement. For avoidance of doubt, in the event of a final determination by the Bankruptcy Court not subject to appeal or certiorari by a court of competent jurisdiction that the Museum Assets must be re-conveyed to the City, the Losses for which The DIA may be indemnified shall not include the value of the Museum Assets but shall include all other Losses incurred by The DIA for which it is otherwise entitled to indemnification under this Agreement.

(d) Notwithstanding the foregoing, the City's indemnification of an Indemnified Party shall be limited solely to Losses arising out of or related to the Indemnified Party's participation in any transaction contemplated by the DIA Settlement.

### **6.3 Defense of Indemnity Claims.**

(a) An Indemnified Party shall provide written notice to The DIA or the City, as applicable (the "**Indemnifying Party**") in a timely manner and in any event, within twenty-one (21) days of receipt of any claim, of any matters as to which the Indemnified Party is entitled to receive indemnification and shall set forth in such notice reasonable detail regarding specific facts and circumstances then known by the Indemnified Party which pertain to such matters. Failure or delay in providing such notice shall not relieve the Indemnifying Party of its defense or indemnity obligations except to the extent the Indemnifying Party's defense of an applicable claim against an Indemnified Party is actually prejudiced by such Indemnified Party's failure or delay.

(b) To the extent the Indemnifying Party is notified of a claim for which it is required to indemnify an Indemnified Party, the Indemnifying Party shall be solely responsible at its expense for responding to or otherwise defending such claim. In such event, the Indemnifying Party shall assume exclusive control of the defense of such claim at its sole expense using counsel of its sole choosing and may settle such claim in its sole discretion; provided, however, that (i) with respect to any claim that involves allegations of criminal wrongdoing, the City shall not settle such claim without the prior written approval of the City Indemnified Party, which approval may be withheld in such City Indemnified Party's sole discretion, and (ii) with respect to any other claim, the Indemnifying Party shall not settle such claim in a manner that requires the admission of liability, fault, or wrongdoing on the part of an Indemnified Party, that fails to include a release of all covered claims pending against the



Indemnified Party, or that imposes any obligation on the Indemnified Party without the prior written approval of the Indemnified Party, which approval may be withheld in such Indemnified Party's sole discretion.

(c) The Indemnifying Party will keep the Indemnified Party reasonably informed of the status of any negotiations or legal proceedings related to any claim, and the Indemnified Party shall be entitled to engage counsel (at its own expense) to monitor the handling of any claim by the Indemnifying Party.

(d) Notwithstanding the foregoing, The DIA shall be entitled to defend on its own behalf any claims regarding title to, interest in or control of the Museum Assets or operation of the Museum (including with respect to a Quitclaim Challenge provided The DIA shall not be entitled to indemnification for a Quitclaim Challenge, as set forth above). To the extent The DIA intends to exercise such right, the City and The DIA shall use their commercially reasonable efforts in good faith to coordinate a joint defense of such claim (including as to selection of joint counsel). If the City and The DIA cannot agree on a joint defense of the claim, each Party shall undertake its own defense, reserving all rights against the other for indemnification hereunder with respect to such claim, but, in such case, The DIA shall not be entitled to indemnification of its defense costs in connection therewith.

(e) Notwithstanding anything to the contrary set forth in this Agreement or in the Charitable Trust Agreement, to the extent that the City is required to indemnify a City Indemnified Party hereunder, and the underlying claim being indemnified does not arise out of the City's breach of contract (including a City Event of Default), sole ordinary negligence, gross negligence or intentional wrongful acts and is not due to a claim brought by the City (including pursuant to Section 2.8(b) of this Agreement), the City may reimburse itself for the costs of such indemnity out of the City Account, in which case the amount payable by the City in satisfaction of the City's obligation to contribute to the Prior GRS Pension Plan and the Prior PFRS Pension Plan shall be reduced by the amount reimbursed to the City for such indemnity.

## **ARTICLE VII**

### **Miscellaneous**

**7.1 No Third Party Beneficiary.** Except for the Indemnified Parties, each of whom is an express third-party beneficiary under this Agreement with respect to ARTICLE VI of this Agreement, and each Funder who is an express third-party beneficiary under Sections 2.3(d), 2.5(b), 2.6, 2.8(a), 2.8(d), 2.8(e), 4.1(b), 4.4, 5.1(b) and 5.3(e) of this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the City, The DIA, and the Supporting Organization any third-party beneficiary rights or remedies.

**7.2 Choice of Law; Jurisdiction; Venue.** This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties irrevocably and unconditionally agrees for itself that, except as to disputes regarding the calculation of the The DIA's payment

obligations under this Agreement or of a Foundation Funder under a Foundation FDF Agreement which shall be determined in accordance with Section 2.3(c) of this Agreement, or any disputes that are subject to arbitration in accordance with Section 7.3 of this Agreement, any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement, or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, including a proceeding under Section 2.3(c) or Section 7.3 of this Agreement, shall be brought in the Bankruptcy Court for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan; and provided, further, that The DIA may bring a legal action, suit or proceeding in a state court to obtain a writ of mandamus to enforce the obligations of the City in Section 5.3 of this Agreement. By execution and delivery of this Agreement, each of the Parties irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

**7.3 Dispute Resolution.** Any controversy or claim arising out of or relating to the satisfaction of the conditions precedent to funding in ARTICLE II of this Agreement shall be settled by arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof in accordance with Section 7.2 of this Agreement. Any such controversy or claim shall be submitted to a panel of three (3) AAA arbitrators. The place of the arbitration shall be within the Wayne County, Michigan. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties to the arbitration. The Parties may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. The Parties also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction in accordance with Section 7.2 of this Agreement any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal’s determination of the merits of the controversy). Each Party shall bear its own costs and expenses and an equal share of the arbitrators’ and administrative fees of arbitration. With respect to any dispute as to a City Event of Default and a payment in connection with the same, the arbitration proceeding and its findings contemplated under this Section must be held and received by no later than the January 31<sup>st</sup> of the second calendar year after the year in which the Annual Report was due, as provided in Section 2.4(a) above, from the City to the Supporting Organization from which the disputed City Event of Default arose, regardless of whether the City Event of Default arises from the Annual Report or the Interim Reaffirmation of said report. If the arbitration hearing findings cannot be received by that January 31<sup>st</sup>, the position of the Supporting Organization that the City Event of Default exists and has not been cured will be deemed a final determination for purposes of determining whether the conditions to funding have been satisfied.



**7.4 Specific Performance.** It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, including, without limitation, seeking an order of the court having jurisdiction in accordance with Section 7.2 of this Agreement requiring any Party to comply promptly with any of its obligations hereunder.

**7.5 Amendment and Waiver.** This Agreement may be amended and any provision of this Agreement may be waived; provided that any such amendment or waiver will be binding upon the Parties only if such amendment or waiver is set forth in a writing executed by all Parties during the Payment Period and, thereafter, by The DIA and the City. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

**7.6 Notices.** All notices, demands and other communications given or delivered under this Agreement shall be given in writing to the address indicated below (or such other address as the recipient specifies in writing) and will be deemed to have been given when delivered personally, three (3) Business Days after mailed by certified or registered mail, return receipt requested and postage prepaid, or when delivery is guaranteed if sent via a nationally recognized overnight carrier, or when receipt is confirmed if sent via facsimile or other electronic transmission to the recipient with telephonic confirmation by the sending party.

**The City of Detroit**  
Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, 5<sup>th</sup> Floor  
Detroit, Michigan 48226  
Telephone: (313)224-1352  
Facsimile: (313)224-5505  
Attention: Corporation Counsel

with a copy to (which will not constitute notice):

Office of the Mayor  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, Michigan 48226  
Facsimile: (313)224-4128  
Attention: Mayor

**The Detroit Institute of Arts**  
5200 Woodward Avenue  
Detroit, Michigan 48202  
Facsimile:  
E-mail:  
Attention: Director and Chief Financial Officer

with a copy to (which will not constitute notice):

Honigman Miller Schwartz and Cohn LLP  
2290 First National Bank Building  
660 Woodward Avenue  
Detroit, Michigan 48226-3506  
Facsimile: (313)465-7575  
E-mail: azschwartz@honigman.com  
Attention: Alan S. Schwartz and  
E-mail: jopperer@honigman.com  
Attention: Joshua F. Opperer

**Foundation for Detroit's Future**

333 West Fort Street, Suite 2010  
Detroit, Michigan 48226-3134  
Facsimile: (313)961-2886  
E-mail: rferriby@cfsem.org  
Attention: Robin D. Ferriby

**7.7 Binding Agreement; Assignment.** This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party (by operation of law or otherwise) without the prior written consent of all the other Parties. Any attempted assignment in violation of this Section 7.7 shall be null and void.

**7.8 Severability.** Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

**7.9 No Strict Construction.** The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

**7.10 Captions.** The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

**7.11 Entire Agreement.** This Agreement, including the Exhibits, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and

supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

**7.12 Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterpart. The exchange of copies of this Agreement or of any other document contemplated by this Agreement (including any amendment or any other change thereto) and of signature pages thereof by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in “portable document format” (“**.pdf**”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of an original Agreement or other document for all purposes. Signatures of the Parties transmitted by facsimile, by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Omnibus Transaction Agreement effective as of the Closing Date.

**THE CITY OF DETROIT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FOUNDATION FOR DETROIT'S FUTURE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT**

**EXHIBIT B**  
**FOUNDATION FDF AGREEMENT**

**EXHIBIT C**

**DIA DIRECT FUNDER FDF AGREEMENT**



**EXHIBIT D**  
**DIA FDF AGREEMENT**

**EXHIBIT E**  
**CLOSING DIRECTION**

\_\_\_\_\_, 2014

Title Source, Inc.  
662 Woodward Avenue  
Detroit, Michigan 48226-3422

Re: Certification of Release Conditions

Ladies and Gentlemen:

We refer to the Escrow Agreement, dated as of \_\_\_\_\_, 2014 (the “Escrow Agreement”), among each of you and the undersigned. Capitalized terms used herein shall have the meaning given in the Omnibus Transaction Agreement or Escrow Agreement, as applicable.

By execution of this Certificate, each of the undersigned certifies that the conditions to the Closing under the Omnibus Transaction Agreement and to the Closing Release specified in Section 2.1 of the Escrow Agreement have been satisfied and directs that you shall undertake the actions specified in Section 2.1 of the Escrow Agreement.

*[signature pages follow]*

**THE CITY OF DETROIT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[SIGNATURE PAGE TO CLOSING DIRECTION]*

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[SIGNATURE PAGE TO CLOSING DIRECTION]*

**FOUNDATION FOR DETROIT'S FUTURE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[SIGNATURE PAGE TO CLOSING DIRECTION]*

## SCHEDULE 1

### Wire Transfer Instructions for City Account

U.S. Bank  
777 E. Wisconsin Avenue  
Milwaukee, WI 53202  
ABA# 091000022  
BNF: USBANK WIRE CLRG  
Beneficiary Account Number: 180121167365  
OBI: Detroit Art Escrow

## SCHEDULE 2

### Examples of the Calculation of The DIA's Payment Obligations

#### Examples Illustrating The DIA's Payment Obligation under the Omnibus Transaction Agreement

##### Example 1

<u>Previous and Current Payment Dates</u>	<u>Payment Number</u>	<u>Aggregate Committed Payment</u>	<u>Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments</u>	<u>DIA Direct Funder and Special Foundation Funder Scheduled Payments*</u>	<u>DIA Payment</u>
Closing**	1	\$5,000,000	\$0	\$0	\$5,000,000
6/30/16	2	\$10,000,000	\$5,000,000	\$2,000,000	\$3,000,000
6/30/17	3	\$15,000,000	\$10,000,000	\$5,000,000	\$0
6/30/18	4	\$20,000,000	\$15,000,000	\$5,000,000	\$0
6/30/19	5	\$25,000,000	\$20,000,000	\$5,000,000	\$0
6/30/20	6	\$30,000,000	\$25,000,000	\$5,000,000	\$0
6/30/21	7	\$35,000,000	\$30,000,000	\$5,000,000	\$0
6/30/22	8	\$40,000,000	\$35,000,000	\$5,000,000	\$0
6/30/23	9	\$45,000,000	\$40,000,000	\$5,000,000	\$0
6/30/24	10	\$50,000,000	\$45,000,000	\$5,000,000	\$0
6/30/25	11	\$55,000,000	\$50,000,000	\$5,000,000	\$0
6/30/26	12	\$60,000,000	\$55,000,000	\$5,000,000	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$5,000,000	\$0
6/30/28	14	\$70,000,000	\$65,000,000	\$5,000,000	\$0
6/30/29	15	\$75,000,000	\$70,000,000	\$5,000,000	\$0
6/30/30	16	\$80,000,000	\$75,000,000	\$5,000,000	\$0
6/30/31	17	\$85,000,000	\$80,000,000	\$5,000,000	\$0
6/30/32	18	\$90,000,000	\$85,000,000	\$5,000,000	\$0
6/30/33	19	\$95,000,000	\$90,000,000	\$5,000,000	\$0
6/30/34	20	\$100,000,000	\$95,000,000	\$5,000,000	\$0
<b>Total</b>			<b>\$100,000,000</b>	<b>\$92,000,000</b>	<b>\$8,000,000</b>

As of the Closing Date, \$5 million multiplied by the single Payment Date (Closing) equals \$5 million. The sum of previous payments by The DIA, DIA Direct Funders and Special Foundation Funders (\$0) and the DIA Direct Funders' and Special Foundation Funders' scheduled payment at Closing (\$0) equals \$0. Therefore, at Closing, The DIA is obligated to pay \$5 million less \$0, which equals \$5 million. The formula applies in an identical manner to the June 30, 2016 Payment Date (and the remaining Payment Dates). \$5 million multiplied by the two (2) relevant Payment Dates (the Closing Date and June 30, 2016) equals \$10 million. The sum of the previous payments by The DIA, DIA Direct Funders and Special Foundation Funders (\$5 million) and the DIA Direct Funders' and Special Foundation Funders' scheduled payment (\$2 million) equals \$7 million. Therefore, on June 30, 2016, The DIA is obligated to pay \$10 million less \$7 million, which equals \$3 million.

As of June 30, 2016, The DIA has satisfied its payment obligation under the Omnibus Transaction Agreement (other than its guarantee obligation). The Present Value Discount of the total payments made as of the end of the day June 30, 2016, plus the Present Value Discount of



the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments equals the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\* All examples assume an October 31, 2014 Closing Date.

**Examples Illustrating The DIA's Payment Obligation  
under the Omnibus Transaction Agreement**

**Example 2: DIA Payments and Present Value Discount Limitation**

<u>Previous and Current Payment Dates</u>	<u>Payment Number</u>	<u>Aggregate Committed Payment</u>	<u>Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments</u>	<u>DIA Direct Funder and Special Foundation Funder Scheduled Payments*</u>	<u>DIA Payment</u>	<u>DIA Prepayment</u>
Closing	1	\$5,000,000	\$0	\$10,000,000	\$0	\$0
6/30/16	2	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
6/30/17	3	\$15,000,000	\$20,000,000	\$10,000,000	\$0	\$0
6/30/18	4	\$20,000,000	\$30,000,000	\$10,000,000	\$0	\$0
6/30/19	5	\$25,000,000	\$40,000,000	\$10,000,000	\$0	\$0
6/30/20	6	\$30,000,000	\$50,000,000	\$10,000,000	\$0	\$0
6/30/21	7	\$35,000,000	\$60,000,000	\$0	\$0	\$0
6/30/22	8	\$40,000,000	\$60,000,000	\$0	\$0	\$0
6/30/23	9	\$45,000,000	\$60,000,000	\$0	\$0	\$0
6/30/24	10	\$50,000,000	\$60,000,000	\$0	\$0	\$0
6/30/25	11	\$55,000,000	\$60,000,000	\$0	\$0	\$0
6/30/26	12	\$60,000,000	\$60,000,000	\$0	\$0	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$0	\$5,000,000	\$0
6/30/28	14	\$70,000,000	\$65,000,000	\$0	\$5,000,000	\$0
6/30/29	15	\$75,000,000	\$70,000,000	\$0	\$4,316,096	\$0
6/30/30	16	\$80,000,000	\$74,316,096	\$0	\$	** \$0
6/30/31	17	\$85,000,000	\$74,316,096	\$0	\$	** \$0
6/30/32	18	\$90,000,000	\$74,316,096	\$0	\$	** \$0
6/30/33	19	\$95,000,000	\$74,316,096	\$0	\$	** \$0
6/30/34	20	\$100,000,000	\$74,316,096	\$0	\$	** \$0
<b>Total</b>			<b>\$74,316,096</b>	<b>\$60,000,000</b>	<b>\$14,316,096</b>	<b>\$0</b>

As of the Closing Date, \$5 million multiplied by the single Payment Date (the Closing Date) equals \$5 million. The sum of previous payments by The DIA, DIA Direct Funders and Special Foundation Funders (\$0) and the DIA Direct Funders' and Special Foundation Funders' scheduled payment at Closing (\$10,000,000) is \$10 million. Therefore, at Closing, The DIA is not obligated to make a payment. The same result occurs for each Payment Date up to June 30, 2027.

As of the June 30, 2027 Payment Date, \$5 million multiplied by the 13 relevant Payment Dates equals \$65 million. The sum of the previous payments by The DIA (\$0) and DIA Direct Funders and Special Foundation Funders (\$60 million) and the DIA Direct Funders' and Special Foundation Funders' scheduled payments on June 30, 2027 (\$0), equals \$60 million. Therefore, on June 30, 2027, The DIA is obligated to pay \$65 million less \$60 million, which equals \$5 million. The same result would occur for each of the remaining Payment Dates, except the Present Value Discount limitation under Section 2.1(b) applies as of the June 30, 2029 Payment Date. On that Payment Date, the formula for the Present Value Discount will result in The DIA only needing to pay \$4,316,096 in order for the Present Value Discount of the total payments made as of the end of that day, plus the Present Value Discount of the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments (\$0) equaling the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\*No payment due because of Present Value Discount limitation.

**Examples Illustrating The DIA's Payment Obligation  
under the Omnibus Transaction Agreement**

**Example 3: DIA Prepayments and Present Value Discount Limitation**

<u>Previous and Current Payment Dates</u>	<u>Payment Number</u>	<u>Aggregate Committed Payment</u>	<u>Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments</u>	<u>DIA Direct Funder and Special Foundation Funder Scheduled Payments*</u>	<u>DIA Payment</u>	<u>DIA Prepayment</u>
Closing	1	\$5,000,000	\$0	\$10,000,000	\$0	\$0
6/30/16	2	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
6/30/17	3	\$15,000,000	\$20,000,000	\$10,000,000	\$0	\$0
6/30/18	4	\$20,000,000	\$30,000,000	\$10,000,000	\$0	\$0
6/30/19	5	\$25,000,000	\$40,000,000	\$10,000,000	\$0	\$0
6/30/20	6	\$30,000,000	\$50,000,000	\$10,000,000	\$0	\$0
6/30/21	7	\$35,000,000	\$60,000,000	\$0	\$0	\$0
6/30/22	8	\$40,000,000	\$60,000,000	\$0	\$0	\$0
6/30/23	9	\$45,000,000	\$60,000,000	\$0	\$0	\$0
6/30/24	10	\$50,000,000	\$60,000,000	\$0	\$0	\$0
6/30/25	11	\$55,000,000	\$60,000,000	\$0	\$0	\$0
6/30/26	12	\$60,000,000	\$60,000,000	\$0	\$0	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$0	\$5,000,000	\$4,683,841**
6/30/28	14	\$70,000,000	\$69,683,841	\$0	\$ 316,159	\$3,726,128***
6/30/29	15	\$75,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/30	16	\$80,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/31	17	\$85,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/32	18	\$90,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/33	19	\$95,000,000	\$73,726,128	\$0	\$-----****	\$0
6/30/34	20	\$100,000,000	\$73,726,128	\$0	\$-----****	\$0
<b>Total</b>			<b>\$73,726,128</b>	<b>\$60,000,000</b>	<b>\$5,316,159</b>	<b>\$8,409,969</b>

The facts are the same as in Example 2, except that The DIA makes a \$4,683,841 prepayment at the time of the June 30, 2027 Payment Date. For the June 30, 2028 Payment Date, The DIA is obligated to pay \$316,159, calculated as follows: \$5 million multiplied by 14 relevant Payment Dates equals \$70 million, less previous payments of \$69,683,841, equals \$316,159. The DIA makes a \$3,726,128 prepayment at the time of the June 30, 2028 Payment Date also. For the June 30, 2029 Payment Date, The DIA is not obligated to make any payment, notwithstanding the following calculation: \$5 million multiplied by 15 relevant Payment Dates equals \$75 million, less previous payments of \$73,726,128, equals \$1,273,872. However, under Section 2.1(b), the Present Value Discount of the payments made as of the end of the day on June 30, 2028 (\$73,726,128, before discounting), plus the Present Value Discount of the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments (\$0) equals the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016. The DIA's prepayments at the time of the 2027 and 2028 Payment Dates results in The DIA not having a payment obligation in 2029 or thereafter.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\*\$4,683,841 is the discounted value of \$5 million at a 6.75% discount rate for a one-year period.

\*\*\*\$3,726,128 is the discounted amount that results in The DIA fulfilling its payment obligation on a present value basis as of June 30, 2028.

\*\*\*\*No payment due because of Present Value Discount limitation and no guarantee because there are no remaining commitments.

**Examples Illustrating the DIA's Payment Obligation  
under the Omnibus Transaction Agreement**

**Example 4: DIA Prepayments and Present Value Discount Limitation**

Previous and Current Payment Dates	Payment Number	Aggregate Committed Payment	Previous DIA, DIA Direct Funder, and Special Foundation Funder Payments	DIA Direct Funder and Special Foundation Funder Scheduled Payments*	DIA Payment	DIA Prepayment
Closing	1	\$5,000,000	\$0	\$10,000,000	\$0	\$0
6/30/16	2	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
6/30/17	3	\$15,000,000	\$20,000,000	\$10,000,000	\$0	\$0
6/30/18	4	\$20,000,000	\$30,000,000	\$10,000,000	\$0	\$0
6/30/19	5	\$25,000,000	\$40,000,000	\$0	\$0	\$0
6/30/20	6	\$30,000,000	\$40,000,000	\$0	\$0	\$0
6/30/21	7	\$35,000,000	\$40,000,000	\$0	\$0	\$0
6/30/22	8	\$40,000,000	\$40,000,000	\$0	\$0	\$0
6/30/23	9	\$45,000,000	\$40,000,000	\$0	\$5,000,000	\$0
6/30/24	10	\$50,000,000	\$45,000,000	\$0	\$5,000,000	\$0
6/30/25	11	\$55,000,000	\$50,000,000	\$0	\$5,000,000	\$0
6/30/26	12	\$60,000,000	\$55,000,000	\$0	\$5,000,000	\$0
6/30/27	13	\$65,000,000	\$60,000,000	\$0	\$5,000,000	\$4,683,841**
6/30/28	14	\$70,000,000	\$69,683,841	\$0	\$ 316,159	\$0
6/30/29	15	\$75,000,000	\$70,000,000	\$0	\$5,000,000	\$0
6/30/30	16	\$80,000,000	\$75,000,000	\$0	\$1,969,618***	\$0
6/30/31	17	\$85,000,000	\$76,969,618	\$0	\$0****	\$0
6/30/32	18	\$90,000,000	\$76,969,618	\$0	\$0****	\$0
6/30/33	19	\$95,000,000	\$76,969,618	\$5,000,000	\$0****	\$0
6/30/34	20	\$100,000,000	\$81,969,618	\$5,000,000	\$0****	\$0
<b>Total</b>			<b>\$86,969,618</b>	<b>\$50,000,000</b>	<b>\$32,285,777</b>	<b>\$4,683,841</b>

The facts are the same as in Example 3, except the DIA Direct Funders' and Special Foundation Funders' Scheduled Payment has been revised as set forth above and The DIA will be required to make payments for the Payment Dates in years 2023 through 2030. The DIA's prepayment of \$4,683,841 at the time of the June 30, 2027 Payment Date and its payment obligation on the June 30, 2028 Payment Date remain the same as in Example 3. Under Section 2.1(a), The DIA has a \$5 million payment obligation with respect to the June 30, 2029 Payment Date. On the June 30, 2030 Payment Date, The DIA pays \$1,969,618, notwithstanding the following calculation: \$5 million multiplied by 16 relevant Payment Dates equals \$80 million, less previous payments of \$75,000,000, equals \$5,000,000. However, under Section 2.1(b), the Present Value Discount of the payments made as of the end of the day on June 30, 2030 (\$76,969,618 before discounting), plus the Present Value Discount of the DIA Direct Funders' and Special Foundation Funders' remaining scheduled payments (\$10,000,000, before discounting) equals the Present Value Discount of \$5 million paid at Closing and 19 annual payments of \$5 million commencing as of June 30, 2016. The DIA's aggregate payments as of the June 30, 2030 Payment Date result in The DIA not having a payment obligation in 2031 or thereafter.

\*DIA Direct Funder and Special Foundation Funder scheduled payments are assumed to be made on the Payment Date, as scheduled.

\*\*\$4,683,841 is the discounted value of \$5 million at a 6.75% discount rate for a one-year period.

\*\*\*\$1,969,618 is the discounted amount that results in The DIA fulfilling its payment obligation on a present value basis as of June 30, 2030.

\*\*\*\*No payment due because of Present Value Discount limitation, but The DIA guarantee applies if the 2033 and 2034 payments are not made or are not made on a timely basis.



**Form of Settlement, Conveyance and Charitable Trust Agreement  
By and Between the City of Detroit and the Detroit Institute of Arts**

**FORM OF SETTLEMENT, CONVEYANCE  
AND CHARITABLE TRUST AGREEMENT**

**SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT**

**BY AND BETWEEN**

**THE CITY OF DETROIT**

**AND**

**THE DETROIT INSTITUTE OF ARTS**

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### List of Exhibits

- Exhibit A – Museum Assets
- Exhibit B – Bill of Sale
- Exhibit C – Intellectual Property Assignment
- Exhibit D – Museum Quit Claim Deed
- Exhibit E – Cultural Center Garage Quit Claim Deed

## **SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT**

THIS SETTLEMENT, CONVEYANCE AND CHARITABLE TRUST AGREEMENT (this “**Agreement**”), effective as of the Effective Time, is entered into by and between the City of Detroit, Michigan (the “**City**”) and The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts (“**The DIA**”). The City and The DIA are together referred to herein as the “**Parties**” and individually as a “**Party**”. Capitalized terms used in this Agreement and not defined herein shall have the meaning ascribed thereto in the Omnibus Transaction Agreement among the City, The DIA and Foundation for Detroit’s Future, a Michigan nonprofit corporation (the “**Omnibus Transaction Agreement**”).

### **RECITALS**

WHEREAS, beginning in 1885 The DIA held the assets of the museum that is now commonly referred to as the Detroit Institute of Arts (the “**Museum**”) in charitable trust for the benefit of the people of the City and the State of Michigan (the “**State**”) and, beginning in 1919, the City began to hold certain of such assets in charitable trust, with museum assets acquired by either The DIA or the City, and assets contributed by other donors and the State, constituting additions to the trust corpus to the extent not expended for the ongoing conduct of the trust’s charitable and educational activities;

WHEREAS, the Attorney General of the State has determined that the Museum collection is held by the City in charitable trust;

WHEREAS, The DIA asserts that the Museum and all Museum Assets are owned by the City in charitable trust, the co-trustees of which are the City and The DIA and subject to the protections of a public trust;

WHEREAS, the City acknowledges that certain creditors of the City and other interested persons have taken the position that the City has full legal and beneficial title to the Museum, including its art collection;

WHEREAS, this Agreement is being entered into as part of the DIA Settlement pursuant to the Omnibus Transaction Agreement whereby the City will convey all of its right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) to the Museum and all related assets to The DIA in exchange for fair value by virtue of (i) the settlement of any dispute regarding the ownership of Museum and the Museum Assets, (ii) the contributions through the Supporting Organization by The DIA (and through it, the DIA Indirect Funders), DIA Direct Funders and Special Foundation Funders of \$100 million, of Foundation Funders (excluding Special Foundation Funders) of \$366 million, and an additional contribution by the State of \$350 million, which aggregate \$816 million (in each case and in the aggregate before applying any discount for early payment), which amounts will be paid for the benefit of Pension Claims of the City, and (iii) the commitment of The DIA to hold the Museum Assets (as they may be augmented, replaced or disposed of consistent with the perpetual charitable trust and as otherwise permitted under this Agreement) (collectively, “**DIA Assets**”) in perpetual charitable trust and to operate the Museum primarily for benefit of the residents of the City and the Tri-Counties and the citizens of the State;

WHEREAS, the allocation of responsibilities with respect to the charitable trust assets and the operation of the Museum has changed from time to time;

WHEREAS, The DIA currently operates the Museum and manages its assets under an Operating Agreement for the Detroit Institute of Arts, made on December 12, 1997, between The DIA and the City (the “**Operating Agreement**”) whereby those responsibilities have been performed by The DIA as operator on the terms set forth therein;

WHEREAS, the City and The DIA currently are parties to that certain Licensing Agreement, dated December 12, 1997 (the “**Licensing Agreement**”) under which the City licensed the use of certain intellectual property assets to The DIA, which will be terminated by the Parties pursuant to this Agreement;

WHEREAS, as part of the DIA Settlement and concurrently with the closing pursuant to the Omnibus Transaction Agreement, the Transfer shall occur, each of the Operating Agreement and the Licensing Agreement shall be terminated, and the other transactions and agreements reflected herein shall become effective; and

WHEREAS, the Transfer of the Museum and the Museum Assets is for fair value, for a public purpose and authorized by law.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereby agree as follows:

## **ARTICLE I** **Definitions**

### **1.1. Definitions.** As used in this Agreement:

“**Museum Assets**” means the Museum art collection, operating assets, buildings, parking lots and structures, and any other assets that are used primarily in operating or servicing the Museum, including, without limitation, any item that is in the “City art collection” (as defined in the Operating Agreement but taking into account any additions to or subtractions from such collection over time) as of the Effective Time and including, without limitation, those items described in Exhibit A to this Agreement and all items conveyed pursuant to the Bill of Sale, Intellectual Property Assignment, Museum Quit Claim Deed and Cultural Center Garage Quit Claim Deed (each as defined below).

**1.2. Other Defined Terms.** The following capitalized terms shall have the meanings given to them in the Sections set forth opposite such term:

Agreement	Preamble
Assigned Intellectual Property	Exhibit C
Bill of Sale	Section 3.2(i)
City	Preamble
Cultural Center Garage	Section 3.2(iv)
Cultural Center Garage Quit Claim Deed	Section 3.2(iv)
DIA Assets	Recitals
Effective Time	Section 3.1
Intellectual Property Assignment	Section 3.2(ii)
Licensing Agreement	Recitals
Museum	Recitals
Museum Quit Claim Deed	Section 3.2(iii)
Omnibus Transaction Agreement	Preamble
Operating Agreement	Recitals
Parties	Preamble
Party	Preamble
State	Recitals
The DIA	Preamble
Title Company	Section 3.2
Transfer	Section 2.1

## **ARTICLE II**

### **Transfer of Assets**

**2.1. Transfer.** As of the Effective Time, the City hereby irrevocably sells, transfers, conveys, assigns and delivers to The DIA, and The DIA hereby acquires, all of the City's right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum and the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors (the "**Transfer**"). Subject to the provisions in this Agreement, from and after the Effective Time, The DIA shall have exclusive responsibility for and control over the Museum, Museum Assets, Museum operations, capital expenditures, collection management, and the purchase or sale of assets.

**2.2. Liabilities.** From and after the Effective Time, The DIA is assuming (i) the obligations arising prior to the Effective Time to pay operating expenses to third parties to the extent that any such obligation was an expense imposed on The DIA under the Operating Agreement prior to the Effective Time and (ii) the Employee Liabilities. Except as provided in the preceding sentence, The DIA is not assuming or in any way becoming liable for any of the City's debts, liabilities or obligations, whether known, unknown, absolute, contingent, matured or unmatured, regardless of whether any of the foregoing relate to the Museum or the Museum Assets.



### **ARTICLE III**

#### **Effective Time; Deliverables**

**3.1. Effective Time.** This Agreement will become effective immediately following the written confirmation under the Omnibus Transaction Agreement that the Closing under the Omnibus Transaction Agreement shall be deemed to occur (the “**Effective Time**”).

**3.2. Deliverables.** The City hereby delivers or causes to be delivered to The DIA the following which, to the extent Title Source, Inc. (the “**Title Company**”) shall be deemed delivered by virtue of the release of such documents by the Title Company in accordance with the escrow instructions previously delivered to the Title Company:

(i) the bill of sale substantially in the form of **Exhibit B** to this Agreement (the “**Bill of Sale**”) duly executed by the City pursuant to which all tangible and intangible assets included in the Museum Assets (including those described on **Exhibit A** to this Agreement) and not otherwise conveyed by a distinct instrument delivered pursuant to this Section 3.2 shall be conveyed to The DIA, including, without limitation, all rights to donations, gifts, bequests, grants and contributions for the benefit of the Museum or The DIA;

(ii) the transfer agreement with respect to all Assigned Intellectual Property substantially in the form of **Exhibit C** to this Agreement (the “**Intellectual Property Assignment**”) duly executed by the City;

(iii) a quitclaim deed substantially in the form of **Exhibit D** to this Agreement (the “**Museum Quit Claim Deed**”) duly executed by the City with respect to the real estate referenced as the Museum building and grounds, the employee parking lot located at 5200 Woodward Avenue, Detroit, Michigan, and the Frederick Lot (Parcels 1-7 in **Exhibit A** to this Agreement);

(iv) a quitclaim deed substantially in the form of **Exhibit E** to this Agreement (the “**Cultural Center Garage Quit Claim Deed**”) duly executed by the City with respect to the real estate referenced as the cultural center underground garages (Parcel 8 in **Exhibit A** to this Agreement being the “**Cultural Center Garage**”).

### **ARTICLE IV**

#### **Termination of the Various Agreements**

**4.1. Termination of the Operating Agreement.** As of the Effective Time, the Operating Agreement is terminated without any further action or notice by the Parties and without any further rights or obligations of any Party thereunder other than The DIA’s indemnity obligation under Section J of the Operating Agreement (which shall survive in accordance with its terms).

**4.2. Termination of the Licensing Agreement.** As of the Effective Time, the Licensing Agreement is terminated without any further action or notice by the Parties and without any further rights or obligations of any Party thereunder.

**4.3. Release.** Each of the Parties hereby fully and forever, knowingly, voluntarily, and irrevocably, releases, acquits, discharges and promises not to sue the other Party or its Related Parties from, including, without limitation, any and all claims, demands, damages, obligations, losses, causes of action, costs, expenses, attorneys' fees judgments, liabilities, duties, debts, liens, accounts, obligations, contracts, agreements, promises, representations, actions and causes of action, other proceedings and indemnities of any nature whatsoever arising from or in any way related to the Operating Agreement other than The DIA's indemnity obligation under Section J of the Operating Agreement (which shall survive in accordance with its terms), the Licensing Agreement, the Museum, the Museum Assets or any other matter of any kind or nature, whether accrued or contingent, known or unknown and whether based on law, equity, contract, tort, statute or other legal or equitable theory of recovery, whether mature or to mature in the future, which from the beginning of time of the world to the Effective Time, either Party had, now has, or may have against the other Party or its Related Parties; provided that the foregoing release shall not extend to, nor be deemed to modify in any respect, any right of any Party under this Agreement or any other Transaction Documentation.

## **ARTICLE V**

### **Representations and Warranties**

**5.1. Representations and Warranties of The DIA.** The DIA represents and warrants to the City that (a) it has the power and authority to execute and deliver this Agreement and each Exhibit to this Agreement to which it is a party and to perform its obligations hereunder and thereunder, (b) the execution, delivery and performance of this Agreement and each Exhibit to this Agreement to which it is a party have been duly authorized by all necessary action, (c) this Agreement and each Exhibit to this Agreement to which it is a party constitutes the valid and binding obligation of The DIA, enforceable in accordance with its respective terms, and (d) its performance under this Agreement and each Exhibit to this Agreement to which it is a party will not conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, any agreement or other instrument or any applicable law binding upon The DIA.

**5.2. Representations and Warranties of The City.** The City represents and warrants to The DIA that (a) it has the power and authority to execute and deliver this Agreement and each Exhibit to this Agreement to which it is a party and to perform its obligations hereunder and thereunder, (b) the execution, delivery and performance of this Agreement and each Exhibit to this Agreement to which it is a party have been duly authorized by all necessary action, (c) this Agreement and each Exhibit to this Agreement to which it is a party constitutes the valid and binding obligation of the City, enforceable in accordance with its respective terms, and (d) its performance under this Agreement and each Exhibit to this Agreement to which it is a party will not conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, any agreement or other instrument or any applicable law binding upon the City.

**5.3. Acknowledgement of No Further Representations and Warranties.** Except for the representations and warranties in Section 5.2 of this Agreement or as otherwise specifically set forth in the Transaction Documentation, the Museum Assets are being transferred by the City to The DIA without warranty or representation of any kind, including any warranty of merchantability or fitness for a particular purpose or any warranty or representation which might otherwise be inherent in a description or in specifications.

**ARTICLE VI**  
**Covenants of the City**

**6.1. Further Assurances.** In addition to the actions specifically provided for elsewhere in this Agreement, at any time and from time to time, at The DIA's reasonable request, the City shall (x) at its own expense (except as provided in subsection (y)), do, execute, acknowledge and deliver all and every such further acts, transfers, assignments, conveyances, powers of attorney, and assurances (including in recordable form) as The DIA reasonably may require to transfer, convey, assign and deliver the Museum and the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors and to confirm The DIA's title to the Museum and all of the Museum Assets and (y) at no cost or expense to the City, take such actions, including filing such releases, as may be necessary to remove any security interest, lien, encumbrance, claim or interest of the City or any of its creditors on the Museum or the Museum Assets.

**6.2. Remittance of Museum Assets.** If after the Effective Time, the City receives (a) any monies for the benefit of The DIA or the Museum, including with respect to any existing or future (i) donations, gifts, bequests, and contributions from individuals, corporations, foundations and trusts, if any, and (ii) federal, state, regional, county or local tax proceeds and grants from governmental or quasi-public entities, if any, other than proceeds or grants that are intended for the City for reimbursement for specific amounts that were previously advanced or funded by the City with the expectation of the City at the time of such advance or funding that such reimbursement would be received by the City, or (b) any art or other property that is, as designated by its grant, intended for the benefit of the Museum or The DIA, in each case, the City shall promptly pay or deliver such monies, art or other property to The DIA.

**6.3. NO RECOURSE.** THE TRANSFER OF THE MUSEUM AND THE MUSEUM ASSETS IS FINAL AND IRREVOCABLE. THE DIA SHALL RETAIN TITLE TO AND OWNERSHIP OF THE MUSEUM AND THE DIA ASSETS IN PERPETUITY AND THE CITY SHALL NOT HAVE RECOURSE TO ANY OF THE DIA ASSETS FOR ANY CLAIMS THE CITY MAY HAVE AGAINST THE DIA, ANY OTHER FUNDER, THE SUPPORTING ORGANIZATION, THE STATE OR OTHERWISE, WHETHER ARISING NOW OR IN THE FUTURE, INCLUDING, WITHOUT LIMITATION, NONCOMPLIANCE BY THE DIA, ANY OTHER FUNDER OR THE SUPPORTING ORGANIZATION WITH ANY OF THE TERMS OR CONDITIONS OF THE OMNIBUS TRANSACTION AGREEMENT, THE TRANSACTION DOCUMENTS OR ANY RELATED DOCUMENTS; PROVIDED THAT THE FOREGOING SHALL NOT PRECLUDE THE CITY FROM ASSERTING CLAIMS IN SATISFACTION OF AN INDEMNITY OBLIGATION PURSUANT TO SECTION J OF THE OPERATING AGREEMENT OR SECTION 6.1(b) OF THE OMNIBUS AGREEMENT BUT ONLY AGAINST CASH, CASH EQUIVALENTS OR CASH RECEIVABLES OF THE DIA (EXCLUDING ANY CASH, CASH EQUIVALENTS OR CASH RECEIVABLES THAT ARE RESTRICTED IN USE BY THE TERMS OF THE DONATION, GIFT, BEQUEST OR CONTRIBUTION OF A THIRD PARTY OR BY RESTRICTIONS IMPOSED ON THE USE OF PROCEEDS FROM THE SALE OF ART BY THE APPLICABLE STANDARDS OR ETHICAL GUIDELINES OF THE AAM OR THE ASSOCIATION OF ART MUSEUM DIRECTORS (OR SUCH OTHER ORGANIZATIONS BY WHICH THE DIA OR THE MUSEUM OR ITS DIRECTOR IS ACCREDITED IN THE FUTURE OR OF WHICH THEY

BECOME MEMBERS IN ACCORDANCE WITH THEN APPLICABLE ART MUSEUM BEST PRACTICES).

## **ARTICLE VII** **Covenants of The DIA**

### **7.1. Charitable Trust.**

(a) The DIA as trustee shall hold the DIA Assets in perpetual charitable trust. The primary purpose of the charitable trust shall be to provide for the primary benefit of the residents of the City and the Tri-Counties and the citizens of the State an art museum located in the City of Detroit, including the ownership, maintenance and operation of The Detroit Institute of Arts, and all the benefits that are derivative thereof.

(b) The DIA shall neither change the name of the Museum from “The Detroit Institute of Arts” nor relocate the primary situs of the Museum from its current location at 5200 Woodward Avenue, Detroit, Michigan, without the approval of the City; provided that nothing in this Agreement or in any other agreement included in the Transaction Documentation shall be deemed to otherwise restrict the ability of The DIA to lend or to otherwise allow art works to travel outside of the City or the State consistent with ordinary Museum operations.

(c) In its capacity as trustee of the perpetual charitable trust, The DIA shall operate the Museum as an encyclopedic art museum in the City, in accordance with changing future demands in the operation of such a Museum. The DIA shall not deaccession from its collection or sell, lease, pledge, mortgage, or otherwise encumber art that is accessioned to its permanent collection except in accordance with the code of ethics or applicable standards for museums published by the AAM, as amended or modified by the AAM. If the AAM ceases to exist or ceases to be generally regarded by leading American art museums as the preeminent American art museum accreditation organization, then the code of ethics or applicable standards (as may be amended or modified) of AAM’s successor organization, or such other organization that is at that time generally regarded by leading American art museums as the preeminent American art museum accreditation organization, shall be substituted for such policies of the AAM.

**7.2. State-wide Services.** In addition to continuing to operate the Museum for the primary benefit of the residents of the City, the Tri-Counties and the citizens of the State, and continuing to provide the special services to the residents of the Tri-Counties during the balance of the ten (10) year millage period commencing in 2013 that are provided for in the agreements for the Millage, during the Payment Period The DIA will provide an array of art programs at no or discounted costs to the residents of the State. In determining which programs to offer, both the cost to The DIA of developing and operating these programs and The DIA’s other fundraising obligations, including its need to raise funds for general operations and its stated goal of building endowment funds, as well as any fundraising obligation under the Omnibus Transaction Agreement, will be taken into account. As appropriate, The DIA will collaborate with its Michigan museum colleagues in the development of these programs. Given the length of the Payment Period, it is expected that these programs would be developed and adjusted over time. Such programs could include at the outset:

(i) two exhibitions in each twelve-month period, with the first such period beginning six (6) months after the Closing, of objects from the Museum collection that will rotate through museums and art centers around the State on a schedule to be determined by The DIA and the recipient museums. Each exhibition will be developed and organized by The DIA and will include installation and de-installation of the objects, a marketing package (logo and advertising template) and, possibly, input on programming and education opportunities,

(ii) an annual professional development program coordinated with the Michigan Museums Association designed to strengthen museum professionals and introduce museum job opportunities to student audiences,

(iii) an expansion of the Museum's popular Inside/Out program (during the tenure of the program), which places high-quality art reproductions in Southeast Michigan communities, to include two additional outstate locations annually, supporting tourism, cultural awareness and life-long learning,

(iv) art object conservation services at a discounted rate to Michigan museums conducted in consultation with the Museum conservators and the curatorial staff of the requesting museum, and

(v) the development of an educational program based on the Museum collection that supports National Common Core Standards, to be offered in two Michigan communities annually and to include follow-up support for educators.

**7.3. Liquidation.** In the event of a dissolution of, and liquidation of the assets and affairs of, The DIA in accordance with the Michigan Nonprofit Corporation Act, the DIA Assets will be conveyed to another nonprofit entity determined by the board of directors of The DIA, subject to the reasonable approval of the City and the Supporting Organization, if then in existence, and otherwise by majority vote of the City and any Foundation Funders who have remaining commitments under their Funding Agreements. As a condition to receiving the conveyance, such successor entity must subject itself to the same conditions as set forth in this Agreement, including but not limited to, holding the DIA Assets in perpetual charitable trust for the primary benefit of the residents of the City and the Tri-Counties and the citizens of the State. For the purposes of determining the majority vote described above, and for the avoidance of doubt, the Parties agree that the City and each of the Foundation Funders who have remaining commitments under their Funding Agreements at the time of such dissolution or liquidation shall each have one vote with respect to any such approval.

**7.4. City Board Representative.** From and after the Effective Time, in perpetuity, the City shall have the right to appoint one director to the Board of The DIA (or its successor entity). Such representative shall be designated in writing to The DIA by the Mayor of the City with approval by the City Council. Such director shall be subject to removal by The DIA for cause. The City shall have the right in accordance with this Section 7.4 to appoint a successor representative to any vacancy created by the removal of the City's representative for cause or otherwise.



**7.5. Enforcement of Certain of The DIA's Obligations.** The Attorney General of the State and the Corporation Counsel of the City (on behalf of the City) (or their respective successors) shall have the exclusive rights to enforce the obligations of The DIA (x) to hold the DIA Assets in perpetual charitable trust and (y) under ARTICLE VII of this Agreement. If the Corporation Counsel of the City (on behalf of the City) exercises its rights to enforce the obligations of The DIA pursuant to this Section 7.5 by means of a legal action or proceeding, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees and disbursements, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees and disbursements shall be included in and as a part of such judgment.

## **ARTICLE VIII**

### **Incorporation by Reference; Entire Agreement**

**8.1. Incorporation by Reference.** The following provisions of the Omnibus Transaction Agreement are hereby incorporated by reference as if set forth in full herein *mutatis mutandis*: Article I (Definitions), Article VI (Indemnification) with respect to the indemnification of the City by The DIA pursuant to Section 6.1 of the Omnibus Transaction Agreement and the indemnification of The DIA by the City pursuant to Section 6.2 of the Omnibus Transaction Agreement, subject to the limitations and procedural requirements otherwise set forth in Article VI of the Omnibus Transaction Agreement, Section 7.4 (Specific Performance), Section 7.6 (Notices) (with respect to the Parties hereto), Section 7.7 (Binding Agreement; Assignment), Section 7.8 (Severability), Section 7.9 (No Strict Construction), Section 7.10 (Captions), and Section 7.12 (Counterparts).

**8.2. No Third Party Beneficiary.** Except for the Related Parties, each of whom is an express third-party beneficiary under this Agreement with respect to Section 4.3 of this Agreement, and the Attorney General of the State who is an express third party beneficiary under this Agreement with respect to Section 7.5 of this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of the City and The DIA and their respective successors and permitted assigns, and nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity any third-party beneficiary rights or remedies.

**8.3. Choice of Law; Jurisdiction; Venue.** This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties irrevocably and unconditionally agrees for itself that, subject to the exclusive rights of the Attorney General of the State and the Corporation Counsel of the City (on behalf of the City) as set forth in Section 7.5 of this Agreement, any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the Bankruptcy Court for so long as the Bankruptcy Court has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then (i) if such legal action,

suit or proceeding relates to or seeks to enforce the obligations of The DIA to hold the DIA Assets in perpetual charitable trust or the obligations of The DIA under Article VII of this Agreement, then such legal action, suit or proceeding shall be brought only in Wayne County Probate Court, or (ii) if such legal action, suit or proceeding involves any other matter relating to this Agreement not referenced in subsection (i), then it may be brought only in such other court of competent jurisdiction located in Wayne County, Michigan. By execution and delivery of this Agreement, each of the City and The DIA irrevocably accepts and submits to the exclusive jurisdiction of such courts, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

**8.4. Amendment and Waiver.** This Agreement may be amended and any provision of this Agreement may be waived; provided that any such amendment or waiver will be binding upon the Parties only if such amendment or waiver is set forth in a writing executed by both Parties. No course of dealing between The DIA and the City will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of either Party under or by reason of this Agreement.

**8.5. Entire Agreement.** This Agreement, including the Exhibits, together with the Omnibus Transaction Agreement, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

*[signature page follows]*



IN WITNESS WHEREOF, the parties have executed this Settlement, Conveyance and Charitable Trust Agreement effective as of the Effective Time.

**THE CITY OF DETROIT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A**

### **Museum Assets**

1. The Museum building and grounds, and the employee parking lot located at 5200 Woodward Avenue, Detroit, Michigan, comprised of land and improvements bounded by Woodward Avenue as widened, existing John R Street, existing East Kirby Avenue and the South line of Farnsworth Avenue, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in Commitment for Title Insurance No. 58743275 revision 5, with an effective date of December 16, 2013, and Commitment for Title Insurance No. 58781215, with an effective date of December 26, 2013, (collectively, the "Title Commitment") issued by Title Source Inc., as follows:

PARCEL 1: Block A; together with the Northerly half of vacated Frederick Douglass Avenue adjacent thereto, of Ferry's Subdivision of Park Lot 40 and of Lots 1 to 18 inclusive of Farnsworth's Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 18 of Plats, Page 71, Wayne County Records.

PARCEL 2: Lots 43 through 78, both inclusive, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 43 through 58, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 63 through 78, and together with vacated alleys appurtenant to said lots.

PARCEL 3: Lots 103 through 120, both inclusive, together with the Southerly half of vacated Farnsworth Avenue adjacent to Lots 103 through 118, and vacated portions of Farnsworth Avenue adjacent to the South of Lots 103 through 117 and Lot 120, and vacated alleys appurtenant to said lots, of Farnsworth Subdivision of Park Lots 38 and 39, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

PARCEL 4: Lots 31 to 37 of Farnsworth Subdivision of Park Lots 38 and 39, together with the southerly half of vacated Frederick Douglass Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, according to the recorded plat thereof, as recorded in Liber 1, Page 16, Wayne County Records.

PARCEL 5: Lots 79 and 80 of Farnsworth Subdivision of Park Lots 38 and 39, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 6: The East 5 feet of Lot 85 and Lots 86 and 87 and the West 16 feet of Lot 88, together with the Northerly half of vacated Farnsworth Avenue adjacent to said lots and together with the vacated alley appurtenant to said lots of Farnsworth Subdivision of Park Lots 38 and 39, as recorded in Liber 1, Page 16 of Plats, Wayne County Records.

PARCEL 7: Lots 1 through 5, both inclusive, and Lots 10 through 14, both inclusive, Block 25, together with the Southerly half of vacated Frederick Douglass Avenue adjacent to Lots 1 through 5, Block 25, and the Northerly half of vacated Farnsworth Avenue adjacent to Lots 10 through 14, Block 25 and together with the vacated alley

appurtenant to said lots of Brush's Subdivision of that part of the Brush Farm lying between the North line of Farnsworth Street and South line of Harper Avenue, as recorded in Liber 17, Page 28 of Plats, Wayne County Records.

2. The cultural center underground garages *i.e.*, the parking garage with all appurtenant utilities, equipment, drives, pedestrian and vehicular entrances and easements therefor, on the south side of the Museum building located at 40 Farnsworth, Detroit, Michigan, depicted on the attached Exhibit A-1 AERIAL PHOTO MAP, and more particularly described in the Title Commitment as follows:

PARCEL 8: A parking structure in the City of Detroit occupying space under and on the following described parcel of land. Land in the City of Detroit, being a part of Lots 62 through 68 inclusive; parts of Lot 112 and 118 through 120 inclusive; all that part of Lots 113 through 117 inclusive not set aside as a part of Farnsworth Avenue, parts of public alleys and Farnsworth Avenue (60 feet wide) vacated by the Common Council on October 7, 1924 and January 11, 1927; all as platted in "Farnsworth's Subdivision of Park Lots 38 and 39, City of Detroit" recorded in Liber 1, Page 16 of Plats, Wayne County Records and also a portion of the Northerly 49 feet of Farnsworth Avenue (70 feet wide), which was opened as a public street by action of the Common Council on October 7, 1924. Being more particularly described as follows: Commencing at the intersection of the South line of Farnsworth Avenue 70 feet wide and the East line of Woodward Avenue as widened August 2, 1932, J.C.C. Page 1279, thence North 29 degrees 42 minutes 10 seconds West 22.17 feet, thence North 60 degrees 17 minutes 50 seconds East 6.00 feet to the point of beginning of this parcel, thence North 29 degrees 42 minutes 10 seconds West 248.16 feet; thence North 60 degrees 17 minutes 50 seconds East 268.00 feet; thence South 29 degrees 42 minutes 10 seconds East 15.79 feet; thence North 60 degrees 17 minutes 50 seconds East 1.00 feet to a point of curve; thence 11.77 feet along the arc of a curve concave to the Northeast with a Radius of 14.00 feet, a Delta of 48 degrees 11 minutes 23 seconds with a Long Chord of 11.43 feet which bears South 53 degrees 47 minutes 52 seconds East to a point of reverse curve; thence 26.07 feet along the arc of curve concave to the Southwest, with a Radius of 31 feet, a Delta 48 degrees 11 minutes 23 seconds with a Long Chord of

25.31 feet which bears South 53 degrees 47 minutes 52 seconds East; thence South 29 degrees 42 minutes 10 seconds East 140.50 feet; thence 78.54 feet along the arc of a curve concave to the Northwest, with a Radius of 50.00 feet, a Delta of 90 degrees with a Long Chord of 70.71 feet which bears South 15 degrees 17 minutes 50 seconds West; thence South 60 degrees 17 minutes 50 seconds West 0.50 feet; thence South 29 degrees 42 minutes 10 seconds East 4.00 feet; thence South 60 degrees 17 minutes 50 seconds West 4.00 feet; thence South 29 degrees 42 minutes 10 seconds East 6.00 feet; thence South 60 degrees 17 minutes 50 seconds West 39.50 feet; thence North 29 degrees 42 minutes 10 seconds West 1.67 feet; thence South 60 degrees 17 minutes 50 seconds West 190 feet to the point of beginning.

The bottom floor of this structure is at elevation 129.10 feet as related to the City of Detroit Datum Plane; the structure has two (2) floors of vehicle parking with the top of the roof at elevation 149.34 feet. The structure has three (3) pedestrian exit buildings, four (4) air exhaust shafts and a vehicular ramp all of which extend upwards from the garage roof to the ground surface at elevations varying from 150.6 to 153.7 feet.

Together with the Easements created in Liber 20846, Page 762, Wayne County Records.

3. The collection of works of art owned by the City and located primarily at the Museum, the Museum's off-site warehouse or the Josephine Ford Sculpture Garden located at or about 201 East Kirby Street, Detroit, Michigan (which included at the effective date of the Operating Agreement the items listed in Exhibit 2 to the Operating Agreement) or included in the Museum collection (whether or not accessioned), whether or not reflected on any inventory and irrespective of the manner in which acquired by the City.
4. All assets of any kind located on or within the real estate described in items 1-4 above and used in the operations of the Museum, as well as any easements or other property rights benefiting such real estate.
5. All intangible property solely to the extent used in connection with the Museum and its art collection, including trademarks, copyrights and intellectual property, whether or not related to collection pieces.
6. All City records, books, files, records, ledgers and other documents (whether on paper, computer, computer disk, tape or other storage media) presently existing to the extent relating to the Museum, its art collection or its operations or to The DIA (other than those documents which are confidential to the City and not The DIA).

All monies held by the City that are designated for The DIA or the Museum or that were raised for the benefit of, or express purpose of supporting, The DIA or the Museum, including the approximately \$900,000 balance of proceeds of bonds issued for the benefit of The DIA by the City in 2010.

**EXHIBIT B**

**Bill of Sale**

**EXHIBIT C**

**Intellectual Property Assignment**

**EXHIBIT D**

**Museum Quit Claim Deed**



**EXHIBIT E**

**Cultural Center Garage Quit Claim Deed**

**Form of Bill of Sale By the City of  
Detroit in Favor of the Detroit Institute of Arts**

**BILL OF SALE**  
**BY**  
**THE CITY OF DETROIT**  
**IN FAVOR OF**  
**THE DETROIT INSTITUTE OF ARTS**

## **BILL OF SALE**

This Bill of Sale (this “**Bill of Sale**”), is effective as of the Effective Time, in favor of The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts (“**The DIA**”), by the City of Detroit, Michigan (the “**City**”). Capitalized terms not otherwise defined in this Bill of Sale will have the meanings given to them in the Charitable Trust Agreement (defined below).

## **RECITALS**

WHEREAS, the City and The DIA are parties to that certain Settlement, Conveyance and Charitable Trust Agreement (the “**Charitable Trust Agreement**”) pursuant to which, as of the Effective Time, the City has irrevocably sold, transferred, conveyed, assigned and delivered to The DIA, to be held in perpetual charitable trust for the benefit of the citizens of the City and the State of Michigan (the “**State**”), all of the City’s right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors; and

WHEREAS, this Bill of Sale is being executed and delivered pursuant to the Charitable Trust Agreement to confirm and further effectuate the Transfer as of the Effective Time.

NOW, THEREFORE, for the consideration described in the Charitable Trust Agreement, the receipt and sufficiency of which are hereby acknowledged:

1. **Conveyance.** The City hereby irrevocably sells, transfers, conveys, assigns and delivers to The DIA, and The DIA hereby acquires, all of the City’s right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum Assets and not otherwise conveyed by a distinct instrument delivered pursuant to Section 3.2 of the Charitable Trust Agreement, including, without limitation, all rights to donations, gifts, bequests, grants and contributions, for the benefit of the Museum or The DIA, free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors. All Museum Assets being transferred pursuant to this Bill of Sale shall be transferred on an “AS-IS, WHERE-IS” basis, and the City makes no representations or warranties with respect to the Museum Assets. The DIA shall hold the Museum Assets in perpetual charitable trust for the benefit of the citizens of the City and the State in accordance with the terms of the Charitable Trust Agreement.

2. **Construction.** Nothing in this Bill of Sale, express or implied, is intended or will be construed to expand or defeat, impair or limit in any way the rights, obligations, claims or remedies of the Parties as set forth in the Charitable Trust Agreement. To the extent that any term or provision of this Bill of Sale is deemed to be inconsistent with the terms of the Charitable Trust Agreement, the terms of the Charitable Trust Agreement shall control.

3. **Dispute Resolution.** Any dispute arising under or arising out of this Bill of Sale shall be adjudicated in accordance with and otherwise subject to the provisions of Sections 8.1 and 8.3 of the Charitable Trust Agreement.

4. Binding Agreement. This Bill of Sale and all of the provisions hereof will be binding upon, and inure to the benefit of, The DIA and the City and their respective successors and permitted assigns.

5. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same, instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other party; it being understood that both Parties need not sign the same counterpart. The exchange of copies of this Assignment or of any other document contemplated by this Assignment (including any amendment or any other change thereto) and of signature pages thereof by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Assignment as to the Parties and may be used in lieu of an original Assignment or other document for all purposes. Signatures of the parties transmitted by facsimile, by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

*[signature page follows]*

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale in favor of The DIA as of the Effective Time.

**THE CITY OF DETROIT**

By: \_\_\_\_\_  
Name:  
Its:

**THE DETROIT INSTITUTE OF ARTS**

By: \_\_\_\_\_  
Name:  
Its:

[SIGNATURE PAGE TO BILL OF SALE]

**Form of Intellectual Property Assignment By and  
Between the City of Detroit and the Detroit Institute of Arts**



**INTELLECTUAL PROPERTY ASSIGNMENT**

**BY AND BETWEEN**

**THE CITY OF DETROIT**

**AND**

**THE DETROIT INSTITUTE OF ARTS**

## **INTELLECTUAL PROPERTY ASSIGNMENT**

THIS INTELLECTUAL PROPERTY ASSIGNMENT ("**Assignment**"), is effective as of the Effective Time, by and between the City of Detroit, Michigan (the "**City**"), and The Detroit Institute of Arts, a Michigan nonprofit corporation f/k/a Founders Society Detroit Institute of Arts ("**The DIA**"). The DIA and the City are referred to individually as a "**Party**" and collectively, as the "**Parties**." Capitalized terms not otherwise defined in this Assignment will have the meaning given to them in the Charitable Trust Agreement (as defined below).

### **RECITALS**

WHEREAS, the City and The DIA are parties to that certain Settlement, Conveyance and Charitable Trust Agreement (the "**Charitable Trust Agreement**") pursuant to which, as of the Effective Time, the City has irrevocably sold, transferred, conveyed, assigned and delivered to The DIA, to be held in perpetual charitable trust for the benefit of the citizens of the City and the State of Michigan (the "**State**"), all of the City's right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Museum Assets free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors;

WHEREAS, included among the Museum Assets are certain Assigned Intellectual Property (as defined below) relating to the City Art Collection (as defined below);

WHEREAS, the City desires to convey, transfer, assign and deliver to The DIA, to be held in perpetual charitable trust for the benefit of the citizens of the City and the State, and The DIA desires to accept from the City, all of the City's right, title and interest in and to the Assigned Intellectual Property (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors; and

WHEREAS, this Assignment is being executed and delivered pursuant to the Charitable Trust Agreement to confirm and further effectuate the Transfer as of the Effective Time.

NOW, THEREFORE, for valuable consideration, including, without limitation, the consideration received by the City under the Charitable Trust Agreement, the receipt of which is hereby acknowledged, the City and The DIA hereby agree as follows:

1. **Definitions.** As used in this Agreement:

**"Assigned Intellectual Property"** shall mean the City's entire right, title and interest throughout the world in and to the Copyrights, Trademark Rights, Patent Rights and Other Rights embodied in, related to, evidenced by or are or that were inherent in, associated with, or primarily used to develop, manage or exploit the City Art Collection or operation of the Museum, and specifically including, but not limited to, the rights: (a) to seek and obtain protection therefor (including, without limitation, the right to seek and obtain copyright registrations, trademark registrations, industrial design registrations, and design and utility

patents and the like) in the United States and all other countries in The DIA's name (or otherwise as The DIA may desire); (b) to sue for and collect damages and all other remedies for any current or past infringements, violations, or misappropriations of the same; and (c) to collect royalties, products and proceeds in connection with any of the foregoing.

**"City Art Collection"** shall mean the works of art owned by the City, and part of the collection of the Museum or otherwise under the auspices of the Museum (including, without limitation, any item that is still in the "City art collection" (as defined in the Operating Agreement but taking into account any additions to or subtractions from such collection over time) as of the Effective Time), the Museum's library, all related license rights and permissions in favor of the City and/or The DIA (to the full extent that they are subject to transfer), whether by (a) gift directly to The DIA or the City or to any third person or entity for the benefit of the Museum; (b) purchase; or (c) otherwise.

**"Copyrights"** shall mean the City's rights to all works of authorship under the copyright laws of the United States and all other countries and governmental divisions throughout the world for the full term or terms thereof (and including all copyright rights accruing by virtue of copyright treaties and conventions) including, but not limited to, all moral rights, all rights of attribution and integrity, any and all renewals, extensions, reversion or restoration of copyright now or hereafter provided by law and all rights to make applications for and receive copyright registrations therefor in the United States and all other countries.

**"Other Rights"** shall mean all intellectual property and proprietary rights in the United States and all other countries and governmental divisions throughout the world not otherwise included in the Copyrights, Trademark Rights and Patent Rights, and specifically including, but not limited to, worldwide rights in and to all trade secrets, trade dress, know-how, techniques, designs, concepts, confidential information and associated goodwill.

**"Patent Rights"** shall mean all patent applications and issued patents throughout the world in the United States and all foreign countries which have been or may be granted therefor and thereon, and any and all divisions, continuations, continuations-in-part, reexaminations, substitutions, reissues, extensions and renewals of such patents.

**"Trademark Rights"** shall mean all trademarks, service marks, trade names, trade dress, domain name registrations and other indicia of source, together with the goodwill associated with and symbolized by the same, including any applications, registrations, renewals and extensions thereof, and all other corresponding rights at common law or otherwise that are or may be secured under the laws of the United States or any foreign country, now or hereafter in effect.

2. **Assignment.** The City hereby irrevocably assigns, conveys, sells, grants and transfers to The DIA, and The DIA hereby acquires, the City's entire right, title and interest (including legal title it may hold as trustee and legal title and beneficial interest it otherwise holds) throughout the world in and to the Assigned Intellectual Property free and clear of all security interests, liens, encumbrances, claims and interests of the City and its creditors. All Assigned Intellectual Property being transferred pursuant to this Assignment shall be transferred on an "AS-IS, WHERE-IS" basis, and the City makes no representations or warranties with respect to the Assigned Intellectual Property. The DIA shall hold the Assigned Intellectual

Property in a perpetual charitable trust for the benefit of the citizens of the City and the State in accordance with the terms of the Charitable Trust Agreement.

3. Construction. Nothing in this Assignment, express or implied, is intended or will be construed to expand or defeat, impair or limit in any way the rights, obligations, claims or remedies of the Parties as set forth in the Charitable Trust Agreement. To the extent that any term or provision of this Assignment is deemed to be inconsistent with the terms of the Charitable Trust Agreement, the terms of the Charitable Trust Agreement shall control.

4. Dispute Resolution. Any dispute arising out of this Assignment shall be determined in accordance with the provisions of Sections 8.1 and 8.3 of the Charitable Trust Agreement

5. Binding Agreement. This Assignment and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

6. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other party; it being understood that both Parties need not sign the same counterpart. The exchange of copies of this Assignment or of any other document contemplated by this Assignment (including any amendment or any other change thereto) and of signature pages thereof by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Assignment as to the Parties and may be used in lieu of an original Assignment or other document for all purposes. Signatures of the parties transmitted by facsimile, by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

*[signature pages follow]*

IN WITNESS WHEREOF, each of the undersigned has executed this Assignment of Intellectual Property as of the Effective Time.

# THE CITY OF DETROIT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF DETROIT )  
 ) SS  
STATE OF MICHIGAN )

I, a Notary Public, certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 before me personally appeared \_\_\_\_\_, to me known and known to me to be of legal capacity and acknowledged his/her signature appearing on the foregoing instrument and ratified the same.

Notary Public

My commission expires: \_\_\_\_\_

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY ASSIGNMENT]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF DETROIT )  
 ) SS  
STATE OF MICHIGAN )

Notary Public

My commission expires: \_\_\_\_\_

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## Form of Foundation FDF Agreement



**08/06/2014**  
**[Form of Foundation FDF Agreement]**

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**TERMS OF GRANT AGREEMENT**

**I. Acceptance of Grant**

The grant to your organization from the **[INSERT NAME OF FOUNDATION]** ("Foundation") is for the explicit purposes described below and is subject to your acceptance of the terms described herein.

To accept the grant, return a signed copy of this "Terms of Grant Agreement" to the Foundation. Keep the other copy for your files. Please refer to the grant number and title in all communications concerning the grant.

**Grantee:**

**Foundation for Detroit's Future**

**Date Authorized:**

**[Insert Date], 2014**

**Grant Number:**

**#[Insert grant number]**

**Amount Granted:**

**#[Insert Grant Amount]  
(Conditional, multi-year)**

**II. Grant**

The purpose of this grant of **#[INSERT GRANT AMOUNT]** to the Foundation for Detroit's Future ("Grantee"), a supporting organization of the Community Foundation for Southeast Michigan, is to provide the funding, in part, for the proposed DIA Settlement found in the Corrected Fifth Amended Plan for the Adjustment of the Debts of the City of Detroit, as it may be further amended and as modified, and in a term sheet found in Exhibit I.A.102 of same, provided DIA Settlement provisions and said term sheet remain substantially unchanged ("Plan of Adjustment"). The grant and the payment of the grant installments will be conditioned upon the City of Detroit and the City of Detroit General Retirement System and Police and Fire Retirement System ("Pension Funds") being in compliance with (i) the conditions precedent for closing found in the Plan of Adjustment, and (ii) certain material grant conditions, of both an initial and ongoing nature, that are memorialized in the Omnibus Transaction Agreement ("OTA") to be entered into between the City of Detroit, the Detroit Institute of Arts, and the Grantee substantially in the form attached to this Terms of Grant Agreement as Exhibit A and incorporated herein by this reference, a copy of which will be provided to Foundation promptly following its execution. Any capitalized defined terms not defined herein will have the definitions found in the OTA.

This Terms of Grant Agreement is also known as a "Foundation FDF Agreement" under the OTA.

Grant payments will be made in equal annual installments over a twenty-year period, subject to those conditions and any terms and conditions of this Terms of Grant Agreement. The schedule of grant payments will be made as follows and subject to the following conditions:

a. Initial Grant Payment

1. Payment amount and date. Foundation will make an initial grant payment to Grantee of \$[INSERT 1/20 OF TOTAL GRANT AWARD] upon the later of (i) the return of this signed Terms of Grant Agreement by Grantee, and (ii) August 30, 2014.
2. Payment Conditions.  
Grantee acknowledges that this initial grant payment is being made by Foundation in order to facilitate the ability of Grantee to provide, in part, the initial payment to the City of Detroit by Grantee due at Closing in the event that the DIA Settlement found in the Plan of Adjustment is approved, and both (i) the City of Detroit and the City of Detroit Pension Funds are in compliance with their material grant conditions, of both an initial and ongoing nature, that are memorialized in Article IV(E) of the Plan of Adjustment and (ii) the conditions to the Foundation's and Grantee's grant obligations set forth in the OTA and the Plan of Adjustment have been satisfied in all material respects.

In the event that the Plan of Adjustment is not approved by the U.S. Bankruptcy Court, or the Closing is otherwise not consummated, by December 31, 2014, Grantee will return to Foundation all provided grant funds by January 31, 2015. The remaining grant installments under this Terms of Grant Agreement will likewise be cancelled and this Terms of Grant Agreement will terminate.

3. Report on City of Detroit Compliance with Initial Grant Conditions  
Grantee will provide to Foundation a report within 45 days of the Closing Date documenting that the conditions precedent for Closing were met and that the initial grant payment contemplated by the OTA has been made by the Grantee to the City of Detroit. In the event the Closing does not occur by December 31, 2014, a first and final report will be provided by January 31, 2015.

b. Annual Grant Payments

1. Payment Amounts and Dates. Commencing in 2015 and continuing until 2033 (except as otherwise provided herein), Foundation will annually make a grant payment to Grantee of \$[INSERT 1/20 OF TOTAL GRANT AWARD] by September 15 of that year. Foundation intends Grantee to use these annual payments to fund, in part, the annual payments from Grantee to the City of Detroit, pursuant to and subject to the terms and conditions of the OTA, on a funding schedule commencing June 30, 2016, and each June 30 thereafter ending on June 30, 2034 (the payment dates to the City of Detroit being subject to possible extensions pursuant to the OTA).

Foundation acknowledges that it has the right to, but is not required to, rely on any finding by the board of trustees of the Grantee that the City is in compliance with the Conditions for Funding found in Section 2.4 of the OTA and that as a result of such a finding the Foundation is obligated to make timely payment to Grantee as provided in Section 2.7 of the OTA. Foundation will not unreasonably dispute any such finding by the board of the Grantee that the City is in compliance. If (i) Foundation has failed to make an annual grant installment

payment to Grantee when due hereunder and Grantee has provided the Foundation the 30-day notice contemplated by Section 2.8(b) of the OTA, and (ii) the Foundation has not made the required grant payment by the expiration of such 30-day period, then Grantee will assign its right to enforce collection of the payment from the Foundation to the City and the City will have the right to pursue collection of that payment as provided in the OTA. Foundation will be responsible for its own costs and attorney fees in defending any action by Grantee or City to enforce payment from Foundation, unless those costs and attorney fees are otherwise indemnified or set-off on behalf of Foundation by the provisions of the OTA or the Plan of Adjustment.

2. Annual Grant Payment Conditions

Grantee agrees that any annual grant payment it receives from the Foundation will be used for the sole purpose of making the annual payments to be made by Grantee to the City of Detroit pursuant to Section 2.3 of the OTA.

In the event the Foundation has provided (i) an annual grant payment to the Grantee prior to the date Grantee has determined that the City has complied with Section 2.4 of the OTA for the year in which the annual grant payment is to be used, or (ii) Foundation, in its sole discretion, advances any future annual grant payment to Grantee, Grantee will maintain such grant balances in conservatively invested reserves to ensure that the monies provided are available to make payment to the City when conditions have been met. Any earnings on such early grant payments will be used to offset operational costs of Grantee relating to the purposes of this grant. If on December 31, 2034, there remains any earnings after payment of those operational expenses, Grantee, in its discretion, may use those excess earnings (i) to make grants and/or establish endowments that will support the ongoing revitalization, or maintain and expand the quality of life of the residents, of the City of Detroit and/or (ii) return those excess earnings ratably to the Foundation Funders.

In the event the City fails to meet the conditions for release of an annual payment to it under Section 2.4 of the OTA and all applicable cure periods available to the City pursuant to Section 2.5 of the OTA (including any periods of time necessary for dispute resolution as provided in the OTA) have expired, the Foundation may either request that the Grantee return that annual grant payment to the Foundation, at which time the Foundation's obligation to make such annual grant payment is automatically terminated and cancelled, or request that the Grantee retain the annual grant payment for application to a future annual grant payment due to the Grantee from the Foundation. Foundation and Grantee also acknowledge and agree that consistent with Section 2.5(b) of the OTA, the Foundation may cancel its remaining grant installments to Grantee if the City fails to meet the conditions for release of an annual payment to it under the OTA, and all applicable cure periods available to the City pursuant to Section 2.5 of the OTA (including any periods of time necessary for dispute resolution as provided in the OTA) have expired. If Foundation elects to cancel its remaining grant payments, the Foundation may either request that the Grantee return any pre-paid annual grant amount provided to Grantee that has not yet been paid or is not obligated to be paid to the City by Grantee and/or allow Grantee to retain some or all of such pre-paid grant installments to offset operational costs of Grantee relating to the purposes of this grant.

3. Present Value Election

Consistent with the OTA, Foundation has the right to elect to make early payment of any or all of its grant payment obligations to the Grantee and have its obligation under this Terms of Grant Agreement reduced by a present value discount rate of 6.75% as provided in the OTA. Grantee will transfer such early payment to the City of Detroit and elect that present value discount provided the requirements of the next paragraph are met.

Foundation agrees that it will only make the above mentioned present value election if (i) the Grantee receives confirmation from the City, in a form reasonably acceptable to Grantee, that the Grantee's future grant payment obligations to the City under the OTA will be properly reduced as a result of such present value election by Foundation, and (ii) Foundation and Grantee agree to reasonable arrangements to prevent such early payment election from Foundation jeopardizing the fiscal stability and operations of Grantee and its abilities to perform its obligations under the OTA.

III. Indemnification and Other Provisions

Foundation and Grantee acknowledge that Foundation is a third-party beneficiary of certain provisions contained in the OTA and the contemplated order confirming the Plan of Adjustment. Foundation's rights as a third-party beneficiary include, but are not limited to, (i) indemnification by the City of Detroit as found in Section 6.2 of the OTA, (ii) set-offs on grant installments as a result of the City of Detroit failing to pay for defense and other costs (except that Foundation is not entitled to such set-off if the Grantee has, as a result of the City failing to pay all of the defense and other costs of the Foundation, incurred those costs on behalf of Foundation and Grantee), (iii) jurisdiction and choice of law provisions, and (iv) certain injunctive and other relief as found in the Plan of Adjustment as confirmed by court order. Foundation's obligation to make any installment payment under this Terms of Grant Agreement is expressly conditioned upon the existence of all such third-party benefits including, but not limited to, said indemnification provision, set-off provisions and injunctive relief.

This Terms of Grant Agreement, or any rights, obligations or funds awarded under this Terms of Grant Agreement, may not be assigned, unless otherwise expressly provided herein, without the prior written consent of the non-assigning party, and any purported assignment in violation of the foregoing will be void and of no effect. This Terms of Grant Agreement will be governed by and construed in accordance with the laws of the state of Michigan, with jurisdiction in the State and Federal Courts of Michigan (as more specifically provided in the OTA and the Plan of Adjustment).

IV. Review of Grant Activity

Grantee will provide written annual reports to the Foundation each July 30 showing the use of the grant funds provided under this grant. Grantee may extend the date for any annual report to no later than January 30 of the following calendar year if Grantee is unable to obtain information from the City of Detroit necessary for completing the report. Foundation and Grantee agree that the reports to be provided will be of a standard format and content to be provided to all Foundation Funders. The content of the annual reports will include, without limitation:

- Information on the Grantee's progress toward meeting the terms of this grant
- A statement of determination by the board of Grantee regarding the City's compliance with the Conditions for Funding found in Section 2.4 of the OTA
- A statement of facts regarding the accounting treatment of the remaining payments due to Grantee by the Foundation for consideration by the Foundation in preparing its statements of financial position
- Copies of any and all evaluation or similar reports, if any, provided to any other Foundation Funder or any party to the OTA
- An explanation of any significant changes in the organizational leadership of the Grantee, such information to be provided promptly to Foundation if it occurs between the filing of an annual report

A final report is due by June 30, 2035.

In addition, Grantee will furnish the Foundation with any additional information reasonably requested by the Foundation from time to time. Without limiting the generality of the foregoing, Grantee will provide the Foundation (or its designated representatives) with reasonable access to Grantee's files, records and personnel for the purpose of making financial audits, evaluations or verification, program evaluations, or other verifications concerning this grant as the Foundation reasonably deems necessary during the term of this grant and for five years thereafter. The fees and expenses of any such representative that is designated by the Foundation to undertake these tasks, and any reasonable out-of-pocket costs actually incurred by the Grantee in complying with this request, will be paid by the Foundation.

#### V. Standard Provisions

In accepting this grant, the Grantee agrees to the following and certifies the following statements:

- a. Grantee will use the funds granted solely for the purpose stated and Grantee will repay any portion of the amounts granted which is not used for the purpose of the grant or not expended by the due date for the final report.
- b. Grantee is and will at all times maintain its status as (i) a nonprofit corporation in good standing under the laws of the State of Michigan, and (ii) an organization described in Section 501(c)(3) and Section 509(a)(3) of the U.S. Internal Revenue Code ("Code") that is not a "private foundation" within the meaning of Section 509(a) of the Code because it is a Type-I supporting organization of the Community Foundation for Southeast Michigan.
- c. Grantee will notify the Foundation immediately of any change in its tax status.
- d. Grantee will return any unexpended funds if the Grantee loses its exemption from Federal income taxation as a 501(c)(3) nonprofit organization pursuant to Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code.
- e. Grantee will maintain books and records adequate to verify actions related to this grant during the term of this grant and for five years thereafter.
- f. Grant funds will only be expended for charitable, educational, literary or scientific purposes within the meaning of Section 501(c)(3) of the Code, and Grantee will comply with all applicable federal and state laws and regulations that govern the use



of funds received from private foundations. Grantee will in no event use grant funds or any income earned thereon to:

- i. Carry on propaganda or otherwise to attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code).
- ii. Influence the outcome of any specific public election or carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code).
- iii. Make grants to individuals or to other organizations for travel, study or similar purpose that do not comply with the requirements of Section 4945(d)(3) or (4) of the Code.
- iv. Undertake any activity other than for a charitable, educational, literary or scientific purpose specified in Section 170(c)(2)(B) of the Code.
- v. Inure a benefit to any private person or entity in violation of Section 501(c)(3) and 4941 of the Code, including but not limited to any Foundation trustee, officer, employee, or his/her spouse, children, grandchildren, and great grandchildren or their respective spouses for any purpose.
- vi. Support a use that is not in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224. Furthermore, Grantee agrees to ensure that no Foundation funds will be disbursed to any organization or individual listed on the United States Government's Terrorist Exclusion List or the Office of Foreign Assets Control (OFAC) Specially Designated Nationals & Blocked Persons List. In addition, Grantee takes reasonable steps to ensure that its board, staff and volunteers have no dealings whatsoever with known terrorist or terrorist organizations.
- g. Grantee acknowledges and agrees that this Terms of Grant Agreement does not imply a commitment by the Foundation to continued funding beyond the express terms of this Terms of Grant Agreement.
- h. Grantee represents that this grant will not result in the private benefit of any individual or entity, including, but not limited to, the discharge of any pledge or financial obligation of any individual or entity.

VI. Publicity

Communications regarding this grant, the OTA and the City's compliance with the ongoing conditions of the OTA will be coordinated and made by Grantee, in consultation with Foundation and other Foundation Funders. Foundation and Grantee will obtain the other's approval prior to making any public announcement about this grant. Foundation may include information on this grant in its period publications without the need for Grantee approval.

VII. Notices and Foundation Contact Information:

All notices, demands and other communications given or delivered under this Agreement will be given in writing to the address indicated below (or such other address as the recipient specifies in writing) and will be deemed to have been given when delivered personally, three (3) Business Days after mailing by certified or registered mail, return receipt requested and postage prepaid, or when delivery is guaranteed if sent via a nationally recognized overnight carrier, or when receipt is confirmed if sent via facsimile or other electronic transmission to the recipient.

If to Grantee: Robin D. Ferriby

Vice President, Philanthropic Services  
Foundation for Detroit's Future  
333 West Fort Street, Suite 2010  
Detroit, MI 48226-3134  
313-961-6675  
[rferriby@cfsem.org](mailto:rferriby@cfsem.org)

If to Foundation: [\[INSERT FOUNDATION CONTACT INFORMATION\]](#)

VIII. Power to Amend

Grantee will (i) promptly advise Foundation in writing if Grantee enters into any agreement or amendment with any other Foundation Funder that could reasonably be expected to provide such other Foundation Funder with benefits or terms that are more favorable than those provided to the Foundation hereunder, and (ii) upon the Foundation's request, promptly amend this Terms of Grant Agreement to provide Foundation with any or all of such more favorable benefits or terms. This Terms of Grant Agreement may be amended only by a written agreement signed by the parties.

For the [\[INSERT NAME OF FOUNDATION\]](#):

By: \_\_\_\_\_  
[\[INSERT OFFICER NAME AND TITLE\]](#):

\_\_\_\_\_  
Date

For the Foundation for Detroit's Future:

By: \_\_\_\_\_  
Mariam C. Noland, President

\_\_\_\_\_  
Date

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**EXHIBIT I.A.132**

DISMISSED FGIC/COP LITIGATION

### **Schedule of Dismissed FGIC/COP Litigation**

- All objections, replies, responses, briefs, memoranda, reservations of rights or other documents filed by FGIC in opposition to the Plan or any prior version of the Plan, including: (i) the Objection of Financial Guaranty Insurance Company to Plan for the Adjustment of Debts of the City of Detroit, filed on May 12, 2014 [Docket No. 4660]; (ii) the Supplemental Objection of Financial Guaranty Insurance Company to Plan for the Adjustment of Debts of the City of Detroit, filed on August 12, 2014 [Docket No. 6674]; (iii) the Supplemental Objection to Confirmation of the Sixth Amended Plan for the Adjustment of Debts of the City of Detroit, filed on August 25, 2014 [Docket No. 7046]; (iv) Financial Guaranty Insurance Company's Pretrial Brief in Support of Objection to Plan for the Adjustment of Debts of the City of Detroit [Docket No. 7102]; (v) the Joint Pretrial Brief in Support of Objection to DIA Settlement [Docket No. 7103]; and (vi) the Third Supplemental Objection of Financial Guaranty Insurance Company to Plan for the Adjustment of Debts of the City of Detroit [Docket No. 7611], and
- The adversary proceeding styled City of Detroit, Michigan v. Detroit General Retirement System Service Corporation, et al., Case No. 14-04112 (Bankr. E.D. Mich.), commenced by the City on January 31, 2014, including all counterclaims filed in connection therewith.

**EXHIBIT I.A.133**

DISMISSED SYNCORA LITIGATION

**APPEALS TO BE VOLUNTARILY DISMISSED, AND  
MOTIONS AND OBJECTIONS TO BE WITHDRAWN,  
WITH PREJUDICE BY SYNCORA AS A PRECONDITION  
TO CONSUMMATION OF THE PLAN COP SETTLEMENT**

**Appeals**

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:13-CV-14305-BAF-PJK (E.D. Mich.), filed Oct. 10, 2013

Syncora Guarantee Inc., et al. v. City of Detroit, No. 14-1864 (6th Cir.),  
docketed July 14, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-10501-BAF-PJK (E.D. Mich.), filed Feb. 3, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:13-CV-10509-BAF-PJK (E.D. Mich.), filed Feb. 4, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-11995-BAF-PJK (E.D. Mich.), filed May 19, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-12062-BAF-PJK (E.D. Mich.), filed May 22, 2014

In re Syncora Guarantee, et al., No. 14-109 (6th Cir.), docketed July 24, 2014

Syncora Guarantee Inc., et al. v. City of Detroit (In re City of Detroit),  
No. 2:14-CV-13044-BAF-PJK (E.D. Mich.), filed Aug. 6, 2014

Appeal of Order Denying Motion for Clarification of Post-Confirmation  
Procedures (Docket No. 7034) (see Notice of Appeal to the District Court,  
Docket No. 7080)

**Motions and Objections**

*Ex Parte* Emergency Motion to (I) Issue a Temporary Administrative Stay of the  
DIP Order and (II) Set a Briefing and Hearing Schedule (Docket No. 2500)

Emergency Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc.  
for Stay Pending Appeal (Docket No. 2516)

Motion to Compel Responses to Interrogatories (Docket No. 4557)

Syncora Capital Assurance Inc. and Syncora Guarantee Inc.'s Objection to the Debtor's Plan of Adjustment (Docket No. 4679)

Syncora's First Supplemental Objection Regarding Certain Legal Issues Relating to Confirmation (Docket No. 5706)

Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Motion to Exclude the Testimony of John W. Hill (Docket No. 6997)

Motion to Exclude Certain of the Expert Opinions of Martha Kopacz Under Federal Rule of Evidence 702 (Docket No. 6999)

Motion to Exclude the Testimony of the City's Forecasting Experts Under Federal Rule of Evidence 702 (Docket No. 7004)

Syncora Guarantee Inc. and Syncora Capital Assurance Inc. Limited Supplemental Objection and Reservation of Rights to Debtor's Sixth Amended Plan of Adjustment (Docket No. 7041)

Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Amended Second Supplemental Objection to the Debtor's Plan of Adjustment (Docket No. 7213)

**EXHIBIT I.A.148**

**SCHEDULE OF DWSD BOND DOCUMENTS & RELATED DWSD BONDS**

**SCHEDULE OF (I) DWSD BOND DOCUMENTS, (II) RELATED DWSD BONDS,  
(III) CLASSES OF DWSD BOND CLAIMS AND (IV) ALLOWED AMOUNTS OF DWSD BOND CLAIMS**

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Ordinance No. 01-05 adopted January 26, 2005 (" <u>Water Bond Ordinance</u> ") <sup>1</sup> Trust Indenture dated as of February 1, 2013 among the City of Detroit, Detroit Water and Sewerage Department and U.S. Bank National Association, as trustee (" <u>Water Indenture</u> ") Bond Resolution adopted on October 14, 1993 Resolution adopted October 22, 1993 Final Report of the Finance Director delivered to City Council December 22, 1993	Series 1993	251255TP0	Class 1A-1	\$24,725,000.00
Water Bond Ordinance Water Indenture Bond Resolution adopted July 9, 1997 Sale Order of the Finance Director of the City of Detroit dated August 6, 1997	Series 1997-A	251255XM2	Class 1A-2	\$6,520,000.00
		251255XN0	Class 1A-3	\$6,910,000.00

<sup>1</sup> Ordinance No. 0-05 amends and restates Ordinance No. 30-02 adopted November 27, 2002, which amended and restated Ordinance No. 06-01 adopted October 18, 2001, which amended and restated Ordinance No. 32-85, as amended.



DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
<p>Ordinance No. 01-05 adopted January 26, 2005 ("<u>Water Bond Ordinance</u>")<sup>2</sup></p> <p>Trust Indenture dated February 1, 2013 among City of Detroit, Detroit Water and Sewage Department and U.S. Bank National Association, as trustee ("<u>Water Indenture</u>")</p> <p>Bond Authorizing Resolution of City Council adopted January 31, 2001 and Resolution Amending Bond Authorizing Resolution, adopted April 25, 2001</p> <p>Sale Order of Finance Director of City of Detroit dated May 17, 2001</p>	Series 2001-A	251255A21	Class 1A-4	\$73,790,000.00
<p>Water Bond Ordinance</p> <p>Water Indenture</p> <p>Resolution of the City Council adopted April 25, 2001</p> <p>Sale Order of the Finance Director of the City of Detroit dated May 31, 2001 and Supplement to Prior Sale Orders of Finance Director dated May 6, 2008</p>	Series 2001-C	2512556U4	Class 1A-5	\$350,000.00
		2512556V2	Class 1A-6	\$365,000.00
		2512556W0	Class 1A-7	\$380,000.00
		2512556X8	Class 1A-8	\$390,000.00
		2512556Y6	Class 1A-9	\$415,000.00
		2512556Z3	Class 1A-10	\$12,510,000.00
		2512557A7	Class 1A-11	\$13,235,000.00
		2512557B5	Class 1A-12	\$14,025,000.00
		2512557C3	Class 1A-13	\$14,865,000.00
		2512557D1	Class 1A-14	\$15,750,000.00
		2512557E9	Class 1A-15	\$16,690,000.00
		2512557F6	Class 1A-16	\$17,690,000.00
		2512557G4	Class 1A-17	\$18,735,000.00
		2512557H2	Class 1A-18	\$19,945,000.00
		2512557J8	Class 1A-19	\$4,000,000.00
		2512557L3	Class 1A-20	\$20,090,000.00
		2512557K5	Class 1A-21	\$18,815,000.00

<sup>2</sup> Ordinance No. 0-05 amends and restates Ordinance No. 30-02 adopted November 27, 2002, which amended and restated Ordinance No. 06-01 adopted October 18, 2001, which amended and restated Ordinance No. 32-85, as amended.

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Water Bond Ordinance Water Indenture Bond Authorizing Resolution of the City Council adopted Nov. 27, 2002 (" <u>2003 Water Resolution</u> ") Sale Order of the Finance Director of the City of Detroit dated January 24, 2003 and Supplement to Sale Order of the Finance Director – 2003 Bonds, dated February 6, 2003 (collectively, " <u>2003 Sale Order</u> ")	Series 2003-A	251255D77	Class 1A-22	\$500,000.00
		251255D93	Class 1A-23	\$250,000.00
		251255E27	Class 1A-24	\$3,550,000.00
		251255F8	Class 1A-25	\$9,970,000.00
		251255K20	Class 1A-26	\$20,955,000.00
		251255K38	Class 1A-27	\$21,900,000.00
		251255E68	Class 1A-28	\$121,660,000.00
Water Bond Ordinance Water Indenture 2003 Water Resolution 2003 Sale Order	Series 2003-B	251255H4	Class 1A-29	\$41,770,000.00
Water Bond Ordinance Water Indenture 2003 Water Resolution 2003 Sale Order	Series 2003-C	251255J22	Class 1A-30	\$2,120,000.00
		251255J30	Class 1A-31	\$2,620,000.00
		251255J48	Class 1A-32	\$2,655,000.00
		251255J55	Class 1A-33	\$2,930,000.00
		251255J63	Class 1A-34	\$2,790,000.00
		251255J71	Class 1A-35	\$2,965,000.00
		251255J89	Class 1A-36	\$4,580,000.00
		251255J97	Class 1A-37	\$4,665,000.00
		251255H99	Class 1A-38	\$2,330,000.00
Water Bond Ordinance Water Indenture Bond Authorizing Resolution of the City Council adopted November 27, 2002 Sale Order of Finance Director of the City of Detroit dated February 5, 2003	Series 2003-D	2512552T1	Class 1A-39	\$325,000.00
		2512552U8	Class 1A-40	\$335,000.00
		2512552V6	Class 1A-41	\$350,000.00
		2512552W4	Class 1A-42	\$360,000.00
		2512552X2	Class 1A-43	\$370,000.00
		2512552Y0	Class 1A-44	\$2,585,000.00
		2512552Z7	Class 1A-45	\$29,410,000.00
		2512553A1	Class 1A-46	\$23,920,000.00
		2512553B9	Class 1A-47	\$82,930,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Water Bond Ordinance Water Indenture Bond Authorizing Resolution of the City Council adopted January 21, 2004 (" <u>2004 Bond Resolution</u> ") Sale Order of Finance Director of the City of Detroit dated May 12, 2004 (" <u>2004 Sale Order</u> ")	Series 2004-A	2512553G8	Class 1A-48	\$4,250,000.00
		2512553H6	Class 1A-49	\$4,475,000.00
		2512553J2	Class 1A-50	\$4,710,000.00
		2512553K9	Class 1A-51	\$4,955,000.00
		2512553L7	Class 1A-52	\$5,215,000.00
		2512553M5	Class 1A-53	\$5,490,000.00
		2512553N3	Class 1A-54	\$5,780,000.00
		2512553P8	Class 1A-55	\$6,085,000.00
		2512553Q6	Class 1A-56	\$6,400,000.00
		2512553R4	Class 1A-57	\$6,735,000.00
		2512553S2	Class 1A-58	\$14,505,000.00
Water Bond Ordinance Water Indenture 2004 Bond Resolution 2004 Sale Order	Series 2004-B	2512554A0	Class 1A-59	\$85,000.00
		2512554B8	Class 1A-60	\$90,000.00
		2512554C6	Class 1A-61	\$10,000,000.00
		2512554D4	Class 1A-62	\$3,545,000.00
		2512554E2	Class 1A-63	\$13,925,000.00
		2512554F9	Class 1A-64	\$350,000.00
		2512554G7	Class 1A-65	\$14,940,000.00
		2512554H5	Class 1A-66	\$15,810,000.00
		2512554J1	Class 1A-67	\$16,665,000.00
		2512554K8	Class 1A-68	\$16,085,000.00
		2512554L6	Class 1A-69	\$16,935,000.00
Water Bond Ordinance Water Indenture Amended and Restated Resolution of the City Council adopted January 26, 2005 (" <u>2005-A/C Bond Resolution</u> ") Sale Order of Finance Director of the City of Detroit dated March 3, 2005 (Series 2005-A)	Series 2005-A	2512554M4	Class 1A-70	\$6,280,000.00
		251255M85	Class 1A-71	\$50,000.00
		251255Q81	Class 1A-72	\$2,070,000.00
		251255M93	Class 1A-73	\$85,000.00
		251255Q99	Class 1A-74	\$2,145,000.00
		251255N27	Class 1A-75	\$95,000.00
		251255R23	Class 1A-76	\$2,265,000.00
		251255N35	Class 1A-77	\$125,000.00
		251255R31	Class 1A-78	\$2,370,000.00
		251255N43	Class 1A-79	\$20,000.00
		251255R49	Class 1A-80	\$2,615,000.00
		251255N50	Class 1A-81	\$2,790,000.00
		251255N68	Class 1A-82	\$2,955,000.00
		251255N76	Class 1A-83	\$3,030,000.00
		251255N84	Class 1A-84	\$3,225,000.00
		251255N92	Class 1A-85	\$3,430,000.00
		251255P25	Class 1A-86	\$3,650,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
		251255P33	Class 1A-87	\$3,790,000.00
		251255P41	Class 1A-88	\$4,080,000.00
		251255P58	Class 1A-89	\$4,290,000.00
		251255P66	Class 1A-90	\$4,615,000.00
		251255P74	Class 1A-91	\$4,890,000.00
		251255P82	Class 1A-92	\$5,145,000.00
		251255P90	Class 1A-93	\$5,415,000.00
		251255Q24	Class 1A-94	\$5,715,000.00
		251255Q32	Class 1A-95	\$19,525,000.00
Water Bond Ordinance Water Indenture Amended and Restated Resolution of the City Council dated March 22, 2005 (Series 2005-B) Sale Order of Finance Director of the City of Detroit dated March 22, 2005 (Series 2005-B), Amendment No. 1 to Sale Order of the Finance Director dated April 23, 2008 and Supplement to Prior Sale Orders of Finance Director dated May 6, 2008	Series 2005-B	2512557R0	Class 1A-96	\$2,125,000.00
		2512557S8	Class 1A-97	\$2,225,000.00
		2512557T6	Class 1A-98	\$2,305,000.00
		2512557U3	Class 1A-99	\$2,385,000.00
		2512557V1	Class 1A-100	\$2,465,000.00
		2512557W9	Class 1A-101	\$2,575,000.00
		2512557X7	Class 1A-102	\$2,690,000.00
		2512557Y5	Class 1A-103	\$2,905,000.00
		2512557Z2	Class 1A-104	\$3,025,000.00
		2512558A6	Class 1A-105	\$3,145,000.00
		2512558B4	Class 1A-106	\$3,270,000.00
		2512558C2	Class 1A-107	\$3,490,000.00
		2512558D0	Class 1A-108	\$3,620,000.00
		2512558E8	Class 1A-109	\$3,850,000.00
		2512558F5	Class 1A-110	\$3,980,000.00
		2512558G3	Class 1A-111	\$28,415,000.00
		2512558H1	Class 1A-112	\$57,365,000.00
		2512558J7	Class 1A-113	\$57,500,000.00
Water Bond Ordinance Water Indenture 2005-A/C Bond Resolution Sale Order of Finance Director of the City of Detroit dated March 3, 2005 (Series 2005-C)	Series 2005-C	251255S63	Class 1A-114	\$9,270,000.00
		251255S71	Class 1A-115	\$9,735,000.00
		251255S89	Class 1A-116	\$17,545,000.00
		251255S97	Class 1A-117	\$18,425,000.00
		251255T21	Class 1A-118	\$18,700,000.00
		251255T39	Class 1A-119	\$8,245,000.00
		251255T47	Class 1A-120	\$8,655,000.00
		251255T54	Class 1A-121	\$9,090,000.00
		251255T62	Class 1A-122	\$9,540,000.00
Water Bond Ordinance Water Indenture Resolution of the City Council adopted November 18, 2005	Series 2006-A	251255V36	Class 1A-123	\$7,285,000.00
		251255V44	Class 1A-124	\$7,650,000.00
		251255V51	Class 1A-125	\$8,030,000.00
		251255V69	Class 1A-126	\$8,430,000.00
		251255V77	Class 1A-127	\$8,855,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
("2006 Bond Resolution")  Sale Order of Finance Director of the City of Detroit dated July 19, 2006 (Series 2006-A)		251255V85	Class 1A-128	\$9,295,000.00
		251255V93	Class 1A-129	\$9,760,000.00
		251255W27	Class 1A-130	\$10,250,000.00
		251255W35	Class 1A-131	\$10,760,000.00
		251255W43	Class 1A-132	\$11,300,000.00
		251255W50	Class 1A-133	\$11,865,000.00
		251255W68	Class 1A-134	\$12,460,000.00
		251255W76	Class 1A-135	\$13,080,000.00
		251255W84	Class 1A-136	\$131,150,000.00
Water Bond Ordinance  Water Indenture  2006 Bond Resolution  Sale Order of Finance Director of the City of Detroit dated August 15, 2006 (Series 2006-B)	Series 2006-B	251256AG8	Class 1A-137	\$100,000.00
		251256AH6	Class 1A-138	\$100,000.00
		251256AJ2	Class 1A-139	\$100,000.00
		251256AK9	Class 1A-140	\$100,000.00
		251256AL7	Class 1A-141	\$100,000.00
		251256AM5	Class 1A-142	\$100,000.00
		251256AN3	Class 1A-143	\$400,000.00
		251256AP8	Class 1A-144	\$56,600,000.00
		251256AQ6	Class 1A-145	\$62,100,000.00
Water Bond Ordinance  Water Indenture  2006 Bond Resolution  Sale Order of Finance Director of the City of Detroit dated July 19, 2006 (Series 2006-C)	Series 2006-C	251255X83	Class 1A-146	\$1,100,000.00
		251255X91	Class 1A-147	\$3,725,000.00
		251255Y25	Class 1A-148	\$3,795,000.00
		251255Y33	Class 1A-149	\$4,010,000.00
		251255Y41	Class 1A-150	\$4,765,000.00
		251255Y58	Class 1A-151	\$5,860,000.00
		251255Y66	Class 1A-152	\$14,880,000.00
		251255Y74	Class 1A-153	\$32,045,000.00
		251255Y82	Class 1A-154	146,500,000
Water Bond Ordinance  Water Indenture  2006 Bond Resolution  Sale Order of Finance Director of the City of Detroit dated July 19, 2006 (Series 2006-D)	Series 2006-D	251255Z81	Class 1A-155	\$15,000.00
		251255Z99	Class 1A-156	\$15,000.00
		2512552A2	Class 1A-157	\$15,000.00
		2512552B0	Class 1A-158	\$20,000.00
		2512552C8	Class 1A-159	\$20,000.00
		2512552D6	Class 1A-160	\$2,650,000.00
		2512552E4	Class 1A-161	\$3,200,000.00
		2512552F1	Class 1A-162	\$20,135,000.00
		2512552G9	Class 1A-163	\$27,425,000.00
		2512552H7	Class 1A-164	\$9,955,000.00
		2512552J3	Class 1A-165	\$21,105,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
		2512552K0	Class 1A-166	\$57,650,000.00
Water Bond Ordinance Water Indenture Resolution of the City Council adopted April 5, 2011 (" <u>2011 Bond Resolution</u> ") Sale Order of the Finance Director dated as of December 15, 2011 (" <u>2011 Sale Order</u> ")	Series 2011-A	251256BA0	Class 1A-167	\$3,410,000.00
		251256BB8	Class 1A-168	\$3,550,000.00
		251256BC6	Class 1A-169	\$3,695,000.00
		251256BD4	Class 1A-170	\$3,845,000.00
		251256BE2	Class 1A-171	\$4,000,000.00
		251256BF9	Class 1A-172	\$3,160,000.00
		251256BG7	Class 1A-173	\$3,225,000.00
		251256BH5	Class 1A-174	\$4,215,000.00
		251256BJ1	Class 1A-175	\$4,195,000.00
		251256BK8	Class 1A-176	\$4,170,000.00
		251256BL6	Class 1A-177	\$4,140,000.00
		251256BM4	Class 1A-178	\$4,085,000.00
		251256BN2	Class 1A-179	\$4,020,000.00
		251256BP7	Class 1A-180	\$3,930,000.00
		251256BQ5	Class 1A-181	\$14,665,000.00
		251256BR3	Class 1A-182	\$28,890,000.00
		251256BT9	Class 1A-183	\$49,315,000.00
		251256BS1	Class 1A-184	\$224,300,000.00
Water Bond Ordinance Water Indenture 2011 Bond Resolution 2011 Sale Order	Series 2011-B	251256AV5	Class 1A-185	\$1,970,000.00
		251256AW3	Class 1A-186	\$3,760,000.00
		251256AX1	Class 1A-187	\$9,740,000.00
Water Bond Ordinance Water Indenture 2011 Bond Resolution 2011 Sale Order	Series 2011-C	251256BV4	Class 1A-188	\$2,700,000.00
		251256BW2	Class 1A-189	\$9,965,000.00
		251256BX0	Class 1A-190	\$10,490,000.00
		251256BY8	Class 1A-191	\$11,035,000.00
		251256BZ5	Class 1A-192	\$11,615,000.00
		251256CA9	Class 1A-193	\$5,000,000.00
		251256CC5	Class 1A-194	\$7,230,000.00
		251256CB7	Class 1A-195	\$44,630,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
<p>Ordinance No. 18-01 adopted October 18, 2001 ("<u>Sewage Bond Ordinance</u>")<sup>3</sup></p> <p>Trust Indenture dated as of June 1, 2012 among the City of Detroit, Detroit Water and Sewage Department and U.S. Bank National Association, as trustee ("<u>Sewage Indenture</u>")</p> <p>Resolution of the City Council adopted May 6, 1998 ("<u>1998 Bond Resolution</u>")</p> <p>Sale Order of the Finance Director of the City of Detroit dated December 9, 1998 ("<u>1998 Sale Order</u>")</p>	Series 1998-A	251237S87	Class 1A-196	\$3,110,000.00
		251237S95	Class 1A-197	\$3,225,000.00
		251237T29	Class 1A-198	\$3,540,000.00
		251237T37	Class 1A-199	\$3,660,000.00
		251237T45	Class 1A-200	\$3,885,000.00
		251237T52	Class 1A-201	\$4,095,000.00
		251237T60	Class 1A-202	\$7,415,000.00
		251237T78	Class 1A-203	\$7,745,000.00
		251237T86	Class 1A-204	\$12,585,000.00
		251237T94	Class 1A-205	\$13,350,000.00
<p>Sewage Bond Ordinance</p> <p>Sewage Indenture</p> <p>1998 Bond Resolution</p> <p>1998 Sale Order</p>	Series 1998-B	251237U92	Class 1A-206	\$3,125,000.00
		251237V26	Class 1A-207	\$3,240,000.00
		251237V34	Class 1A-208	\$3,455,000.00
		251237V42	Class 1A-209	\$3,575,000.00
		251237V59	Class 1A-210	\$3,895,000.00
		251237V67	Class 1A-211	\$4,015,000.00
		251237V75	Class 1A-212	\$7,330,000.00
		251237V83	Class 1A-213	\$7,665,000.00
		251237V91	Class 1A-214	\$12,600,000.00
		251237W25	Class 1A-215	\$13,265,000.00
<p>Sewage Bond Ordinance</p> <p>Sewage Indenture</p> <p>Bond Resolution adopted on November 24, 1999</p> <p>Sale Order of the Finance Director of the City of Detroit dated December 10, 1999</p>	Series 1999-A	251237VM2	Class 1A-216	\$7,924,628.15
		251237VN0	Class 1A-217	\$7,759,578.75
		251237VP5	Class 1A-218	7,704,816.00
		251237VQ3	Class 1A-219	\$7,157,798.95
		251237VR1	Class 1A-220	\$6,738,459.00
		251237VS9	Class 1A-221	\$6,365,288.40
		251237VT7	Class 1A-222	\$5,690,933.60
		251237VU4	Class 1A-223	\$6,235,125.30

<sup>3</sup> Ordinance No. 18-01 amended and restated Ordinance No. 27-86 adopted on December 9, 1986, as amended.



DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted on August 1, 2001 and Amendment dated October 10, 2001 (collectively, " <u>2001 Bond Resolution</u> ") Composite Sale Order of the Finance Director of the City of Detroit dated August 1, 2001 (" <u>2001 Sale Order</u> ")	Series 2001-B	251237WV1	Class 1A-224	\$110,550,000.00
Sewage Bond Ordinance Sewage Indenture 2001 Bond Resolution 2001 Sale Order	Series 2001-C(1)	2512376G3	Class 1A-225	\$575,000.00
		2512376H1	Class 1A-226	\$600,000.00
		2512376J7	Class 1A-227	\$625,000.00
		2512376K4	Class 1A-228	\$655,000.00
		2512376L2	Class 1A-229	\$690,000.00
		2512376M0	Class 1A-230	\$720,000.00
		2512376P3	Class 1A-231	\$110,510,000.00
		2512376N8	Class 1A-232	\$38,000,000.00
Sewage Bond Ordinance Sewage Indenture 2001 Bond Resolution 2001 Sale Order and Amendment No. 1 to Sale Order of the Finance Director (2001(C-2) and (E)) dated April 23, 2008 (" <u>2001 Sale Order Amendment</u> ") and Supplement to Prior Sale Orders (2001(C-2), 2001(E) and 2006(A)) dated May 1, 2008 (" <u>2001/2006 Supplement to Sale Orders</u> ")	Series 2001-C(2)	2512374G5	Class 1A-233	\$310,000.00
		2512374H3	Class 1A-234	\$325,000.00
		2512374J9	Class 1A-235	\$345,000.00
		2512374K6	Class 1A-236	\$365,000.00
		2512374L4	Class 1A-237	\$380,000.00
		2512374M2	Class 1A-238	\$400,000.00
		2512374N0	Class 1A-239	\$4,090,000.00
		2512374P5	Class 1A-240	\$21,600,000.00
		2512374Q3	Class 1A-241	\$93,540,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
Ordinance No. 18-01 adopted October 18, 2001 (" <u>Sewage Bond Ordinance</u> ") <sup>4</sup>  Trust Indenture dated as of June 1, 2012 among the City of Detroit, Detroit Water and Sewage Department and U.S. Bank National Association, as trustee (" <u>Sewage Indenture</u> ")  Bond Authorizing Resolution adopted August 1, 2001; Amendment October 10, 2001  Composite Sale Order of the Finance Director of the City of Detroit dated August 1, 2001	Series 2001-D	251237WY5	Class 1A-242	\$21,300,000.00
Sewage Bond Ordinance  Sewage Indenture  2001 Bond Resolution  2001 Sale Order, 2001 Amendment and 2001/2006 Supplement to Sale Orders	Series 2001-E	2512374R1	Class 1A-243	\$136,150,000.00
Sewage Bond Ordinance  Sewage Indenture  Bond Authorizing Resolution of the City Council adopted May 7, 2003 (" <u>2003 Bond Resolution</u> ")  Composite Sale Order of the Finance Director of the City of Detroit dated May 14, 2003	Series 2003-A	251237YK3	Class 1A-244	\$3,815,000.00
		251237Q89	Class 1A-245	\$10,000.00
		251237ZE6	Class 1A-246	\$25,000.00
		251237ZB2	Class 1A-247	\$50,000.00
		251237R21	Class 1A-248	\$180,000.00
		251237YQ0	Class 1A-249	\$190,000.00
		251237YT4	Class 1A-250	\$250,000.00
		251237YM9	Class 1A-251	\$275,000.00
		251237YZ0	Class 1A-252	\$300,000.00
		251237YW7	Class 1A-253	\$535,000.00
		251237ZG1	Class 1A-254	\$1,000,000.00
		251237Q97	Class 1A-255	\$3,200,000.00
		251237K77	Class 1A-256	\$3,225,000.00
		251237K85	Class 1A-257	\$3,325,000.00
		251237ZD8	Class 1A-258	\$4,795,000.00
		251237ZF3	Class 1A-259	\$5,440,000.00

<sup>4</sup> Ordinance No. 18-01 amended and restated Ordinance No. 27-86 adopted on December 9, 1986, as amended.

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
		251237ZH9	Class 1A-260	\$7,935,000.00
		251237Y80	Class 1A-261	\$9,005,000.00
		251237YN7	Class 1A-262	\$11,880,000.00
		251237YR8	Class 1A-263	\$12,535,000.00
		251237Y72	Class 1A-264	\$13,210,000.00
		251237YU1	Class 1A-265	\$13,215,000.00
		251237YX5	Class 1A-266	\$13,950,000.00
		251237ZJ5	Class 1A-267	\$18,215,000.00
		251237Y98	Class 1A-268	\$19,485,000.00
		251237Z22	Class 1A-269	\$38,290,000.00
Sewage Bond Ordinance Sewage Indenture 2003 Bond Resolution Composite Sale Order of the Finance Director of the City of Detroit dated May 22, 2003	Series 2003-B	2512376Q1	Class 1A-270	\$150,000,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution of the City Council adopted May 7, 2003 Composite Sale Order of the Finance Director dated January 9, 2004	Series 2004-A	251237B69	Class 1A-271	\$7,310,000.00
		251237B77	Class 1A-272	\$14,830,000.00
		251237B85	Class 1A-273	\$15,605,000.00
		251237B93	Class 1A-274	\$5,525,000.00
		251237C27	Class 1A-275	\$5,545,000.00
		251237C35	Class 1A-276	\$5,835,000.00
		251237C43	Class 1A-277	\$6,145,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council authorizing sale of the 2005 adopted November 17, 2004 ("2005 Bond Resolution") Sale Order of the Finance Director of the City of Detroit, Series 2005- A, dated March 9, 2005	Series 2005-A	251237E41	Class 1A-278	\$625,000.00
		251237E58	Class 1A-279	\$490,000.00
		251237E66	Class 1A-280	\$510,000.00
		251237E74	Class 1A-281	\$545,000.00
		251237E82	Class 1A-282	\$555,000.00
		251237E90	Class 1A-283	\$830,000.00
		251237F24	Class 1A-284	\$860,000.00
		251237F32	Class 1A-285	\$905,000.00
		251237F40	Class 1A-286	\$925,000.00
		251237F57	Class 1A-287	\$970,000.00
		251237F65	Class 1A-288	\$490,000.00
		251237Z55	Class 1A-289	\$19,415,000.00
		251237Z63	Class 1A-290	\$24,820,000.00
		251237F99	Class 1A-291	\$138,945,000.00
		251237G23	Class 1A-292	\$47,000,000.00
Sewage Bond Ordinance Sewage Indenture	Series 2005-B	251237G64	Class 1A-293	\$7,775,000.00
		251237G72	Class 1A-294	\$8,010,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
2005 Bond Resolution Sale Order of the Finance Director of the City of Detroit, Series 2005-B, dated March 9, 2005		251237G80	Class 1A-295	\$10,420,000.00
		251237G98	Class 1A-296	\$10,990,000.00
Sewage Bond Ordinance Sewage Indenture 2005 Bond Resolution Sale Order of the Finance Director of the City of Detroit, Series 2005-C, dated March 9, 2005	Series 2005-C	251237J20	Class 1A-297	\$4,140,000.00
		251237J38	Class 1A-298	\$4,345,000.00
		251237J46	Class 1A-299	\$4,570,000.00
		251237J53	Class 1A-300	\$4,795,000.00
		251237J61	Class 1A-301	\$5,030,000.00
		251237J79	Class 1A-302	\$5,280,000.00
		251237J87	Class 1A-303	\$7,355,000.00
		251237J95	Class 1A-304	\$7,720,000.00
		251237K28	Class 1A-305	\$6,345,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council adopted February 15, 2006 ("2006 Bond Resolution") Sale Order of Finance Director of the City of Detroit, Series 2006(A), dated August 4, 2006, Amendment No. 1 to Sale Order dated April 23, 2008 and 2001/2006 Supplement to Sale Orders	Series 2006-A	2512373Z4	Class 1A-306	\$123,655,000.00
Sewage Bond Ordinance Sewage Indenture 2006 Bond Resolution Sale Order of Finance Director of the City of Detroit, Series 2006(B), dated July 27, 2006	Series 2006-B	251237M83	Class 1A-307	\$1,835,000.00
		251237M91	Class 1A-308	\$1,825,000.00
		251237N25	Class 1A-309	\$1,430,000.00
		251237N33	Class 1A-310	\$1,505,000.00
		251237N41	Class 1A-311	\$1,590,000.00
		251237N58	Class 1A-312	\$7,515,000.00
		251237N66	Class 1A-313	\$6,540,000.00
		251237N74	Class 1A-314	\$24,400,000.00
		251237N82	Class 1A-315	\$40,000,000.00
		251237N90	Class 1A-316	\$156,600,000.00
Sewage Bond Ordinance Sewage Indenture 2006 Bond Resolution Sale Order of Finance Director of	Series 2006-C	251237P31	Class 1A-317	\$8,495,000.00
		251237P49	Class 1A-318	\$8,915,000.00

DWSD Bond Documents	DWSD Bond Series	CUSIP	Class	Allowed Amount of DWSD Bond Claims in Class
the City of Detroit, Series 2006(C), dated August 4, 2006		251237P56	Class 1A-319	\$9,150,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council adopted February 15, 2006 Sale Order of Finance Director of the City of Detroit dated November 29, 2006	Series 2006-D	251237W66	Class 1A-320	\$288,780,000.00
Sewage Bond Ordinance Sewage Indenture Resolution of the City Council adopted July 19, 2011 Sale Order of the Finance Director of the City of Detroit dated June 20, 2012	Series 2012-A	251250AC0	Class 1A-321	\$8,880,000.00
		251250AE6	Class 1A-322	\$9,750,000.00
		251250AS5	Class 1A-323	\$50,000,000.00
		251250AA4	Class 1A-324	\$5,820,000.00
		251250AB2	Class 1A-325	\$6,005,000.00
		251250AD8	Class 1A-326	\$6,430,000.00
		251250AF3	Class 1A-327	\$19,930,000.00
		251250AG1	Class 1A-328	\$13,925,000.00
		251250AH9	Class 1A-329	\$9,845,000.00
		251250AJ5	Class 1A-330	\$14,860,000.00
		251250AK2	Class 1A-331	\$22,275,000.00
		251250AN6	Class 1A-332	\$13,170,000.00
		251250AP1	Class 1A-333	\$9,890,000.00
		251250AQ9	Class 1A-334	\$120,265,000.00
		251250AR7	Class 1A-335	\$292,865,000.00
		251250AL0	Class 1A-336	\$23,630,000.00
		251250AM8	Class 1A-337	\$32,240,000.00

**EXHIBIT I.A.156**

**SCHEDULE OF DWSD REVOLVING SEWER BOND DOCUMENTS  
& RELATED DWSD REVOLVING SEWER BONDS**

**SCHEDULE OF (I) DWSD REVOLVING SEWER BOND DOCUMENTS, (II) RELATED DWSD REVOLVING SEWER BONDS, (III) CLASSES OF DWSD REVOLVING SEWER BOND CLAIMS AND (IV) ALLOWED AMOUNTS OF DWSD REVOLVING SEWER BOND CLAIMS**

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Ordinance No. 18-01 adopted October 18, 2001 (" <u>Sewage Bond Ordinance</u> ") <sup>1</sup>  Trust Indenture dated as of June 1, 2012 among the City of Detroit (" <u>City</u> "), Detroit Water and Sewage Department and U.S. Bank National Association, as trustee (" <u>Sewage Indenture</u> ")  Bond Authorizing Resolution adopted September 9, 1992  Supplemental Agreement dated September 24, 1992, among City, Michigan Bond Authority (" <u>Authority</u> ") and the State of Michigan acting through the Department of Natural Resources	Series 1992-B-SRF	Class 1B-1	\$115,000.00
Sewage Bond Ordinance  Sewage Indenture  Bond Authorizing Resolution adopted September 30, 1993  Supplemental Agreement regarding \$6,603,996 Sewage Disposal System Revenue Bond Series 1993-B -SRF, among the City, Authority and DEQ	Series 1993-B-SRF	Class 1B-2	\$775,000.00
Sewage Bond Ordinance  Sewage Indenture  Bond Authorizing Resolution adopted July 30, 1997  Supplemental Agreement dated September 30, 1997, among City, the Authority and the State of Michigan acting through the Department of Environmental Quality (" <u>DEQ</u> ")	Series 1997-B-SRF	Class 1B-3	\$1,870,000.00

<sup>1</sup> Ordinance No. 18-01 amended and restated Ordinance No. 27-86 adopted on December 9, 1986, as amended.



DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted May 12, 1999 Supplemental Agreement regarding \$21,475,000 City Sewage Disposal System Revenue Bond, Series 1999-SRF1, dated June 24, 1999, among City, Authority and DEQ	Series 1999-SRF-1	Class 1B-4	\$8,750,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted August 4, 1999 (" <u>1999 SRF Resolution</u> ") Supplemental Agreement regarding \$46,000,000 SRF-2, \$31,030,000 SRF-3, \$40,655,000 SRF-4 dated September 30, 1999 (" <u>1999 SRF Supplemental Agreement</u> "), among City, Authority and DEQ	Series 1999-SRF-2	Class 1B-5	\$25,860,000.00
Sewage Bond Ordinance Sewage Indenture 1999 SRF Resolution 1999 SRF Supplemental Agreement	Series 1999-SRF-3	Class 1B-6	\$14,295,000.00
Sewage Bond Ordinance Sewage Indenture 1999 SRF Resolution 1999 SRF Supplemental Agreement	Series 1999-SRF-4	Class 1B-7	\$18,725,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted February 9, 2000 Supplemental Agreement regarding Sewage Disposal System Revenue Bond (SRF Junior Lien), Series 2000-SRF1, dated March 30, 2000, among City, Authority and DEQ	Series 2000-SRF-1	Class 1B-8	\$21,947,995.00

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted July 19, 2000 Supplemental Agreement regarding Sewage Disposal System Revenue Bond (SRF Junior Lien) Series 2000-SRF2 dated September 28, 2000, among City, Authority and DEQ	Series 2000-SRF-2	Class 1B-9	\$36,051,066.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted March 7, 2001 Supplemental Agreement regarding City of Detroit Sewage Disposal System Revenue Bonds (SRF Junior Lien), Series 2001-SRF-1, dated June 28, 2001 among City, Authority and DEQ	Series 2001-SRF-1	Class 1B-10	\$54,145,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted November 21, 2001 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2001-SRF2, dated December 20, 2001 among City, Authority and DEQ	Series 2001-SRF-2	Class 1B-11	\$39,430,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted June 5, 2002 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2002-SRF1, dated June 27, 2002 among City, Authority and DEQ	Series 2002-SRF-1	Class 1B-12	\$10,660,000.00

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted June 5, 2002 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2002-SRF2, dated June 27, 2002 among City, Authority and DEQ	Series 2002-SRF-2	Class 1B-13	\$865,369.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted November 13, 2002 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2002-SRF3, dated December 19, 2002 among City, Authority and DEQ	Series 2002-SRF-3	Class 1B-14	\$19,189,466.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted May 14, 2003 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2003-SRF1, dated June 26, 2003 among City, Authority and DEQ	Series 2003-SRF-1	Class 1B-15	\$34,215,000.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted July 9, 2003 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2003-SRF2, dated September 25, 2003 among City, Authority and DEQ	Series 2003-SRF-2	Class 1B-16	\$16,390,370.00

DWSD Revolving Sewer Bonds Documents	Series of DWSD Revolving Sewer Bonds	Class	Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted April 21, 2004 (" <u>2004 SRF Resolution</u> ") Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2004-SRF1, dated June 24, 2004 among City, Authority and DEQ	Series 2004-SRF-1	Class 1B-17	\$1,890,000.00
Sewage Bond Ordinance Sewage Indenture 2004 SRF Resolution Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2004-SRF2, dated June 24, 2004 among City, Authority and DEQ	Series 2004-SRF-2	Class 1B-18	\$11,888,459.00
Sewage Bond Ordinance Sewage Indenture 2004 SRF Resolution Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2004-SRF3, dated June 24, 2004 among City, Authority and DEQ	Series 2004-SRF-3	Class 1B-19	\$8,232,575.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted May 16, 2007 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2007-SRF1, dated September 20, 2007 among City, Authority and DEQ	Series 2007-SRF-1	Class 1B-20	\$140,109,096.00

<b>DWSD Revolving Sewer Bonds Documents</b>	<b>Series of DWSD Revolving Sewer Bonds</b>	<b>Class</b>	<b>Allowed Amount of DWSD Revolving Sewer Bonds Claims in Class</b>
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted November 5, 2008 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2009-SRF1, dated April 17, 2009 among City, Authority and DEQ	Series 2009-SRF-1	Class 1B-21	\$9,806,301.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted September 29, 2009 Supplemental Agreement regarding Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2010-SRF1, dated January 22, 2010 among City, Authority and DEQ	Series 2010-SRF-1	Class 1B-22	\$3,358,917.00
Sewage Bond Ordinance Sewage Indenture Bond Authorizing Resolution adopted December 13, 2011 Supplemental Agreement regarding City of Detroit Sewage Disposal System SRF Junior Lien Revenue Bonds, Series 2012-SRF1, dated August 30, 2012 among City, Authority and DEQ	Series 2012-SRF	Class 1B-23	\$4,302,413.00

**EXHIBIT I.A.159**

**SCHEDULE OF DWSD REVOLVING WATER BOND DOCUMENTS  
& RELATED DWSD REVOLVING WATER BONDS**

**SCHEDULE OF (I) DWSD REVOLVING WATER BOND DOCUMENTS, (II) RELATED DWSD REVOLVING WATER BONDS, (III) CLASSES OF DWSD REVOLVING WATER BOND CLAIMS AND (IV) ALLOWED AMOUNTS OF DWSD REVOLVING WATER BOND CLAIMS**

DWSD Revolving Water Bonds Documents	Series of DWSD Revolving Water Bonds	Class	Allowed Amount of DWSD Revolving Water Bonds Claims in Class
Ordinance No. 01-05 adopted January 26, 2005 (" <u>Water Bond Ordinance</u> ") <sup>1</sup>  Trust Indenture dated as of February 1, 2013 among the City of Detroit (" <u>City</u> "), Detroit Water and Sewerage Department and U.S. Bank National Association, as trustee (" <u>Water Indenture</u> ")  Bond Authorizing Resolution adopted April 29, 2005 (" <u>2005 SRF Resolution</u> ")  Supplemental Agreement dated as of September 22, 2005 among City, Michigan Municipal Bond Authority (" <u>Authority</u> ") and Michigan Department of Environmental Quality (" <u>DEQ</u> ")	Series 2005-SRF-1	Class 1C-1	\$9,960,164.00
Water Bond Ordinance  Water Indenture  2005 SRF Resolution  Supplemental Agreement regarding the Water Supply System SRF Junior Lien Revenue Bond, Series 2005-SRF2, dated September 22, 2005 among City, Authority and DEQ	Series 2005-SRF-2	Class 1C-2	\$6,241,730.00
Water Bond Ordinance  Water Indenture  Bond Authorizing Resolution adopted February 15, 2006  Supplemental Agreement regarding the Water Supply System SRF Junior Lien Revenue Bond, Series 2006-SRF1, dated September 21, 2006 among City, Authority and DEQ	Series 2006-SRF-1	Class 1C-3	\$3,715,926.00

<sup>1</sup> Ordinance No. 0-05 amends and restates Ordinance No. 30-02 adopted November 27, 2002, which amended and restated Ordinance No. 06-01 adopted October 18, 2001, which amended and restated Ordinance No. 32-85, as amended.



DWSD Revolving Water Bonds Documents	Series of DWSD Revolving Water Bonds	Class	Allowed Amount of DWSD Revolving Water Bonds Claims in Class
Water Bond Ordinance Water Indenture Bond Authorizing Resolution and Bond Ordinance, adopted July 15, 2008 Supplemental Agreement regarding Water Supply System SRF Junior Lien Revenue Bonds, Series 2008-SRF1, dated September 29, 2008 among City, Authority and DEQ	Series 2008-SRF-1	Class 1C-4	\$1,535,941.00

**EXHIBIT I.A.183**

PRINCIPAL TERMS OF EXIT FACILITY

**EXIT FACILITY  
SUMMARY OF PRINCIPAL TERMS<sup>1</sup>**

The definitive documentation governing the Exit Facility shall provide generally for the following terms:

Issuer	City of Detroit.
Initial Bond Purchaser	The bonds will initially be sold to the Michigan Finance Authority (the " <u>MFA</u> "). The MFA will issue bonds secured by the City's bonds.
Amount and Type	\$325 million, consisting of Financial Recovery Bonds issued pursuant to section 36a(7) of the Michigan Home Rule City Act, excluding any amounts raised to fund (if required) debt service reserve funds consistent with municipal markets practice.
Taxation	An amount up to \$200 million is contemplated to be tax-exempt financing.
Use of Proceeds	As approved by the Local Emergency Financial Assistance Loan Board, proceeds of the exit facility will be used to fund: (i) the retirement of the City's \$120,000,000 post-petition financing, (ii) certain of the City's reinvestment and revitalization initiatives and (iii) the retirement of the City's obligations with respect to holders of Class 5 Claims (COP Swap Claims) and potentially holders of Class 7 Claims (Limited Tax General Obligation Bond Claims) under the City's Seventh Amended Plan of Adjustment.
Pricing on Sale to Purchaser	Tax-Exempt Bonds: SIFMA Municipal Swap Index + 4.25% Taxable Bonds: 1-month USD-LIBOR + 4.75%
Pricing on Public Offering	Tax-Exempt Bonds: The sum of (i) the yield on Thomson Reuters Municipal Market Data 15-year AAA Index, <u>plus</u> (ii) the Base Spread (as set forth in the Commitment Letter, dated September 17, 2014), <u>plus</u> (iii) the applicable Market Flex (as set forth in the Commitment Letter, dated September 17, 2014). Taxable Bonds: The sum of (i) the yield on 7-year US Treasury Notes, <u>plus</u> (ii) the Base Spread (as set forth in the Commitment Letter, dated September 17, 2014), <u>plus</u> (iii) the applicable Market Flex (as set forth in the Commitment Letter, dated September 17, 2014).
Maturity	No longer than 15 years on Tax-Exempt Bonds; no longer than 8 years on Taxable Bonds.
Security	The obligations owing by the City with respect to the Exit Facility will be secured by a first priority lien on certain income tax revenues of the City.

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan.

**EXHIBIT I.A.197**

FORM OF FGIC/COP SETTLEMENT DOCUMENTS

## **Settlement Agreement**

This Settlement Agreement (this “Agreement”) is entered into as of October \_\_, 2014, by and between the City of Detroit, Michigan (the “City”), and Financial Guaranty Insurance Company (“FGIC”). The City and FGIC are referred to herein each individually as a “Party” and collectively as the “Parties”.

**WHEREAS**, the Detroit General Retirement System Service Corporation, a Michigan nonprofit corporation (“DGRS”), and the Detroit Police and Fire Retirement System Service Corporation, a Michigan nonprofit corporation (“PFRS” and, together with DGRS, each a “Service Corporation” and collectively the “Service Corporations”) created each of (i) the Detroit Retirement Systems Funding Trust 2005 (the “2005 Pension Funding Trust”) pursuant to that certain Trust Agreement, dated June 2, 2005, among the Service Corporations and U.S. Bank National Association, as trustee, and (ii) the Detroit Retirement Systems Funding Trust 2006 (the “2006 Pension Funding Trust”) pursuant to that certain Trust Agreement, dated June 12, 2006, among the Service Corporations and U.S. Bank National Association, as trustee;

**WHEREAS**, the 2005 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2005 (the “2005 Pension Funding Securities”) and the 2006 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2006 (the “2006 Pension Funding Securities” and, collectively with the 2005 Pension Funding Securities, the “Certificates of Participation” or “COPs”);

**WHEREAS**, FGIC issued certain financial guaranty insurance policies guaranteeing the payment of the principal of and interest on certain of the Certificates of Participation;

**WHEREAS**, on January 31, 2014, the City commenced the Adversary Proceeding styled, *City of Detroit, Michigan v. Detroit General Retirement System Service Corporation, Detroit Police and Fire Retirement System Service Corporation, Detroit Retirement Systems Funding Trust 2005 and Detroit Retirement Systems Funding Trust 2006*, Case No. 14-04112 (Bankr. E.D. Mich.) (the “COP Litigation”);

**WHEREAS**, on March 17, 2014, Wilmington Trust, National Association, as Successor Trustee for the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006 (collectively, the “Trustee”) filed that certain *Answer to Complaint with Affirmative Defenses and Counterclaims of Defendants Detroit Retirement Systems Funding Trust 2005 and Detroit Retirement Systems Funding Trust 2006 to Complaint for Declaratory and Injunctive Relief* (the “Funding Trusts’ Counterclaims”);

**WHEREAS**, on March 17, 2014, FGIC filed that certain *Financial Guaranty Insurance Company’s Motion to Intervene Pursuant to Rule 7024 of the Federal Rules of Bankruptcy Procedure and Section 1109(b) of the Bankruptcy Code* (the “FGIC Motion to Intervene”);

**WHEREAS**, on April 10, 2014, the City filed that certain *City of Detroit's Motion to Dismiss in Part the Funding Trusts' Counterclaims* (the "Motion to Dismiss the Funding Trusts' Counterclaims");

**WHEREAS**, on June 30, 2014, the Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court") issued an Opinion and Order, among other things, granting the FGIC Motion to Intervene, subject to certain limitations;

**WHEREAS**, on July 18, 2014, FGIC filed that certain *Answer and Affirmative Defenses of Defendant Financial Guaranty Insurance Company*;

**WHEREAS**, on August 13, 2014, FGIC filed those certain *Counterclaims of Defendant Financial Guaranty Insurance Company* against the City (the "FGIC Counterclaims");

**WHEREAS**, on August 28, 2014, the City filed that certain *City of Detroit's Motion to Dismiss in Part FGIC's Counterclaims* (the "Motion to Dismiss the FGIC Counterclaims" and, together with the Motion to Dismiss the Funding Trusts' Counterclaims, the "Motions to Dismiss");

**WHEREAS**, the Motions to Dismiss have been fully briefed and argued; and

**WHEREAS**, the Parties and their representatives have engaged in good faith, arm's length settlement discussions regarding a consensual resolution of their disputes under or in respect of the COP Litigation, the Certificates of Participation and related issues.

**NOW, THEREFORE**, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **Section 1            Definitions and Interpretations.**

**1.1    Additional Definitions.** The following terms have the respective meanings set forth below for all purposes of this Agreement.

"Approval Order" means an order confirming the Plan entered by the Bankruptcy Court, which contains provisions substantially in the form attached hereto as Schedule 1 approving this Agreement pursuant to Bankruptcy Rule 9019.

"COP Holders" means the holders of COPs originally insured by FGIC with a claim for principal or interest.

"Counterclaims" means the FGIC Counterclaims and the Funding Trusts' Counterclaims.

"Plan" means that certain Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (October \_\_, 2014), as the same may be amended consistent with the terms and conditions of the Stipulation.

“Settlement Effective Date” means the latest date to occur of (i) the City obtaining all governmental and other consents and approvals (including the Approval Order) set forth in Section 5.1(d), and (ii) FGIC obtaining the approval of the New York State Department of Financial Services, as set forth in Section 5.2(d).

“Stipulation” means that certain Stipulation Regarding FGIC Plan COP Settlement and FGIC COP Swap Settlement, dated October [\_\_\_], 2014.

**1.2 Plan Definitions.** Capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to such terms in the Plan.

**1.3 Other Definitional and Interpretive Provisions.** The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections and Schedules are to Sections and Schedules of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”, whether or not they are in fact followed by those words or words of like import. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law”, “laws” or to a particular statute or law shall be deemed also to include any and all applicable law.

## **Section 2                    Global Resolution of COP Litigation.**

**2.1 Dismissal of COP Litigation.** As soon as practicable after the occurrence of the Settlement Effective Date, the City shall dismiss the COP Litigation, with prejudice.

**2.2 Dismissal of Counterclaims.** As soon as practicable after the occurrence of the Settlement Effective Date, FGIC shall dismiss or cause to be dismissed all Counterclaims, with prejudice. For the avoidance of doubt, the dismissal of the COP Litigation and dismissal of all Counterclaims is intended and shall be deemed to take place contemporaneously.

**2.3 Waiver & Release of Claims.** Effective as of the Settlement Effective Date:

(a) FGIC shall, without further action, release unconditionally, and be deemed to forever and unconditionally release, waive and discharge all entities (including the City, the City’s Related Entities, the State and the State Related Entities), of and from any and all claims, obligations, suits, judgments, damages, debts, rights, remedies, causes of action and liabilities of any nature whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, existing or hereafter arising, in law, equity, or otherwise, that are or may be based in whole or in part upon any act, omission, transaction, event or other occurrence taking place or existing on or prior to the Effective Date of the Plan related to the COP Litigation (the “Released Claims”), including any claims against the Retirement Systems arising in connection with the COPs, provided, however that the Released Claims shall not include (i) any claims with respect to enforcement of this Agreement, the Stipulation or the FGIC Development Agreement, (ii) any claims with respect to the New B Notes, the New C Notes or



the Class 9 Settlement Credits, (iii) any claims held by FGIC against the COP Swap Counterparties or Related Entities thereof or (iv) any claims asserted against the City in the proofs of claim filed by FGIC and the Trustee; provided that, with respect to the claims described in clause (iv), for the avoidance of doubt, the Parties intend that such claims shall be subject to the treatment, discharge and injunction provisions set forth in the Plan.

(b) The City shall provide the exculpations to FGIC, the COP Holders and the Trustee as provided under the Plan and shall have no further claims on account of the COP Litigation as set forth in Section 2.1 above.

### **Section 3            Consideration.**

**3.1 Development Agreement.** The City shall enter into the FGIC Development Agreement in the form attached hereto as Schedule 2.

**3.2 Sole Benefit.** The consideration provided herein is solely for the benefit of FGIC and the COPs Holders, and such consideration shall be administered and distributed to FGIC and the COP Holders in a manner consistent herewith.

### **Section 4            Approvals; Trustee Steps.**

**4.1 Time is of the Essence.** The Parties hereto acknowledge and agree that time is of the essence. The City and FGIC shall each use commercially reasonable efforts to obtain all governmental and other consents and approvals (including, in the case of the City, the Approval Order) set forth in Section 5.1(d) and Section 5.2(d), respectively. FGIC shall use commercially reasonable efforts to support the City's efforts to obtain the Approval Order.

**4.2 Trustee.** FGIC shall take all necessary and appropriate steps to direct the Trustee to effectuate this Agreement, including directing the Trustee to withdraw the Funding Trusts' Counterclaims.

### **Section 5            Representations and Warranties.**

**5.1 Representations and Warranties of the City.** The City represents to FGIC that:

- (a) It is a municipal corporation of the State of Michigan.
- (b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken all necessary action to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets.
- (d) Other than (i) approvals by (x) the City Council, (y) the Local Emergency Financial Assistance Loan Board created under the Emergency Municipal Loan Act, Michigan Compiled Laws §§ 141.931-141.942 and (z) the Treasurer of the State, (ii) any other approvals

required by Section 19 of PA 436, (iii) execution of an order by the Emergency Manager approving this Agreement and (iv) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

**5.2 Representations and Warranties of FGIC.** FGIC represents to the City that:

(a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and in good standing.

(b) It has the power to execute this Agreement, to deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets.

(d) Other than the approval or the waiver of required minimum notice of the New York State Department of Financial Services, all governmental consents and approvals that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

(e) That certain *Stipulation By and Between the City of Detroit, Michigan and the COPs Creditors Regarding Certain Facts and the Admission of Certain Exhibits for the Confirmation Trial*, dated July 13, 2014 and approved by the Bankruptcy Court on July 14, 2014, remains in effect.

**Section 6            No Admission.**

This Agreement is a proposed settlement of claims and disputes between the Parties and is the product of good faith, arm's length negotiations between the Parties hereto. If this Agreement is terminated, this Agreement will not be an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto will not be admissible into evidence in any proceeding. However, this Agreement will be admissible into evidence in any proceeding to obtain Bankruptcy Court approval of this Agreement or to enforce or interpret the terms of this Agreement, and, subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact. The admissibility of all negotiations related to this Agreement shall be governed by the *Mediation Order* [Docket No. 322] entered by the Bankruptcy Court, as the same has been amended and supplemented, including with respect to that *Limited Order Modifying the Mediation Order* [Docket No. 7968]. Notwithstanding the foregoing, nothing herein shall limit the scope or effect of the Mediation Order.

## **Section 7                    Termination.**

Any Party may terminate this Agreement upon one Business Day's prior written notice to the other Party if: (a) the Bankruptcy Court denies approval of (x) this Agreement, (y) the Stipulation or (z) the Plan, (b) the Bankruptcy Court approves this Agreement pursuant to an order that does not constitute an Approval Order, (c) the Approval Order is vacated, reversed or modified on appeal, (d) the Effective Date of the Plan does not occur within six (6) months of the entry of the Approval Order, (e) any approval or consent sought pursuant to Section 5.1(d) or 5.2(d) of this Agreement is denied or (f) the other Party is in material breach of any provision of this Agreement, and such breach is continuing and has not been cured within 5 Business Days after written notice thereof is provided to such Party. Absent the prior written consent of the City, this Agreement shall immediately automatically terminate if all approvals or consents sought pursuant to Section 5.2(d) of this Agreement are not obtained by November 4, 2014 at 5:00 p.m. (ET).

Notwithstanding anything herein to the contrary, in the event that this Agreement is terminated as set forth herein, then neither this Agreement, nor any document filed with the Bankruptcy Court with respect to the approval of this Agreement, will have any res judicata or collateral estoppel effect or be of any force or effect, and each of the Parties' respective interests, rights, remedies and defenses will be restored without prejudice as if this Agreement had never been executed and the Parties will be automatically relieved of any further obligations under this Agreement. For the avoidance of doubt, in the event this Agreement is terminated, the City shall retain the right to pursue the COP Litigation and related claims and FGIC shall retain the right to make any arguments, objections, or other assertions (other than res judicata or collateral estoppel as set forth in the preceding sentence), pursue any Released Claims, Counterclaims, defenses, litigation, appeals, or disputes related to the COP Litigation or any other matter otherwise resolved by this Agreement.

## **Section 8                    Miscellaneous.**

**8.1 Execution of this Agreement.** This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, will be deemed an original, and all of which together will constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

**8.2 Binding Obligation; Successors and Assigns.** This Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and will inure to the benefit of the Parties and their respective successors, assigns and transferees. This Agreement grants no rights to any third party, including any COP Holder or Trustee.

**8.3 Complete Agreement; Interpretation.** This Agreement, the Plan and the Stipulation constitute the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto. This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement will interpret it in a neutral manner. There will be no presumption concerning whether to interpret this Agreement for or against any Party by reason

of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

**8.4 Amendment, Modification and Waiver.** This Agreement may be modified, altered, amended, or supplemented only by an agreement in writing signed by each Party. No waiver of any provision of this Agreement will be effective unless made in a writing signed by the Party making the waiver, nor will the waiver be extended to any other right, claim or remedy.

**8.5 Notices.** All notices and other communications required under this Agreement will be given in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as will be specified by like notice):

If to the City:

City of Detroit, Michigan  
1200 Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit, Michigan 48226  
Attention: CFO  
Fax:  
Email:

with copies (which shall not constitute notice) to:

City of Detroit Law Department  
First National Building, Suite 1650  
660 Woodward Avenue  
Detroit, Michigan 48226  
Attention: Corporation Counsel  
Fax:  
Email:

and

Jones Day  
222 East 41st Street  
New York, NY 10017-6702  
Attn: Corinne Ball & Benjamin Rosenblum  
Fax: (212) 755-7306  
Email: cball@JonesDay.com  
brosenblum@JonesDay.com

If to FGIC:

Financial Guaranty Insurance Company

521 Fifth Avenue  
New York, NY 10175  
Attention: General Counsel  
Fax: (212) 312-2231  
Email: GeneralCounsel@fgic.com

with copies (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP  
700 Louisiana, Suite 1700  
Houston, TX 77002  
Attention: Alfredo R. Pérez  
Fax: (212) 310-8007  
Email: alfredo.perez@weil.com

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by telecopier will be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail will be effective upon oral or machine confirmation of receipt.

**8.6 Headings.** The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

**8.7 Governing Law and Jurisdiction.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement will be resolved by the Bankruptcy Court to the extent that the Bankruptcy Court then has jurisdiction and power to enforce the terms of this Agreement and, to the extent that the Bankruptcy Court does not then have jurisdiction, to the exclusive jurisdiction of the courts of the State of Michigan and the United States District Court for the Eastern District of Michigan. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.5 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of the other Party.

**8.8 Waiver of Jury Trial.** TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first above written.

CITY:

City of Detroit, Michigan

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: October \_\_, 2014

FGIC:

Financial Guaranty Insurance Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: October \_\_, 2014



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

-----X	:
In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
-----X	

**STIPULATION REGARDING FGIC PLAN COP SETTLEMENT AND  
FGIC COP SWAP SETTLEMENT**

WHEREAS, the Detroit General Retirement System Service Corporation, a Michigan nonprofit corporation (“DGRS”), and the Detroit Police and Fire Retirement System Service Corporation, a Michigan nonprofit corporation (“PFRS” and, together with DGRS, each a “Service Corporation” and collectively the “Service Corporations”) created each of (i) the Detroit Retirement Systems Funding Trust 2005 (the “2005 Pension Funding Trust”) pursuant to that certain Trust Agreement, dated June 2, 2005, among the Service Corporations and U.S. Bank National Association, as trustee, and (ii) the Detroit Retirement Systems Funding Trust 2006 (the “2006 Pension Funding Trust”) pursuant to that certain Trust Agreement, dated June 12, 2006, among the Service Corporations and U.S. Bank National Association, as trustee;

WHEREAS, the 2005 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2005 (the “2005 Pension Funding Securities”) and the 2006 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2006 (the “2006 Pension Funding Securities” and collectively with the 2005 Pension Funding Securities, the “Certificates of Participation” or “COPs”);

WHEREAS, Financial Guaranty Insurance Company (“FGIC”) issued certain financial guaranty insurance policies guaranteeing the payment of the principal of and interest on certain of the Certificates of Participation (“FGIC COPs Policies”);

WHEREAS, in connection with the issuance of the COPs, the Service Corporations entered into certain swap transactions under certain 1992 ISDA Master Agreements (Local Currency Single Jurisdiction) (together with all ancillary and related instruments and agreements, as the same may have been subsequently amended, restated, supplemented or otherwise modified, the “COP Swap Agreements”);

WHEREAS, FGIC issued certain financial guaranty insurance policies guaranteeing the payment of certain amounts owed by the Service Corporations under the COP Swap Agreements;

WHEREAS, the City of Detroit, Michigan (the “City”) has proposed a Plan for the Adjustment of Debts, as amended (the “Plan”),<sup>1</sup> and FGIC has opposed and objected to such Plan; and

WHEREAS, the City and FGIC (collectively, the “Parties”) and their representatives have engaged in good faith, arm’s length settlement discussions regarding a consensual resolution of their disputes under or in respect of the Plan, the Certificates of Participation and the COP Swap Agreements.

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, by and through their respective undersigned counsel, agree and stipulate as follows:

1. The City shall (a) modify the Plan as set forth on Exhibit 1, (b) not amend the Plan in a way that would have a materially adverse effect on the class of claims (“Class 9”) associated with COPs as set forth in the Plan, without the consent of FGIC, and (c) exclude the Joe Louis Arena Parking Garage from any requests for qualifications, quotations or proposals in connection with the Parking Garages.

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<sup>1</sup> Capitalized terms not defined herein have the meanings given to them in the Plan.

2. All votes cast by FGIC to accept or reject the Plan, including any votes cast on behalf of any COP Holder, shall be deemed to have been cast as accepting the Plan.

3. All objections by FGIC to the Plan shall be withdrawn, without prejudice to FGIC refileing such objections in the event that (i) the Plan is not confirmed, (ii) this Stipulation is not approved, or (iii) that certain Settlement Agreement, entered into as of October [\_\_\_\_], 2014, by and between the City and FGIC in connection with the COP Litigation (the “Settlement Agreement”) is not approved or is otherwise terminated in accordance with the provisions thereof (each event described in clause (i), (ii) or (iii), a “Termination Event”). Pending approval of this Stipulation, FGIC shall take no action in furtherance of any objection, joinder, reservation of rights, or opposition to the Plan. For the avoidance of doubt, while approval for this Stipulation is pending, FGIC shall refrain from calling or examining any witnesses, introducing other evidence or advancing legal argument in connection with the confirmation trial on the Plan.

4. FGIC, on behalf of itself and the COP Holders, shall opt into the Plan COP Settlement with respect to the COPs originally insured by FGIC (the “FGIC-Insured COPs”), without impairing the COP Holders’ insurance claims against FGIC.

5. The consideration provided under this Stipulation and the Plan COP Settlement is solely for the benefit of FGIC and the COP Holders, and such consideration shall be administered and distributed in a manner consistent with the Plan.

6. Subject to FGIC having obtained the consents of any and all reinsurers providing reinsurance with respect to all or a portion of the FGIC COPs Policies, FGIC may, in its sole discretion, require the insertion of the following provision in the proposed Confirmation Order:

FGIC (irrespective of the terms of the FGIC COPs Policies, including, without limitation the definition of Due for Payment) may treat all of the outstanding principal owing on all series of the FGIC-Insured COPs as having been accelerated and currently “Due for Payment” (as such term is defined in the applicable FGIC COPs Policy for purposes of such policy) as of the Effective Date, in which case, with respect to each FGIC COPs Policy there shall be deemed a Permitted Policy Claim (as defined in the First Amended Plan of Rehabilitation for Financial Guaranty Insurance Company, dated June 4, 2013) in the amount of (i) the outstanding principal amount of the FGIC-Insured COPs in each CUSIP, as of the Effective Date, insured by such policy and (ii) interest accrued and unpaid on such principal amount of such FGIC-Insured COPs through the Effective Date, in which case no interest shall accrue on or after the Effective Date.

7. In full satisfaction and discharge of FGIC’s swap insurance and related claims against the City, FGIC shall receive: (a) an Allowed Class 14 claim

in the amount of \$6.11 million, and (b) the Downtown Development Authority shall assign to FGIC all of the Downtown Development Authority's right, title and interest to its distribution of New B Notes under the plan on account of its \$33.6 million Class 13 claim. For the avoidance of doubt, this consideration is solely for FGIC's benefit.

8. This Stipulation shall automatically terminate upon the occurrence of a Termination Event.

9. This Stipulation, including Exhibit 1 hereto, and the Settlement Agreement contain the entire understanding of the Parties hereto concerning the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral, between the Parties hereto on such subject matter. The Parties acknowledge that they are not relying on any promises or representations not contained in this Stipulation.

10. This Stipulation may be executed in counterparts by facsimile, email, or other similar electronic transmission, each of which shall be deemed an original and all of which when taken together shall constitute one document.

Dated: October [\_\_\_\_], 2014



**EXHIBIT I.A.198**

FORM OF FGIC DEVELOPMENT AGREEMENT

**DEVELOPMENT AGREEMENT**  
**OPTION TO ACQUIRE AND DEVELOP LAND**  
**BY AND AMONG**  
**CITY OF DETROIT,**  
**THE STATE OF MICHIGAN**  
**AND**  
**FINANCIAL GUARANTY INSURANCE COMPANY**

**THIS AGREEMENT** (referred to herein as this “Agreement”) is entered into as of the \_\_\_\_ day of October, 2014 (the “Effective Date”), by and between the City of Detroit, a Michigan public body corporate (the “City”), acting through its Planning & Development Department (“PDD”), whose address is 2300 Cadillac Tower, Detroit, Michigan 48226, the State of Michigan (the “State”), whose address is P.O. Box 30013, Lansing, Michigan 48909, and Financial Guaranty Insurance Company, a New York stock insurance company (“Developer”), whose address is 521 Fifth Avenue – 15th Floor, New York, New York 10175. The City and Developer are sometimes referred to in this Agreement as a “Party” and, collectively, as the “Parties.”

**Recitals:**

A. In consideration of the Parties’ various contractual arrangements and settlements entered into contemporaneously herewith between the City and Developer, and the mutual desire of the Parties to promote economic growth in the City (the “Arrangement”), the City has agreed to grant an option to Developer to acquire that certain real property upon which is presently situated the improvements commonly referred to as the Joe Louis Arena, inclusive of 5.3 acres of real property located at 19 Steve Yzerman Drive, Detroit, Michigan, and the Joe Louis Arena Garage, inclusive of 3.3 acres of real property located at 900 W. Jefferson Avenue, Detroit, Michigan (collectively, the “Property”). As used herein, the term “Property” shall be deemed to

include: (i) the land described on Exhibit \_\_\_<sup>1</sup> together with all air, mineral, subsurface and riparian rights appertaining thereto, if any; (ii) the City's interest, if any, in those certain above ground pedestrian walkways and all necessary related easements located on the Property or appurtenant thereto, whether now existing or hereafter granted prior to the Closing (as hereinafter defined), allowing access from the property to COBO Center (the "COBO Interests"); (iii) the City's interest, if any, in any land lying in the bed of any street, road, alley, right-of-way or avenue, at the foot of, adjoining or dividing the Property, only to the extent such street, road, alley, right-of-way or avenue is not open for the general benefit of the public; (iv) the City's interest, if any, in the use and benefit of all easements appurtenant to the Property whether or not of record; (v) the City's interest in and development rights under all authorizations, permits and approvals with respect to the use and development of the Property; and (vi) such other rights, interests and properties as may be specified in this Agreement to be sold, transferred, assigned or conveyed by the City to Developer.

B. The State has agreed to grant to the Developer or assist the Developer in obtaining certain economic development incentives for purposes of developing the Property upon the terms and conditions set forth herein.

C. If Developer exercises its option with respect to the Property as set forth herein, Developer shall develop such Property in accordance with the terms and provisions of this Agreement.

Accordingly, the Parties agree as follows:

## **Section 1. DEVELOPMENT AND OPTION**

### **(A) Development Proposal.**

(1) On or before a date which is thirty-six (36) months following full and complete execution of this Agreement (as the same may be extended in accordance with the terms hereof, the "Development Proposal Deadline"), the Developer shall (i) identify a developer partner that shall serve as development manager for the Development, or a development manager to be hired on a fee for service basis by Developer to manage construction of the Development (as hereinafter defined), either of which shall have significant experience in the development of large, complex mixed-use urban projects, and (ii) prepare a comprehensive development plan for the Development, and shall submit such information along with such plan (in form and substance reasonably acceptable to the City) to the City for its review and approval in the manner set forth in this Section 1(A) (the "Development Proposal"), which approval shall not be unreasonably withheld, conditioned or delayed, including, without limitation, any condition in such approval that would interfere with the eligibility of the Development for TIF Incentives (as defined in Section 5(I)(a) below) as contemplated hereby. For purposes of this Agreement, "Development" shall mean that certain mixed use project consisting of (i) a first-class hotel and related facilities including not less than 300 hotel

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<sup>1</sup> The Parties should agree upon a legal description for the Property and associated easements upon receipt of Title and Survey.

rooms, and (ii) such other office, retail, commercial, recreational, residential and/or condominium units as shall be determined by the Developer (industrial, adult entertainment and other noxious uses excepted) given prevailing market conditions, with a height above ground not to exceed 30 floors, to be constructed upon the Property by the Developer, together with all onsite improvements, site preparation, onsite infrastructure (including, without limitation, sanitary sewer, water, storm sewer, sidewalks, street lighting, driveways, storm water detention or retention facilities), related parking facilities and landscaping, necessary or appurtenant thereto; in all instances as approved by the City in accordance herewith, which approval shall not be unreasonably withheld, conditioned or delayed to the extent consistent with the City's urban planning policies and the City's comprehensive development plan as existing on the date any applicable Required Approvals (as defined below) are obtained by the Developer. For purposes of this Agreement, and without limiting the Developer's ability to identify and receive approval of a different development partner, the Detroit Regional Convention Facility Authority is deemed by the City an approved development partner. The Development Proposal shall include an application for the brownfield plan necessary for the application for TIF Incentives, and it shall also identify which components of the Development Proposal are eligible for the TIF Incentives, disbursement of which shall be governed by the Economic Incentive Agreements (as defined in Section 5(I)(a) below), and the City shall use its commercially reasonable efforts to cause the State or applicable State related entity to grant any approvals necessary for those TIF Incentives no later than one hundred twenty (120) days after the date of approval of the Development Proposal, subject to the terms hereof. The Development Proposal shall include the terms of the Guaranty (as defined in Section 5(B) below), including the identity of any guarantor thereunder, and also include the terms of any proposed equity investment and financing for the Development; provided, however, (i) the Development Proposal does not need to disclose any additional equity partners, provided that the Developer will not partner with any third party that is prohibited from doing business with the City, (ii) the Development proposal does not need to disclose the holder(s) of the COPs or holders of the beneficial interests in the COPs, and (iii) the Development Proposal does not need to identify a development partner if the rights under the Agreement have been transferred to a developer prior to the date of the Development Proposal Deadline, which transferee has previously been approved by the City, which approval shall not be unreasonably withheld, conditioned or delayed.

(2) The City shall review any Development Proposal submitted to the City by the Developer and within ninety (90) days of receipt by the City of such Development Proposal (the "Development Proposal Review Period") the City shall either (i) approve the Development Proposal or (ii) provide the Developer with the specific reasons why the Development Proposal is not acceptable, which may include unacceptability of the proposed development partner (if required). If the City does not approve the Development Proposal, the Developer may provide a revised Development Proposal(s) to the City for its approval pursuant to the process herein, which shall continue until the earlier of (i) the date on which a Development Proposal is approved, and (ii) the Development Proposal Deadline which shall be automatically extended by the aggregate of all Development Proposal Review Periods. The City and, to the extent applicable related to the TIF Incentives, the State, shall reasonably cooperate with the Developer in

preparation of the Development Proposal, at no incremental cost to the City or, as applicable, the State. The Development Proposal, as approved by the City pursuant to this Section 1(A) shall be hereinafter referred to as the “Approved Development Proposal.”

(3) Upon request of the Developer, the City may approve an extension of the Development Proposal Deadline by up to twenty-four (24) additional months, which approval shall not be unreasonably withheld, delayed or conditioned. The City agrees that it would be unreasonable to withhold its approval of such extension if (i) the Developer requested the extension because development in the immediate vicinity of the Property has materially decreased or the general economic condition of the City has deteriorated to such a level that it would not be economically feasible for the Developer to pursue development of the Property or (ii) it is reasonable given the complexity of the development contemplated by the Developer for the Property.

(B) Option and Diligence Procedure.

(1) The Developer shall have until a date which is one hundred eighty (180) days prior to the Development Proposal Deadline (as may be extended) to give the City written notice of its intent to conduct the Diligence Activities (as hereinafter defined) on the Property (the “Diligence Notice”). Following receipt of the Diligence Notice, the City shall use its commercially reasonable efforts during the Diligence Period (as defined below) to provide the Developer and its contractors, consultants and their respective agents with such access to the Property as may be reasonably requested by the Developer from time to time, subject to any access limitation of that certain Sublease of Riverfront Arena between the City, Olympia Entertainment, Inc. and the Detroit Red Wings, Inc., dated June 15, 2014, and the related Parking Agreement (as may be amended, restated or modified, the “JLA Lease”). For purposes of this Agreement, “Diligence Activities” include but are not limited to the following:

(a) such physical inspections, surveys, soil borings and bearing tests and possible relocation of utilities, all as Developer deems necessary in its sole discretion, all of which shall be completed at Developer’s expense;

(b) subject to the terms and provisions of Section 2 below, including giving of such Investigation Notices and obtaining City approval as may be required thereunder, investigations, environmental studies, environmental site assessments (including Phase I and Phase II site assessments, and/or sampling and invasive testing of soil, groundwater, surface water, soil vapors, indoor air, and building materials (such as Asbestos and lead-based paint)), and such other investigations and assessments as Developer may deem necessary in its sole discretion to determine the condition of the Property and the Property’s compliance with Environmental Laws (as defined below) and any other federal, state and local laws, rules, regulations and orders relating in any way to protection of human health, the environment and natural resources, all of which shall be completed at Developer’s expense; and

(c) a review of available public and private utilities and public accesses necessary for the proposed development of the Property.

(2) Title and Survey. The City shall deliver to Developer a title commitment and ALTA survey for the Property (the "Title Commitment and Survey") promptly following execution of this Agreement. Within twenty (20) business days after the Developer's receipt of the Title Commitment and Survey (in form reasonably acceptable to the Developer) and copies of each of the title exceptions referenced in the Title Commitment and Survey, the Developer shall examine the Title Commitment and Survey and shall make any objections to any items therein that would cause title to the Property not to be good and marketable, free and clear of any items that, in Developer's reasonable discretion, would unreasonably interfere with the construction, use or operation of the Development for its intended purposes or impair the value of the Development to such an extent as to make such Development not commercially feasible (any of the foregoing a "Title Defect") by written notice to the City (the "Title Objection Notice"). For avoidance of doubt, the City shall not be obligated to cure, remove or bond over any objection to the Title Commitment and Survey that fails to qualify as a Title Defect hereunder. The Title Objection Notice shall state with specificity the reasons for Developer's objection(s) and the curative steps requested by the Developer which would remove the basis for the Developer's objection(s). The City shall cure, remove or bond over any Title Defects prior to the Closing Date. If the Developer orders an update to the Title Commitment and Survey prior to Closing (as defined in Section 3(A) below), and such update shows any additional Title Defect not caused by the Developer or its agents, consultants or contractors, the City shall cause each such Title Defect to be cured, removed or bonded over prior to Closing.

(3) City Information. To the extent within the possession of the City and the City Parties (as defined below), as reasonably determined by the City's corporation counsel upon due inquiry, the City shall, promptly upon the written request of the Developer, provide, and shall cause all City Parties to provide, to the Developer (i) copies of all environmental studies, asbestos reports or other environmental reports on the Property, and all material documents, records or non-privileged communications related to the presence, use or release of Hazardous Materials at the Property subject to a pending claim or matter or present at concentrations exceeding those allowed by law, (ii) copies of all title reports and the underlying documents referenced therein, (iii) copies of all surveys of the Property, (iv) copies of any other records, documents, instruments, agreements or files with respect to the use or ownership of the Property, to the extent materially relevant after Closing, (v) to the extent not included in the above, copies of the correspondence to or from the City or any City Parties related to the use or ownership of the Property, to the extent materially relevant after Closing and (vi) such other documentation as is reasonably requested by Developer with respect to the Property. For purposes of this Agreement, "City Parties" shall mean any department, subdivision or agency of the City and/or any governmental authority within the direct or indirect control or supervision of the City.

(4) Insurance. Prior to entering onto the Property for any Diligence Activities, Developer or its contractors shall maintain the insurance coverage and comply



with the insurance requirements specified in the City's Right-of-Entry, a form of which is attached as **Exhibit A** (the "Right-of-Entry").

(5) Indemnity. Developer shall defend, indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from Developer's (including its duly authorized employees, agents, engineers or other representatives) negligence or willful acts occurring in connection with the Diligence Activities; provided, however, that the Developer shall not be responsible for any loss, liability, cost, or expense resulting from the City's (or any City Parties') negligence or misconduct.

(6) The Developer shall notify the City in writing, no less than one hundred twenty (120) days following the Diligence Notice (the "Diligence Period"), that either (i) the Developer intends to proceed to Closing on the Property (the "Notice of Option Exercise"), or (ii) the condition of the Property is such that, in Developer's reasonable judgment, the condition adversely affects Developer's ability to timely complete the Development or adversely affects the use, value or marketability of the Property (the "Objection Notice"), which Objection Notice shall state with reasonable specificity the particular diligence matter(s) unacceptable to the Developer, including any Title Defects ("Objections"). The City, in its sole discretion, shall have the option (but not the obligation) to cure, remove or bond over such Objections within sixty (60) days following receipt of the Objection Notice (the "Cure Period"), provided, that the City must cure, remove or bond over such Objections that (a) are encumbrances for the benefit of the City, the City Parties, their lenders or vendors, (b) are Title Defects, or (c) may reasonably be deemed to directly cause a delay in the Developer's ability to complete the Development in accordance with the terms and conditions of this Agreement more than two (2) years after the Completion Deadline; provided, however, in the event any such Objection may reasonably be deemed to directly cause a delay in the Developer's ability complete the Development in accordance with the terms and conditions of this Agreement of two (2) years or less after the Completion Deadline (a "Minor Delay Defect"), then the City shall not be obligated to cure, remove or bond over such Minor Delay Defect; however, the number of days of delay reasonably determined to be caused by such Minor Delay Defect shall be deemed Force Majeure Delay (as hereinafter defined) for the equivalent number of days. Without limiting the generality of the foregoing, the City shall be obligated to cause to be cured, removed or bonded over prior to expiration of the Cure Period: (i) mechanics' liens; (ii) judgment liens against the City or any City Parties; (iii) mortgages, similar loan documents and voluntary liens with respect to indebtedness of the City or any City Party; (iv) delinquent taxes, charges, impositions or assessments; (v) fines issued by any governmental or quasi-governmental authority or other liens encumbering the Property or any portion thereof which are in liquidated amount; and (vi) any other monetary liens against the property. To the extent the Developer desires to proceed to Closing on the Property following delivery of an Objection Notice, the Developer must deliver to the City a Notice of Option Exercise prior to fifteen (15) days following expiration of the Cure Period. Failure of the Developer to timely deliver a Notice of Option Exercise as provided for herein shall result in automatic termination of the Developer's rights under this Agreement and the



Developer shall thereafter have no further interest in the Property. Following delivery by the Developer of a Notice of Option Exercise, the City shall be bound to convey the Property, upon the terms and conditions set forth herein, and the City and the Developer shall proceed to closing on the Property on a mutually agreed upon date which is the later of (i) two (2) years following approval by the City of the Development Proposal, and (ii) six (6) months following completion of Demolition (as defined in Section 5(H)(b) below) by the City (the "Closing Date").

(7) As Is Condition of Property; City Cooperation. The City makes no implied or express representations or warranties of any kind as to any condition that may adversely affect the development, or its fitness for absolutely any purpose whatsoever, other than with respect to the Sufficient Environmental Remediation (as defined in Section 5(H)(b) below). Upon delivery to the City of the Notice of Option Exercise, Developer will be deemed to have acknowledged that it is satisfied with the condition of the applicable Property, subject to the completion of the Sufficient Environmental Remediation, and shall be deemed to have waived any right to object to the status of title or to the condition of the Property, regardless of the result of any Diligence Activities, except as expressly provided for in this Agreement.

(8) Release of City from Liability. Upon Closing and subject to the City's obligation hereunder to perform Sufficient Environmental Remediation, Developer shall release the City and its officials, employees, and agents (but not any third party) from any and all claims or causes of action the Developer may have against the City for any liability, injury or loss as a result of any physical defects in or physical conditions of the Property, including but not limited to any surface, subsurface, latent or patent conditions whether naturally occurring or by action of any party.

(C) Brokerage and Finder's Fees and Commission. Developer will defend and indemnify the City and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind that the City or Developer may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents claiming by, through or under Developer incident to this Agreement and the transaction contemplated hereby or any litigation or similar proceeding arising therefrom unless the City has a written agreement with a broker, finder or agent providing for such payment in which case the City shall be responsible for such broker, finder or agents' commissions, fees, judgments or expenses. To the maximum extent permitted by applicable law, the City will defend and indemnify the Developer and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind that the City or Developer may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents claiming by, through or under the City incident to this Agreement and the transaction contemplated hereby or any litigation or similar proceeding arising therefrom unless the Developer has a written agreement with a broker, finder or agent providing for such payment in which case the Developer shall be responsible for such broker, finder or agents' commissions, fees, judgments or expenses. Developer represents and warrants to the City that it has not engaged or otherwise dealt with any brokers entitled to any commissions, fees, judgments, or expenses in connection with this Agreement.

(D) Taxes And Assessments. All taxes and assessments which (i) have become a lien

upon the Property or part thereof prior to the date of Closing, and (ii) have been discovered and specifically identified by Developer prior to the Closing, shall be paid by the City on or prior to the Closing Date; provided, further that all current property taxes shall be paid by the City through the date of Closing. From and after Closing, and subject to any abatement or other tax limitation described in this Agreement, Developer shall be solely responsible for all taxes, liens, and assessments that become due and payable for the period after the Closing against the Property it acquires hereunder or any part thereof, whenever assessed, levied, or due.

## **Section 2. ENVIRONMENTAL MATTERS**

(A) Definitions. The following words and expressions shall, wherever they appear in this Agreement, be construed as follows:

(1) “Asbestos” shall have the meanings provided under the Environmental Laws and shall include, but not be limited to, asbestos fibers, friable asbestos or asbestos-containing materials or presumed asbestos-containing materials, as such terms are defined under the Environmental Laws.

(2) “Environmental Claims” shall mean all claims, demands, suits, proceedings, actions, whether pending or threatened, contingent or non-contingent, known or unknown, including but not limited to investigations and notices by any governmental authority or other person, brought under common law and/or under any of the Environmental Laws which can or do relate to the Property or the operations conducted thereon.

(3) “Environmental Laws” shall mean all applicable federal, state, and local laws, rules, regulations, orders, judicial determinations and decisions or determinations by any judicial, legislative or executive body of any governmental or quasi-governmental entity, or any other legally binding requirement, whether in the past, present or future, with respect to or otherwise related to the environment, natural resources, pollution or contamination and human health and safety, including, but not limited to:

(a) the installation, existence, or removal of, or exposure to, Asbestos at, on or in the Property;

(b) the existence on, discharge from, release of, exposure to, or removal from the Property of Hazardous Materials; and

(c) the effects on the environment of the Property or any activity conducted now, or previously or hereafter conducted, on the Property.

Without limiting the foregoing, Environmental Laws shall include, but not be limited to, the following: (i) the Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended (“NREPA”); the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC Sections 9601, et seq. (“CERCLA”); the Superfund Amendments and

Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Resource Conservation and Recovery Act, 42 USC Sections 6901, et seq.; the National Environmental Policy Act, 42 USC Section 4321; the Toxic Substances Control Act, 15 USC Section 2601; the Hazardous Materials Transportation Act, 49 USC Section 1801; the Clean Air Act, 42 USC Sections 7401, et seq.; the Occupational Safety and Health Act, 29 USC Sections 651, et seq., as each have been amended and the regulations promulgated in connection therewith; (ii) Environmental Protection Agency regulations pertaining to Asbestos (including 40 CFR Part 61, Subpart M); Occupational Safety and Health Administration Regulations pertaining to Asbestos (including CFR Sections 1901.1001 and 1926.58) as each may now or hereafter be amended; and (iii) any Michigan state and local laws and regulations pertaining to any Hazardous Materials.

(4) “Hazardous Materials” shall include any material, substance or waste classified, regulated, or otherwise characterized as “hazardous,” “toxic,” “radioactive,” a “pollutant,” “contaminant,” or words of similar meaning or is otherwise regulated by Environmental Laws, including, without limitation, polychlorinated biphenyls (PCBs), paint containing lead and urea formaldehyde foam insulation, and sewage.

(B) The City and Developer acknowledge and agree that some of the parcels to be transferred may be “facilities” pursuant to Part 201 of NREPA, whether or not as yet discovered to be such and that the obligations to perform Sufficient Environmental Remediation is the City’s obligation and shall be done at its cost and expense.

(C) The City shall authorize the Developer, through a fully executed Right-of-Entry (in the form attached), to enter upon the Property during the Diligence Period to, subject to the reasonable conditions set forth herein, make soil boring and bearing tests, undertake such surveying and environmental due diligence activities as Developer deems appropriate, including without limitation sampling and testing of soil, soil vapor, surface water, groundwater, indoor air, and the installation of groundwater wells, provided such do not materially and unreasonably interfere with demolition or site improvement activities of the City or the rightful use of the Property by a tenant in possession or other third party, if any, provided the City shall use its commercially reasonable efforts to facilitate such access to tenant spaces. All such testing and remediation shall be done at Developer’s expense; provided, if sampling occurs, the City shall have the right, at its cost and expense, to obtain split samples of any environmental media to the extent reasonably practicable. During the Diligence Period, Developer shall comply with the terms and provisions of the Right-of-Entry. Developer’s right to enter upon the applicable Property is subject to execution of such Right-of-Entry and subject to the prior written authorization by the tenant under the JLA Lease, which the City shall use commercially reasonable efforts to procure promptly upon receipt of the Diligence Notice from the Developer. Upon request from the City, Developer shall promptly provide the City with a copy of each final survey or environmental testing report generated as a result of such activities. Developer shall give prior written notice to the City of Developer’s plan to inspect and/or investigate the environmental condition of the Property during the Diligence Period (each such notice referred to herein as an “Investigation Notice”). The Investigation Notice shall identify any agents or

contractors that the Developer intends to use in conducting the activities covered by the Investigation Notice and the general scope of such activities; provided, the scope of any such investigations, site assessments or testing activities shall be subject to the City's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed; provided, further, Developer shall have sole discretion to determine what analysis any samples will be subjected to. Developer shall use all commercially reasonable efforts to minimize damage to the Property in connection with such entry and shall restore the Property to the condition existing prior to such entry. Developer shall indemnify, defend and hold the City harmless from and against any and all out-of-pocket loss, cost, liability and expense, including reasonable attorney fees and litigation costs, suffered or incurred by the City as a result of the Developer's (including any of its duly authorized employees, agents, engineers or other representatives) negligent acts or omissions or willful misconduct occurring in connection with the activities conducted in accordance with the Right-of-Entry.

(D) In the event Developer elects to proceed to take title to the Property, upon the Closing and subject to the Sufficient Environmental Remediation, Developer takes such Property as it finds it, "AS IS", and the City makes no express or implied representations or warranties as to its fitness for absolutely any purpose whatsoever, including but not limited to any warranty that the Property is fit for the Developer's purpose or regarding the presence or absence of Hazardous Materials at, on, in, under, at, or from the Property and compliance with the Property with Environmental Laws, other than with respect to Sufficient Environmental Remediation. Except with respect to Sufficient Environmental Remediation, Developer acknowledges that neither the City nor any agent or employee of the City has made any representation, warranty or agreement, either express or implied, and Developer has not relied on any representation, warranty or agreement of any kind made by the City or any agent or employee of the City, concerning (a) the physical or environmental condition of the Property, or (b) the presence or absence of any condition, substance or material, including but not limited to any waste material, equipment or device at, on, in, under, about, or from the Property. Developer agrees that the disclosures of the City concerning the Property and its condition are intended to satisfy any duties the City may have under the law, including but not limited to the statutes, Environmental Laws, and common law. By executing this Agreement, Developer acknowledges that it is entitled to receive from the City Sufficient Environmental Remediation and is entitled to conduct its Diligence Activities, including but not limited to inspection of the Property, review of title, and the results of the tests, investigations and surveys permitted under this Agreement. If, prior to Closing, Developer fails to undertake such investigations and/or obtain such test results and surveys, or fails to object to the condition of the Property based on the results of its Diligence Activities, and Developer thereafter elects to proceed to Closing, Developer shall thereupon be deemed to have waived any right to object to the condition of the Property and shall be deemed to have declared its full satisfaction therewith, subject to Sufficient Environmental Remediation.

(E) Upon Closing, Developer, for itself and its successors and assigns, expressly waives and releases all Environmental Claims (whether for personal injury, property damage or otherwise) that Developer may have against the City and its officials, employees and agents in connection with or related to such Property or any aspect thereof, except with respect to Sufficient Environmental Remediation.

(F) After the Closing, the City shall have no obligation or liability to Developer whatsoever to undertake any cleanup or other remedial action that may be required in connection with the Property under any Environmental Law, or to comply with any other federal, state or local requirement to attend to the physical condition of the Property, subject to the City's obligations hereunder related to Sufficient Environmental Remediation.

(G) At its sole cost and expense, with respect to the Property for the period commencing on the Closing and ending on Commencement of Construction (as defined in Section 5(C) below), Developer shall: (a) comply with all Environmental Laws; (b) pay when due the cost of Developer's compliance with the Environmental Laws resulting out of environmental conditions caused or permitted by Developer during its period of ownership, use, possession or development of the Property; and (c) keep the Property free of any lien imposed pursuant to the Environmental Laws resulting out of Developer's ownership, use, possession, or development of the Property.

(H) Notwithstanding anything to the contrary which may be contained in this Agreement, Developer represents and warrants and covenants to the City for the period after Developer's commencement of ownership, use, possession or development of the Property through and including Commencement of Construction, as follows:

(a) Developer shall not use or allow the use of the Property for the purpose of storing any Hazardous Materials Developer brings into the Property, nor shall Developer use the Property in a manner which will cause or increase the likelihood of causing the release of such Hazardous Materials onto or from the Property, in each case other than those Hazardous Materials which are necessary and commercially reasonable for the conduct of Developer's development activities or the business operated on the Property and which Hazardous Materials shall be handled and disposed of in compliance with all Environmental Laws and industry standards and in a commercially reasonable manner.

(b) Developer shall promptly notify the City of any claims or litigation against the Developer by any person (including any governmental authority), concerning the presence or possible presence of Hazardous Materials contamination at the Property or concerning any violation or alleged violation of the Environmental Laws by the Developer respecting the Property, and shall furnish the City with a copy of any such communication received by Developer.

(c) Developer shall notify the City promptly and in reasonable detail in the event that Developer becomes aware of or suspects the presence of Hazardous Materials at levels exceeding those allowed by the Environmental Laws or contamination or a material violation of the Environmental Laws at the Property.

(d) If Developer's operations at the Property violate the Environmental Laws so as to subject Developer or the City to a formal notice of violation by a governmental agency alleging a violation of the Environmental Laws, Developer shall promptly notify the City of the Developer's receipt of such formal notice of



violation and shall promptly investigate the underlying circumstances and notify the City within five (5) days after the completion of its investigation of the results of its investigation. If Developer determines that an ongoing material violation by Developer is occurring or did occur, Developer shall, to the extent required by Environmental Laws, cease or cause a cessation of or take other actions to address those aspects of the use or operations causing the violation and shall remedy and cure in compliance with the Environmental Laws any conditions arising therefrom to the extent required by Environmental Laws at its own cost and expense. If Developer disputes that its activities are violating Environmental Laws, it shall expeditiously appeal and prosecute an appeal of the notice of violation or take other commercially reasonable actions to dispute such notice.

### **Section 3. CLOSING**

(A) On the Closing Date, the City shall, subject to Developer's satisfaction of the conditions precedent set forth in Section 3(B) below, convey the Property to the Developer (the "Closing") by quit-claim deed substantially in the form of the deed set forth in **Exhibit B** (the "Deed") using legal descriptions approved by Developer and the City. The Parties agree and acknowledge that the sole and exclusive consideration for conveyance of the Property hereunder is deemed to be the Arrangement, the sufficiency of which is hereby acknowledged.

(B) Conditions to Closing. The City's obligation to proceed with a Closing is conditioned on the fulfillment by Developer of each of the following conditions precedent:

a. Resolution of Developer's Authority. Developer shall furnish to the City a certified copy of a resolution in form and substance reasonably acceptable to the City and the title company insuring title to the Property, duly authorizing the execution, delivery and performance of this Agreement and all other documents and actions contemplated hereunder.

b. Payment of Closing Costs. Developer shall have tendered payment of the closing costs payable by Developer, which shall include all title charges, escrow, closing and recording fees associated with any conveyance hereunder except those costs expressly allocated to the City hereunder. The City shall pay all closing costs in connection with transfer of the Property at Closing to the extent such costs are expressly allocated to sellers of real property in Detroit, Michigan pursuant to applicable law. Each Party shall bear the cost of its own legal fees and expenses in connection with this Agreement.

(C) Delivery of Deeds and Possession. The City will deliver to Developer at Closing the Deed with respect to the Property and possession thereof.

(D) Recording. Provided that Developer has complied with all conditions precedent as specified in Section 3(B) above, the Deed shall be delivered at the Closing for prompt recordation with the Register of Deeds of Wayne County, Michigan. Developer shall pay at Closing all costs for recording the Deed. Possession of the Property shall be delivered to Developer at the Closing.

### **Section 4: NOTICES**

All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a “Notice”) required, permitted, or desired to be given hereunder to any Party shall be in writing and either (a) hand delivered, (b) sent by registered or certified mail, postage prepaid, return receipt requested, (c) sent by facsimile transmission (with confirmation), or (d) sent by reputable overnight prepaid courier, addressed to the Party to be so notified at its address set forth below, or to such other address as such Party may hereafter specify in accordance with the provisions of this Section. Any Notice shall be deemed to have been effectively given and received: (i) in the case of hand delivery, at the time of delivery if delivered prior to 5:00 P.M. New York time on a Business Day (or if delivered after 5:00 P.M. or on a day other than a Business Day, then the next succeeding Business Day); (ii) in the case of registered or certified mail, three (3) Business Days from transmittal; (iii) in the case of reputable overnight prepaid courier, one (1) Business Day subsequent to transmittal; or (iv) in the case of facsimile transmission, upon confirmation that receipt of such transmission was received, provided receipt of such transmission is confirmed prior to 5:00 P.M. New York time on the Business Day on which such confirmation is received (or if confirmed after 5:00 P.M. or on a day other than a Business Day, then the succeeding next Business Day), in each case addressed to the respective Party as follows:

If to Developer: Financial Guaranty Insurance Company  
521 Fifth Avenue – 15th Floor  
New York, New York 10175  
Attention: General Counsel  
Fax: 212-312-3221

If to the City: Director  
Planning & Development Department  
65 Cadillac Square, Suite 2300  
Detroit, Michigan 48226  
Fax: \_\_\_\_\_

With a copy to (which copy shall not constitute notice):

Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue  
Suite 500  
Detroit, MI 48226  
Fax: \_\_\_\_\_

If to the State: State of Michigan  
P.O. Box 30013  
Lansing, Michigan 48909  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

Any Party may notify any other Party of any changes to the address or any of the other details for Notice to such Party specified above; provided, however, that no such change shall be effective



earlier than the date such Notice is received or deemed to have been received in accordance with this Section.

## **Section 5: COVENANTS**

(A) Developer covenants for itself and its successors and assigns and every successor in interest to the Property, that from and after Closing on the Property, Developer and its successors and assigns shall develop such Property only to and in accordance with the Approved Development Proposal and otherwise pursuant to the terms and conditions of this Agreement, unless otherwise agreed in writing by the City. Subject to Force Majeure Delays (as defined below), within twelve (12) months following the Closing Date (the “Commencement Deadline”), the Developer shall achieve Commencement of Construction with respect to such Property. Following Commencement of Construction, the Developer shall diligently prosecute the Development on the Property to substantial completion in material conformance with the Approved Development Proposal (which shall mean substantial completion of the Development and all improvements related thereto, exclusive of landscaping, punch list items and any tenant work for commercial or other space for which there are no tenants or for which the work is to be done by a tenant and any onsite or offsite work that is not commercially necessary for occupancy in material conformance with the Approved Development Proposal) (the date upon which such substantial completion occurs referred to herein as the “Completion Date”). Subject to Force Majeure Delays, the Completion Date shall occur within thirty-six (36) months following the Closing Date (the “Completion Deadline”). For purposes of this Agreement, “Force Majeure Delays” shall mean an event, casualty, occurrence, condition, or circumstance of any kind or nature reasonably beyond the control of the applicable party hereto which renders such party unable to perform any of its obligations contemplated hereunder, in full or in part, including, without limitation, (i) acts of declared or undeclared war by a foreign enemy; (ii) civil commotion, insurrection or riots; (iii) fire or casualty or condemnation; (iv) floods, hurricanes or other materially adverse weather conditions; (v) earthquakes; (vi) acts of God; (vii) governmental preemption in the case of emergency; (viii) unavailability of materials to the extent not within the reasonable control of the applicable party (other than shortage of funds); (ix) strikes, lockouts or other labor trouble; (x) inability to secure labor or access to the Property including, without limitation, holdover of the tenant under the JLA Lease (as defined below) beyond any stated expiration date (inclusive of all renewal options thereunder); (xi) acts of terrorism; (xii) the suspension of government operations; (xiii) any act, omission, rule, order or regulation of any governmental authority or any department or subdivision thereof (other than, with respect to the City, the City, any department, subdivision or agency of the City or any governmental authority within the direct or indirect control or supervision of the City and other than, with respect to the Developer, the failure of the Developer to secure the Required Approvals if the Developer does not apply for and diligently prosecute the applications for such Required Approvals); (ix) the presence of hazardous materials on the Property and any related remedial action; and (x) any other cause, event or circumstance not within the reasonable control of the applicable party (other than shortage of funds).

(B) The Commencement Deadline and Completion Deadline shall be extended for a period of time equal to the number of days during which Developer is prevented from proceeding with the construction of the development at the Property by reason of Force Majeure

Delays, provided that (i) Developer is otherwise in compliance with the terms and provisions of this Agreement, and (ii) Developer notifies the City of the events constituting such Force Majeure Delays no later than sixty (60) days after Developer has actual knowledge of their occurrence. At Closing, Developer shall cause the City to be provided with a commercially reasonable completion guarantee, or other assurance of completion (which other assurance of completion shall be reasonably acceptable to the City), given by an entity reasonably acceptable to the City, which guarantees for the benefit of the City substantial completion of the Development on or before the Completion Deadline (the “Guaranty”).

(C) For purposes of this Agreement, “Commencement of Construction” on the Property shall be deemed to have occurred when the Developer shall have commenced site preparation work on the Property, which site preparation work may include renovation or demolition of existing structures located on the Property by the Developer, as applicable.

(D) Developer covenants and agrees that from and after Closing, through and including the Commencement of Construction, it will: (i) comply with all applicable zoning requirements, and all other applicable state and federal statutes and regulations and local laws and ordinances applicable to the ownership, use and/or occupancy of the Property; and (ii) except as abated in accordance with the terms hereof, pay and discharge when due without penalty, and in all events before penalty for nonpayment attaches thereto, all taxes, assessments and governmental charges, including but not limited to real estate taxes or assessments on the Property or any part thereof, except where the same may be contested in good faith.

(E) Developer covenants and agrees to permit the City or its designee to encumber that portion of the Property depicted in the attached **Exhibit C** with an easement upon terms and conditions determined by the City in its reasonable discretion, for the purpose of constructing certain riverwalk improvements. In the event the easement contemplated above is not placed of record prior to Closing, the Developer (including any successors or assigns thereof) shall permit such easement to be placed of record following Closing free of charge. Notwithstanding any provision hereof to the contrary, no such easement described in this paragraph, to the extent recorded prior to Closing, shall form the basis for a Title Defect or any Objection hereunder, and the City shall not be required for any reason to cure, remove or bond over such encumbrance.

(F) Developer covenants and agrees to permit the City or its designee to maintain on the Property those certain public transportation assets of the City commonly referred to as the “people mover” and all ancillary assets related thereto free of charge (the “People Mover”). Developer further covenants and agrees to permit the City or its designee to encumber the Property with an easement upon terms and conditions determined by the City in its reasonable discretion, for the purpose of maintaining, renewing and replacing, as necessary in the City’s sole discretion, the People Mover in the location on the Property in which the People Mover is situated as of the date of this Agreement. In the event the easement contemplated above is not placed of record prior to Closing, the Developer (including any successors or assigns thereof) shall permit such easement to be placed of record following Closing free of charge. Notwithstanding any provision hereof to the contrary, no such easement described in this paragraph, to the extent recorded prior to Closing, shall form the basis for a Title Defect or any

Objection hereunder, and the City shall not be required for any reason to cure, remove or bond over such encumbrance.

(G) Estate Conveyed. Notwithstanding anything contained in this Agreement to the contrary, the estate conveyed hereby shall be deemed to be a determinable fee and only upon Commencement of Construction hereunder will the possibility of reverter retained by the City automatically expire as to that part of the applicable Property.

(H) City Covenants.

(a) Prior to Closing, the City shall (1) subject to Demolition, maintain the Property in at least the same condition and repair (except for environmental condition and repair thereof, which is addressed in sub-clause (2) below) as such exists on the Effective Date, (2) not, through its own action, alter the environmental condition of the Property, as such exists on the Effective Date, in a material and adverse manner, (3) not take zoning or land use action on the Property without Developer's prior written consent, and (4) not execute or grant any lease, contract, agreement, lien, security interest, encumbrance, easement, or restriction with respect to such Property, or amend, modify, renew or extend any of the foregoing, without prior written consent of the Developer, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, without the consent of the Developer, the City shall be permitted to (i) enter into, amend, modify or renew any contract, agreement or lease with respect to the Property to the extent that such instrument is terminable at will by the City and is terminated by the City prior to the Closing or the term of such instrument does not extend beyond Closing, and (ii) amend or modify the JLA Lease in any manner which would not materially, adversely alter the rights of the Developer hereunder (for avoidance of doubt, the City shall be permitted to terminate the JLA Lease without the Developer's prior consent); provided, however, in no event shall the City renew or otherwise extend the JLA Lease, subject to the right of the existing tenant thereunder to so extend the JLA Lease. The City shall pass no charter, ordinance or other provision that solely affects or primarily targets the Developer or its rights under this Agreement which charter, ordinance or other provision has a material adverse impact on the Developer or its rights under this Agreement (it being understood that a "material adverse impact" shall include any adverse financial impact on or any contradiction, or adverse impact on the enforceability of, the terms of this Agreement or the Economic Incentive Agreements). To the extent any COBO Interests are intended to benefit the owner of the Property, but are not otherwise in the name of, or held by, the City, upon written request of the Developer given to the City not less than ninety (90) days prior to Closing, the City shall use reasonable efforts to cause such COBO Interests to be conveyed to the Developer at Closing.

(b) Promptly upon expiration of the JLA Lease, but in no event more than ninety (90) days after expiration of the JLA Lease (the "Demolition Commencement Date"), the City shall commence or cause to be commenced the demolition of all improvements on the Property (except for those certain improvements commonly referred to as the Joe Louis Arena Garage) (the "Demolition Property"), which demolition shall include (i) removal and disposal of all building improvements and materials located thereon and (ii) certain excavation work to be completed at the Demolition Property, which excavation work shall include, without limitation, clearing and grubbing, soil erosion and control, and site excavation and embankment on the

Demolition Property, all in accordance with plans and specifications reasonably acceptable to the Developer and all applicable laws, including, but not limited to Environmental Laws (“Demolition”). For the avoidance of doubt, if the City commences staging for the Demolition by the Demolition Commencement Date, the City will be deemed to have timely commenced Demolition. Notwithstanding the foregoing, Demolition shall also include (i) remediation or removal of Hazardous Materials (including, but not limited to, asbestos-containing materials, PCB-containing light fixtures, mercury-containing switches) related to the removal and disposal of materials from the Demolition Property to the extent required by or necessary to comply with applicable laws or as is customary for demolition projects of a similar scope and nature and (ii) the investigation, control or removal of any Hazardous Materials at, on or below the surface of the Property that is sufficient under and otherwise causes the Property to comply with applicable law for Developer to develop and use the Property consistent with the Development Proposal for its intended purposes as a multiuse hotel, residential condominium, office or retail development (“Sufficient Environmental Remediation”). Sufficient Environmental Remediation may, at the City’s election, include controls that do not unreasonably interfere with the Development Proposal; provided such are acceptable to the governmental authorities with jurisdiction over the Property. Developer agrees that, in conjunction with Developer, the City may have prepared and submitted to the Michigan Department of Environmental Quality a Baseline Environmental Assessment (Phase II) and associated Due Care Plans approved by and for the benefit of Developer, which approval shall not be unreasonably withheld, delayed or conditioned; however, the submission of such shall not alleviate the City’s obligation to undertake such other actions necessary to perform Sufficient Environmental Remediation to allow for the implementation of the Development Proposal. The Developer agrees that in conducting Sufficient Environmental Remediation, the City may rely on protective barriers to prevent contact with affected soil and deed restrictions to limit groundwater use and other due care requirements approved by the governmental authorities and reasonably acceptable to Developer. Sufficient Environmental Remediation shall not include the construction of measures adopted as controls to the extent that they are otherwise specifically part of the Development Proposal, in which case Developer shall construct them as part of the Development; however, if the costs to do so are increased as a result of government approved controls, the City shall reimburse Developer for the increased costs to satisfy any government imposed controls. Developer or any future owner will be responsible for maintaining any reasonable controls or due care measures adopted as part of the Sufficient Environmental Remediation. The Demolition Commencement Date is expected to occur on or before September 15, 2017. Demolition shall be completed within one (1) year following the Demolition Commencement Date. The State shall make available to the City and/or the City Parties certain CRP Incentives set forth below, of which up to \$6,000,000 will be for the purpose of reimbursing the City for the costs and expenses incurred in connection with the Demolition (the “Demolition CRP Incentives”). For purposes of this Agreement, “CRP Incentives” shall mean incentives available from the Michigan Strategic Fund, in cooperation with the Michigan Economic Development Corporation (“MEDC”), through the Community Revitalization Program under Public Act 252 of 2011. If there are any remaining Demolition CRP Incentives following the Demolition and the Sufficient Environmental Remediation, such funds shall be made available to reimburse the Developer for other eligible costs for the Development, to the extent the Developer otherwise meets the eligibility requirements for CRP Incentives and enters into the Economic Incentive Agreements applicable to such CRP Incentives.

(c) Until the earlier of Closing or termination of the Developer's rights under this Agreement, the City shall fund or cause to be funded all costs and expenses for the repairs specified on page 15 "Opinion of Expected Construction Costs – July 2014" in the Physical Conditions Due Diligence Review and Evaluation dated September 2014 prepared by Desman Associates, except for Item #3 identified therein.

(d) The City represents to Developer that, as of the Closing Date, the City or an instrumentality of the City will have the right, power and authority to convey the Property in the manner provided for in this Agreement.

(I) Economic Incentive Covenants.

(a) In order to facilitate construction of the Development pursuant to the Approved Development Proposal on the Property, the State has agreed to reimburse the Developer for certain eligible project costs through TIF Incentives, as more particularly set forth herein. To the extent that the Approved Development Proposal meets the eligibility requirements for TIF Incentives, the Developer shall be provided up to \$18,000,000 in TIF Incentives, which TIF Incentives will accrue interest at three percent (3%) per annum on any outstanding balance thereof, pursuant to one or more subsequent final written grants or loans (forgivable or otherwise), as applicable, and a development agreement or other economic assistance agreements, as applicable, which shall be entered into by the Developer and the State no later than one hundred twenty (120) following the City's approval of the Approved Development Proposal (which date may be extended by up to sixty (60) days in the event that the TIF Incentives require review by the Michigan Department of Environmental Quality) (the "Economic Incentive Agreements"). The Economic Incentive Agreements shall include (i) a schedule of performance- based project milestones for construction of the Development, and (ii) a pro-forma budget for the Development, as agreed upon by the City, the State and the Developer. The Economic Incentive Agreements will be executed in accordance with the standard process, including the filing of any necessary applications. The Economic Incentive Agreements shall govern disbursement of the TIF Incentives, including those project costs related to the Development that are eligible for TIF Incentives, as well as conditions precedent, milestones and timing for such disbursement, and shall include customary periodic reporting requirements of the Developer for data related to the Development both during and after construction. For purposes of this Agreement, "TIF Incentives" shall mean certain redevelopment incentives awarded by the Michigan Strategic Fund (MSF) under the Brownfield Tax Increment Financing Program (Act 381 of 1996), as administered by MEDC.

(b) To the extent the Development includes residential uses, the Economic Incentive Agreements shall also provide for designation of the Development as a Neighborhood Enterprise Zone ("NEZ"), and the City and each of the City Parties shall cooperate with and assist the Developer in applying for the NEZ certificate. The City and each of the City Parties shall establish either a Commercial Redevelopment Zone (as defined in the Commercial Redevelopment Act, defined below) or a Commercial Rehabilitation Zone (as defined in the Commercial Rehabilitation Act, defined below), as requested by the Developer, such that the Property will be eligible for the property tax abatements available for properties in the applicable zone. The City and each of the City Parties shall cooperate with and assist the Developer in



applying for and obtaining the tax abatements for which the Property and any development thereon is eligible under the Commercial Rehabilitation Act or the Commercial Redevelopment Act. For purposes hereof, "Commercial Redevelopment Act" means the Public Act 255 of 1978, MCL § 207.651 *et seq.*, and "Commercial Rehabilitation Act" means the Public Act 210 of 2005, MCL § 207.841 *et seq.*

(c) The City shall use its commercially reasonable efforts to assist the Developer in obtaining any additional sources of developer financings and grants not already expressly provided for in this Agreement that are identified in writing to the City by the Developer.

(J) Land Use Covenants.

(a) The City shall change the zoning requirement for the Property to be designated "B-5", which will permit the Developer to develop the Property as a mixed-use development, provided that the City administratively approves the site plans, which approval will not be unreasonably withheld, delayed or conditioned. Approval by the City of the Development Proposal shall not be deemed approval with respect to any site plan, elevation, special land use, environmental, conditional use or other municipal approvals or permits, or variances therefrom, required for the Development (the "Required Approvals"); provided, however, upon approval by the City of the Development Proposal and prior to Closing, the Developer may proceed with securing the Required Approvals at its sole cost and expense.

(b) With respect to any formal requests made by Developer or its designee to the City or State for any Required Approvals, the City or State, as applicable: (a) agrees to process such requests promptly and to use commercially reasonable efforts to process them within thirty (30) days of submission by the Developer, (b) shall not unreasonably withhold, condition or delay approvals of the applicable requests, provided that the City or State have the legal authority to grant such approval and that such approval does not violate any applicable law, rule or regulation of general application, (c) shall not unreasonably impede or interfere with the Development, (d) shall not discriminate against Developer in the consideration or approval of such Required Approvals on account of the circumstances surrounding the Arrangement and this Agreement and the events leading up thereto, and (e) shall use reasonable efforts to facilitate such requests, taking into consideration other similar requests for approvals or inducements, as applicable, of third parties granted thereby for similarly situated developments and uses as those contemplated for the Development; provided, however, the City or State, as applicable, shall process such requests for all Required Approvals pursuant to all then applicable rules, regulations, statutes and similar requirements.

**Section 6: REMEDIES**

(A) City's Remedies Prior to Conveyance. In the event that, prior to the Closing on the Property, Developer assigns or otherwise transfers this Agreement or any right therein or in the Property to any entity prohibited from doing business with the City, this Agreement and any rights of Developer in this Agreement, may, at the option of the City, be terminated by the City after thirty (30) days written notice and opportunity to cure provided by the City to Developer. In any case, the Developer shall provide written notice to the City of such assignment.

(B) City's Remedies Subsequent to Conveyance.

(1) Event of Default. If, prior to the Developer achieving substantial completion of the Development, the Developer breaches any covenant set forth in this Agreement and fails to cure such breach within thirty (30) days after written demand by the City, such an event shall be deemed to constitute an "Event of Default", provided, however, that if the nature of Developer's default is such that more than the cure period provided is reasonably required for its cure, then Developer shall not be deemed to be in default if Developer commences such cure within said period and thereafter diligently pursues such cure to completion within one hundred eighty (180) days of City's initial written demand hereunder. Notwithstanding the foregoing, Developer shall have the right to dispute that an Event of Default has occurred or that an Event of Default has not been timely cured by written notice of dispute sent to the City ("Notice of Dispute"). In the event a Notice of Dispute is sent, such Parties shall meet and in good faith work to resolve their differences. In the event the City and Developer cannot resolve their differences as to whether an Event of Default has occurred or has been cured, then the City shall not take any action with respect to such uncured and disputed Event of Default as described in Sections 6(B)(2) or 6(B)(3) below without first bringing an action in a court of competent jurisdiction for a final judicial determination that an Event of Default occurred and was uncured. Notwithstanding the foregoing, the Developer shall not be entitled to give a Notice of Dispute and the City shall not be required to first meet in good faith with the Developer as provided for above, and may proceed directly to seek judicial relief in a court of competent jurisdiction to the extent such Event of Default arises from or relates to the imminent risk of harm to property or persons. The City may, in its sole discretion, waive in writing any default or Event of Default by Developer.

(2) City's Remedies. Upon the occurrence of an Event of Default by the Developer, then after a judicial determination as required by Section 6(B)(1) above, the City shall have the right (as its sole remedy except as set forth in Section 6(B)(3) below with respect to the failure of the Developer to achieve Commencement of Construction prior to the Commencement Deadline as the same may be extended as provided herein), to seek injunctive relief, specific performance or other equitable remedies (other than the forfeiture of Developer's title to or interest in the Property) for the Developer's breach of this Agreement,. In no event shall the City be entitled to monetary damages as a result of the Developer's breach of this Agreement.

(3) Right of Reverter. It is expressly understood and agreed between the Parties hereto that until Commencement of Construction, the conveyance of such Property to Developer shall be construed and interpreted as the conveyance of a fee simple determinable, and that in the event of an uncured and undisputed Event of Default caused solely by the failure of the Developer to achieve Commencement of Construction prior to the Commencement Deadline as the same may be extended as provided herein, then after a judicial determination as required by Section 6(B)(1) above, title to the Property shall automatically revert in the City. Upon such reversion of title, the City shall have the right to re-enter and take immediate possession of the Property. While the right of reversion as to the Property automatically terminates upon Commencement of Construction, the City agrees to provide Developer with a written acknowledgement, in recordable form, that Commencement of Construction has occurred



and the City's right of reversion has terminated hereunder and to take such further action as may reasonably be requested by the Developer, at no incremental cost to the City, to extinguish the right of reversion of record.

(C) Rights and Remedies Cumulative. The rights and remedies of the City and the Developer, whether provided by law or by this Agreement, shall be cumulative, and the exercise by the City or the Developer of any one or more remedies shall not preclude the exercise by it, at the same or different times, of any other remedy for the same default or breach or any other default or breach by the Developer or the City. No waiver made by any Party shall apply to obligations beyond those expressly waived in writing.

(D) Developer's Remedies. If the City breaches its obligations under this Agreement after reasonable notice and opportunity to cure, Developer shall have the right to seek injunctive relief, specific performance or other equitable remedies for the City's breach of this Agreement. In no event shall the Developer be entitled to monetary damages as a result of the City's breach of this Agreement.

(E) Representatives Not Individually Liable. No official or employee of the City shall be personally liable to Developer or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligations under the terms of this Agreement. No director, officer or employee of the Developer or any successor in interest shall be personally liable to the City, in the event of any default or breach by the Developer or any successor in interest for any amount which may become due to the City or on any obligations under the terms of this Agreement.

#### **Section 7: PROVISIONS NOT MERGED WITH DEEDS**

No provision of this Agreement is intended to or shall be merged into the Deed transferring title to the Property from the City to Developer or any successor in interest, and any such Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

#### **Section 8: ENTIRE AGREEMENT; AMENDMENT**

This Agreement (including all exhibits, schedules or other attachments hereto) constitutes the complete and exclusive statement of the terms of the agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, promises, and arrangements, oral or written, between or among the Parties with respect to the subject matter hereof. This Agreement may be amended or modified only by an instrument in writing signed by all of the Parties.

#### **Section 9: GOVERNING LAW; JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to conflicts-of-law principles that would require the application of any other law. Any dispute between the Parties under this Agreement which cannot be resolved by informal dispute resolution by the Parties within sixty (60) days of notice to the other

Party shall be brought in the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court") for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan (the "District Court"); provided, that if the District Court does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan; provided, further, by execution and delivery of this Agreement, each of the Parties irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

#### **Section 10: COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but together such counterparts shall constitute one and the same instrument.

#### **Section 11: AUTHORITY OF CITY.**

Notwithstanding anything in this Agreement, in law or in equity, or otherwise to the contrary, this Agreement shall be of no force or effect and may not in any way be enforced against the City unless or until this Agreement and the transaction contemplated hereby have been: (i) approved in writing by the Emergency Manager for the City of Detroit, in accordance with Emergency Manager Order No. 5 (as modified by Order No. 42), (ii) either included in the Emergency Manager's financial and operating plan or approved in writing by the Governor of the State of Michigan or his or her designee, in accordance with Section 12(1)(k) of Public Act 436 of 2012; and (iii) either included in the Emergency Manager's financial and operating plan or approved in writing by the State Treasurer, in accordance with Section 15(1) of Public Act 436 of 2012. The City shall provide written notice to Developer of the satisfaction of the foregoing conditions, within five (5) business days after satisfaction thereof.

**Section 12: CITY AGENCIES AND DEPARTMENTS.** Whenever this Agreement requires an action or creates an obligation on behalf of the City, the City shall also be required, as applicable, to cause all of the City Parties to take such actions and perform such obligations.

#### **Section 13: TRANSFERABILITY.**

(A) Developer shall be entitled to freely transfer or assign its rights and obligations hereunder at any time, as long as it provides the City written notice thereof and it does not transfer its rights hereunder to a party that is prohibited from doing business with the City, and upon such assignment and an assumption of the obligations and liabilities of the Developer by any such transferee, the Developer shall be automatically released from any of its obligations or liabilities hereunder.

(B) Notwithstanding anything to the contrary contained herein, the COPs and any beneficial interests in COPs shall be freely transferable without restriction of any kind or notice to the City or any City Parties.

(signatures on following pages)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

WITNESSES:

DEVELOPER

FINANCIAL GUARANTY INSURANCE  
COMPANY, a New York stock insurance  
corporation

\_\_\_\_\_  
Print: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEW YORK     )  
  ) ss.  
COUNTY OF NEW YORK    )

The foregoing instrument was acknowledged before me on October \_\_, 2014 by \_\_\_\_\_ the \_\_\_\_\_ of Financial Guaranty Insurance Company, a New York stock insurance company, on behalf of said company.

\_\_\_\_\_  
Notary Public, New York County, New  
York  
Acting in New York County, New York  
My commission expires:

*[signatures continue on following page]*

WITNESSES:

STATE OF MICHIGAN

Print: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on October \_\_\_\_ 20\_\_ by \_\_\_\_\_, the \_\_\_\_\_ of the State of Michigan, on behalf of the State.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

*[signatures continue on following page]*

WITNESSES:

CITY OF DETROIT,  
a Michigan public body corporate

Print: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on October \_\_\_\_ 20\_\_ by \_\_\_\_\_, the \_\_\_\_\_ of the City of Detroit, a Michigan public body corporate, on behalf of the City.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

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Pursuant to § 18-5-12 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this contract.

Approved by the City Law Department pursuant to Sec. 7.5-206 of the Charter of the City of Detroit.

Finance Director

Corporation Counsel

City Council Approval Date:

---

**Drafted by and when recorded return to:**

Bruce N. Goldman  
Senior Assistant Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue, Suite 500  
Detroit, Michigan 48226

**EXHIBIT A**  
**RIGHT OF ENTRY**

[See attached]



## EXHIBIT B

### QUIT CLAIM DEED

The City of Detroit, a Michigan public body corporate whose address is 2 Woodward Avenue, Detroit, MI 48226 ("Grantor"), quit claims to \_\_\_\_\_, a Michigan \_\_\_\_\_ ("Grantee"), whose address is \_\_\_\_\_, the premises located in the City of Detroit, Wayne County, Michigan, described as:

A/K/A \_\_\_\_\_

Ward: \_\_\_\_\_ Item(s):

(the "Property"), for the sum of \_\_\_\_\_ (\$\_\_\_\_\_), subject to and reserving to the City of Detroit its rights under public easements and rights of way, easements of record, applicable zoning ordinances, development plans pursuant to Act 344 of 1945 as amended (if any), and restrictions of record.

This Deed is given subject to the terms, covenants and conditions of a Development Agreement - Option to Purchase and Develop Land dated \_\_\_\_\_, 20\_\_ entered into by the parties hereto and which is incorporated herein by reference and a memorandum of which was recorded on \_\_\_\_\_, 20\_\_ in the Office of the Register of Deeds for the County of Wayne in Liber \_\_\_\_\_ on Pages \_\_\_\_\_ through \_\_\_\_\_ inclusive, none of the terms, covenants and conditions of which shall be deemed merged in this Deed. The covenants therein recited to be covenants running with the land are hereby declared to be covenants running with the land enforceable by the City as therein set forth until Commencement of Construction as defined therein.

The Grantor grants to the Grantee the right to make all divisions under Section 108 of the land division act, Act No. 288 of the Public Acts of 1967, as amended. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

This deed is dated as of \_\_\_\_\_.

CITY OF DETROIT,  
a Michigan public body corporate

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

*[acknowledgement on following page]*

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on \_\_\_\_\_  
20\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of  
the City of Detroit, a Michigan public body corporate, on behalf of the City.

\_\_\_\_\_  
Print: \_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

---

Pursuant to § 18-5-12 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this contract.

Approved by the City Council on.  
JCC pp \_\_\_\_\_ or Detroit Legal News,  
\_\_\_\_\_, on file in my office.

Finance Director

Approved by the City Law Department  
pursuant to Sec. 7.5-206 of the Charter of  
the City of Detroit.

Approved by Mayor on

Corporation Counsel

City Clerk

---

**This Instrument Drafted by:**

**When recorded, return to:**

Bruce N. Goldman  
Senior Assistant Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue, Suite 500  
Detroit, MI 48226

Grantee

Exempt from transfer taxes pursuant to MCL § 207.505(h)(i) and MCL § 207.526(h)(i).

**EXHIBIT C**  
**RIVERWALK EASEMENT AREA**

[See attached]

**EXHIBIT I.A.216**

**SCHEDULE OF HUD INSTALLMENT NOTE DOCUMENTS  
& RELATED HUD INSTALLMENT NOTES**

<b>HUD Installment Note Documents</b> (Identified by note number. Ancillary instruments and agreements related thereto are not separately identified)	<b>HUD Installment Notes</b>	<b>Estimated Allowed Amount</b> (The estimated allowed amount is the sum of all advances and conversion date advances under the HUD Installment Notes identified in this schedule, less principal amounts paid, plus interest due on principal amounts outstanding. The estimated aggregate allowed amount is the sum of the estimated allowed amount for all the HUD Installment Notes identified in this schedule)
City Note No. B-94-MC-26-0006-A	Garfield Project Note *	\$549,142.50
City Note No. B-94-MC-26-0006-D	Stuberstone Project Note*	\$95,929.50
City Note No. B-97-MC-26-0006	Ferry Street Project Note*	\$1,837,217.00
City Note No. B-98-MC-26-0006-A	New Amsterdam Project Note*	\$10,371,138.25
City Note No. B-98-MC-26-0006-B	Vernor Lawndale Project Note*	\$1,923,209.50
City Note No. B-02-MC-26-0006	Mexicantown Welcome Center Project Note*	\$4,255,498.00
City Note No. B-03-MC-26-0006	Garfield II Note 1 *	\$8,935,901.00
City Note No. B-03-MC-26-0006	Garfield II Note 2*	\$3,071,773.50
City Note No. B-03-MC-26-0006	Garfield II Note 3 °	\$7,262,461.03
City Note No. B-03-MC-26-0006	Garfield II Note 4°	\$1,554,180.43
City Note No. B-05-MC-26-0006	Woodward Garden Project 1 Note*	\$8,532,290.00
City Note No. B-05-MC-26-0006	Woodward Garden Project 2 Note*	\$9,324,475.35
City Note No. B-05-MC-26-0006	Woodward Garden Project 3 Note°	\$6,177,291.95
City Note No. B-05-MC-26-0006-A	Book Cadillac Project Note*	\$10,457,437.75
City Note No. B-05-MC-26-0006-A	Book Cadillac Project Note II*	\$13,547,692.80
City Note No. B-05-MC-26-0006-B	Fort Shelby Project Note*	\$24,447,587.50

\* HUD Installment Note has a fixed interest rate. Estimated allowed amount represents the aggregate of outstanding principal and fixed interest payments set forth in the amortization schedule for the HUD Installment Note.

° HUD Installment Note has a variable interest rate. Estimated allowed amount represents the aggregate of outstanding principal and an estimate of the variable interest payments at the rate set forth in the HUD Installment Note.

**EXHIBIT I.A.230**

**SCHEDULE OF LIMITED TAX GENERAL OBLIGATION BOND DOCUMENTS  
& RELATED LIMITED TAX GENERAL OBLIGATION BONDS**

**SCHEDULE OF LIMITED TAX GENERAL OBLIGATION BOND  
DOCUMENTS & RELATED LIMITED TAX GENERAL OBLIGATION BONDS**

Limited Tax General Obligation Bond Documents	Series of Limited Tax General Obligation Bonds	Balance as of Petition Date
Bond Authorizing Resolution adopted May 26, 2004  Finance Director's Order approving sale of General Obligation Self-Insurance Bonds (Limited Tax) Series 2004, dated August 27, 2004	Self Insurance - Series 2004	\$13,186,559
Bond Authorizing Resolution adopted May 6, 2005 (" <u>2005 LTGO Resolution</u> ")  Finance Director's Order dated June 24, 2005 (" <u>2005 Sale Order</u> ")	Series 2005-A(1)	\$60,776,168
2005 LTGO Resolution  2005 Sale Order	Series 2005-A(2)	\$11,080,060
2005 LTGO Resolution  2005 Sale Order	Series 2005-B	\$9,003,535
Resolution of the City Council adopted November 17, 2006 (" <u>2006 LTGO Resolution</u> ")  Finance Director's Order dated May 30, 2008 (" <u>2008 LTGO Sale Order</u> ")	Series 2008-A(1)	\$43,905,085
2006 LTGO Resolution  2008 LTGO Sale Order	Series 2008-A(2)	\$25,591,781



**EXHIBIT I.A.237**

FORM OF LTGO SETTLEMENT AGREEMENT

**SETTLEMENT AGREEMENT**  
**(LTGO)**

This Settlement Agreement (“**Agreement**”) is entered into as of July 24, 2014, among the City of Detroit (the “**City**”), Ambac Assurance Corporation (“**Ambac**”), and BlackRock Financial Management, on behalf of certain managed funds and accounts listed on Exhibit B (“**Uninsured Bondholder**,” and together with Ambac, the “**LTGO Parties**”). In this Agreement, the City and the LTGO Parties are referred to collectively as the “**Parties**.”

**RECITALS**

**WHEREAS**, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$160,970,000 in outstanding principal amount of limited tax general obligation bonds, excluding any limited tax general obligation bonds secured by distributable state aid and sold to the Michigan Finance Authority (the “**Prior LTGO Bonds**”);

**WHEREAS**, more than two thirds in amount of the Prior LTGO Bonds are either insured by Ambac under financial guaranty insurance policies (the “**Bond Insurance Policies**”) that were issued contemporaneously with certain Prior LTGO Bonds (the “**Insured Prior LTGO Bonds**”) or held by the Uninsured Bondholder;

**WHEREAS**, the Governor of the State of Michigan determined on March 1, 2013 that a financial emergency existed in the City, and the Emergency Manager (together with any successors, the “**Emergency Manager**”) was appointed for the City on March 14, 2013;

**WHEREAS**, on July 18, 2013 (the “**Petition Date**”), the City filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the “**Bankruptcy Code**”), thereby commencing Bankruptcy Case No. 13-53846 (the “**Bankruptcy Case**”) before the United States Bankruptcy Court for the Eastern District of Michigan (the “**Bankruptcy Court**”);

**WHEREAS**, as of the Petition Date, the balance due on the Prior LTGO Bonds, including prepetition interest accrued as of that date, was \$163,554,770;

**WHEREAS**, on October 1, 2013, the City defaulted on its obligation to make interest payments on the Prior LTGO Bonds in the amount of \$4,348,211 and Ambac paid claims in the amount of \$2,266,586 on account of the Insured Prior LTGO Bonds and was subrogated to the rights of the owners for such payments, and the insurance documents contemplate the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim;

**WHEREAS**, on April 1, 2014, the City defaulted on its obligation to make interest payments in the amount of \$4,348,211 and principal payments in the amount of \$43,420,000 on the Prior LTGO Bonds, and Ambac paid claims in the amount of \$20,686,586 on account of the Insured Prior LTGO Bonds insured by it and was subrogated to the rights of the owners for such payments, and the insurance documents

contemplate the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim;

**WHEREAS**, on November 8, 2013, Ambac filed an adversary proceeding against the City seeking declaratory relief with regard to its rights in respect of, *inter alia*, the Prior LTGO Bonds that is pending before the Bankruptcy Court (Adv. Proc. No. 13-05310) (the “**Ambac Action**”);

**WHEREAS**, on or before February 21, 2014, each of the LTGO Parties and other owners of Prior LTGO Bonds filed proofs of claim in the Bankruptcy Case (the “**LTGO Claims**”) asserting claims against the City for the full amount of principal and interest due under the documents pursuant to which the Prior LTGO Bonds were issued (including post-petition interest), and Ambac filed a proof of claim for amounts due Ambac for payments pursuant to the Bond Insurance Policies, and contractual reimbursements due for charges, fees, costs, losses, liabilities and expenses incurred by Ambac in connection with the Bond Insurance Policies; and

**WHEREAS**, the Parties have engaged in good faith and arms’ length negotiations regarding a consensual resolution of their disputes under or in respect of the Prior LTGO Bonds, the Ambac Action as it pertains to the Prior LTGO Bonds, and the LTGO Claims.

**NOW, THEREFORE**, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **ARTICLE I DEFINITIONS**

Section 1.1 **Recitals.** The recitals set forth above are incorporated by reference and are explicitly made a part of this Agreement.

Section 1.2 **Definitions.** In addition to the capitalized terms defined in the preamble and recitals, the following definitions shall apply to and constitute part of this Agreement and all schedules, exhibits and annexes hereto:

“**Allowed Claim**” has the meaning ascribed to it in the Plan.

“**Ambac Action**” has the meaning ascribed to it in the recitals hereof.

“**Approval Motion**” shall mean a motion filed by the City with the Bankruptcy Court seeking entry of the Approval Order pursuant to Federal Rule of Bankruptcy Procedure 9019, which motion shall be in form and substance reasonably satisfactory to the Parties.

“**Approval Order**” shall mean an order of the Bankruptcy Court (other than the Plan Confirmation Order) approving the compromise and settlement set forth in

this Agreement authorizing and directing the consummation of the transactions contemplated herein, which order shall be in a form and substance reasonably satisfactory to the Parties.

**“Bankruptcy Case”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Code”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Court”** has the meaning ascribed to it in the recitals hereof.

**“Beneficiaries”** has the meaning ascribed to it in Section 2.2.

**“Bond Insurance Policies”** has the meaning ascribed to it in the recitals hereof.

**“City Representative”** shall mean a representative chosen by the City to be on the fee committee described in Section 2.2(b).

**“Claim”** shall mean a “claim” as defined in Section 101(5) of the Bankruptcy Code.

**“Class”** means each class of Claims established under the Plan.

**“COP Claims”** shall have the meaning ascribed to it in the Plan.

**“COP Litigation”** shall have the meaning ascribed to it in the Plan.

**“Disputed COP Claims Reserve”** shall have the meaning ascribed to it in the Plan.

**“Distribution Agent”** shall mean U.S. Bank National Association, Detroit, Michigan.

**“Distribution Agreement”** shall mean the Insured Prior LTGO Bonds Distribution Agreement among the Distribution Agent the City, Ambac and the paying agent for the Insured Prior LTGO Bonds, in form and substance satisfactory to the City and Ambac, relating to the distribution of payments of principal and interest on the Insured Prior LTGO Bonds.

**“DTC”** shall mean the Depository Trust Company or any successor provider of a book entry and securities depository system for the Prior LTGO Bonds.

**“DTC System”** shall mean the system maintained by the Depository Trust Company used for trading municipal securities.

**“Effective Date”** shall mean the effective date of any Plan.

**“Emergency Manager”** has the meaning ascribed to it in the recitals hereof.

**“Emergency Manager Order”** shall mean an order of the Emergency Manager in substantially the form attached hereto as Exhibit A.

**“Event of Default”** has the meaning ascribed to it in Section 4.1.

**“Final Order”** shall mean an order or judgment (including any associated findings of fact and conclusions of law) of the Bankruptcy Court or other court of competent jurisdiction with respect to the applicable subject matter which has not been reversed, stayed, modified or amended and as to which (a) any right to appeal or seek certiorari, review, reargument, stay or rehearing has expired and no appeal or petition for certiorari, review, reargument, stay or rehearing is pending, or (b) an appeal has been taken or petition for certiorari, review, reargument, stay or rehearing has been filed and (i) such appeal or petition for certiorari, review, reargument, stay or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which certiorari, review, reargument, stay or rehearing was sought or (ii) the time to appeal further or seek certiorari, review, reargument, stay or rehearing has expired and no such further appeal or petition for certiorari, review, reargument, stay or rehearing is pending; provided, however, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Federal Rule of Bankruptcy Procedure 9024 may be filed relating to such order shall not cause such order to not be a Final Order.

**“Financial Terms”** has the meaning ascribed to it in Section 2.2.

**“Holder”** shall mean the holder of a Claim.

**“Independent Party”** shall mean a party agreed to by the Retiree Committee, LTGO Representative and the City.

**“Insured Prior LTGO Bonds”** has the meaning ascribed to it in the recitals hereof.

**“LTGO Exculpated Parties”** means Ambac solely in its capacity as insurer of the Insured Prior LTGO Bonds, and the Uninsured Bondholder, solely in its capacity as an owner of a portion of the Prior LTGO Bonds, and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, consultants, financial advisors and investment bankers, solely in their capacity as such.

**“LTGO Claims”** has the meaning ascribed to it in the recitals hereof.

**“LTGO Claim Holders”** shall mean holders of Allowed Claims on account of Prior LTGO Bonds who are (i) the record owner of any Prior LTGO Bonds that are not Insured Prior LTGO Bonds and (ii) Ambac as to any Insured Prior LTGO Bond.

**“LTGO Parties”** has the meaning ascribed to it in the recitals hereof.

**“LTGO Representative”** shall mean Ambac.

**“New B Notes”** shall have the meaning ascribed to it in the Plan.

**“New LTGO Bonds”** has the meaning ascribed to it in Section 2.2.

**“OPEB Claim”** has the meaning ascribed to it in the Plan.

**“Petition Date”** has the meaning ascribed to it in the recitals hereof.

**“Plan”** shall mean the chapter 9 plan of adjustment filed by the City and incorporating the terms and conditions set forth in this Agreement, in substantially the form of the draft thereof dated May 5, 2014, as such plan may be amended, modified or supplemented from time to time, which plan, solely as it relates to this Settlement Agreement, shall be in form and substance reasonably satisfactory to the LTGO Parties.

**“Plan Confirmation Order”** shall mean findings of fact and an order of the Bankruptcy Court confirming the Plan and meeting the requirements of Section 2.3 of this Agreement.

**“Plan Documents”** shall mean the Plan, the Plan Confirmation Order and any Plan-related documents effectuating this Agreement.

**“Prior LTGO Bonds”** has the meaning ascribed to it in the recitals hereof.

**“Pro Rata”** shall mean the proportion that a claim of one LTGO Claims Holder bears to the aggregate amount of all claims of all of the LTGO Claims Holders.

**“Reserve B Notes”** shall have the meaning ascribed to it in Section 2.2.

**“Resolved COP Claims”** has the meaning ascribed to it in Section 2.2.

**“Retiree Committee”** shall have the meaning ascribed to it in the Plan.

**“Settlement-Related Documents”** shall mean this Agreement, the Plan Documents, the Approval Order (if applicable), the New LTGO Bonds, and all documents related to the New LTGO Bonds.

**“State”** shall mean the State of Michigan.

**“State Treasurer”** shall mean the State Treasurer of the State.

**“VEBA Trust Representatives”** shall mean the chair of the Board as defined by and created by the City of Detroit Retiree Health Care Trust and the chair of the Board as defined by and created by the City of Detroit Police and Fire Retiree Health Care Trust.

Section 1.3 Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties

hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

Section 1.4 General Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of application.
- (c) All references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.
- (d) The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- (e) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.
- (f) The term “person” shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or agency or political subdivision thereof.

## **ARTICLE II SETTLEMENT TERMS**

Section 2.1 (a) Claim Allowance and Treatment; Other Plan Terms. The City hereby agrees that the total Allowed Claim relating to the Prior LTGO Bonds will be \$163,544,770.

(b) Holders of Allowed Claims for Prior LTGO Bonds will be treated in the Plan as follows:

- (i) all uninsured Prior LTGO Bonds will be cancelled and discharged, and LTGO Claim Holders will receive their Pro Rata share of New LTGO Bonds and Reserve B Notes in accordance with Section 2.2(e) of this Agreement;



(ii) all Insured Prior LTGO Bonds will be cancelled and discharged as to the City but deemed outstanding solely for recourse to the Bond Insurance Policies, i.e., the City will have no liability relating to the Prior LTGO Bonds, and any liability of the City in respect of Prior LTGO Bonds and Class 7 Claims in the Plan shall be cancelled and discharged; and

(iii) a Pro Rata share of New LTGO Bonds and Reserve B Notes attributable to the Insured Prior LTGO Bonds will be delivered to a Distribution Agent in accordance with Section 2.1(d) and, for the Reserve B Notes, Section 2.2(e) of this Agreement.

(c) The Distribution Agent shall be the beneficial owner of the Pro Rata share of the New LTGO Bonds and the Reserve B Notes attributable to the Insured Prior LTGO Bonds pursuant to the Distribution Agreement. The Distribution Agreement shall provide that, unless the Distribution Agent receives, no later than noon on a principal or interest payment date for the Prior LTGO Bonds, written notice from Cede & Co., as the registered owner of the outstanding Insured Prior LTGO Bonds, or any subsequent registered owner (the "Registered Owner") that Ambac has failed to timely pay a properly submitted claim for principal and/or interest which was due and payable on the Insured Prior LTGO Bonds on that date, the Distribution Agent shall remit each payment of principal and/or interest received by it from the paying agent for the New LTGO Bonds or the paying agent for the New B Notes to Ambac. In the event that the Distribution Agent receives, no later than noon on a principal or interest payment date for the Prior LTGO Bonds, written notice from the Registered Owner that Ambac has failed to timely pay a properly submitted claim for principal and/or interest which was due and payable on that date, the Distribution Agent shall remit the payment of principal and/or interest received by it from the paying agent for the New LTGO Bonds or the paying agent for the New B Notes to the paying agent for the Insured Prior LTGO Bonds for payment to the Holders of the Insured Prior LTGO Bonds, and shall provide notice thereof to Ambac, the paying agent for the Insured Prior LTGO Bonds and the Holders of the Insured Prior LTGO Bonds. The Distribution Agreement will provide that, once Ambac has paid the Holders of Insured Prior LTGO Bonds in full, the Distribution Agent will assign its beneficial ownership interest in the New LTGO Bonds and Reserve B Bonds to Ambac.

Section 2.2 Issuance of New LTGO Bonds, Delivery of New LTGO Bonds, and Delivery of Reserve B Notes.

(a) (i) On or before the Effective Date, by execution of the Emergency Manager Order the City will authorize the issuance and delivery of its Financial Recovery Bonds (Limited Tax General Obligation) under Section 36a of the Home Rule Act ("**New LTGO Bonds**") in accordance with applicable law, which New LTGO Bonds shall be distributed Pro Rata to the LTGO Claim Holders pursuant to the Plan. The New LTGO Bonds will have the principal amount, interest rate, amortization schedule and other financial terms as set forth in Schedule 1 (the "**Financial Terms**") and the Emergency Manager Order. The New LTGO Bonds will be limited tax general obligations of the City issued in accordance with applicable law. The New LTGO Bonds

shall be taxable. The New LTGO Bonds will be callable prior to maturity at the option of the City on any date at a price of par plus accrued interest to the date of redemption and without premium or penalty. If the City intends to redeem the New LTGO Bonds during any time that the Insured Prior LTGO Bonds are outstanding as set forth in Section 2.1(b)(ii) then:

(v) at least 35 days prior to such intended redemption, the City will direct the paying agent for the New LTGO Bonds to send a redemption notice to the New LTGO Bondholders;

(w) at least 34 days prior to the redemption date the Distribution Agent will direct the paying agent for the Insured Prior LTGO Bonds to send a redemption notice to Insured Prior LTGO Bondholders providing for a pro rata redemption of Insured Prior LTGO Bonds in an aggregate principal amount equal to the proportion that the principal amount of the New LTGO Bonds then outstanding of which the Distribution Agent is the beneficial owner bears to the total principal amount of New LTGO Bonds then outstanding, in accordance with the procedures for redemption in the Prior LTGO Bonds documents;

(x) no later than noon, Eastern Time, on the business day prior to the redemption date the City will pay the redemption price of the New LTGO Bonds to the paying agent for the New LTGO Bonds, and upon receipt of the redemption price of the portion of the New LTGO Bonds of which it is the beneficial owner, but no later than 10:00 a.m. Eastern Time, on the redemption date, the Distribution Agent shall promptly transfer the redemption price for the portion of the Insured Prior LTGO Bonds to be redeemed to the paying agent for the Insured Prior LTGO Bonds to effectuate the redemption of the Insured Prior LTGO Bonds on the same day;

(y) if Ambac issues endorsements to its Bond Insurance Policies decreasing such Policies by the redemption principal amount, the holders of Insured Prior LTGO Bonds will be deemed to consent to such endorsements and such Bond Insurance Policies will be so reduced; and

(z) the City understands that the paying agent for the Insured Prior LTGO Bonds will apply the amount received to reduce the principal amount, pro rata, of the Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) above and such reduction in principal shall be deemed a redemption, in part, of such the Insured Prior LTGO Bonds.

(ii) Any redemption of the New LTGO Bonds will be in whole and not in part.

(iii) In the event the City decides not to issue the New LTGO Bonds by the Effective Date but instead to pay cash to the LTGO Claim Holders, the Holders of Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) above will receive pro rata, cash equal to the Insured Prior LTGO Bonds' Pro Rata shares of such cash. The City understands that the paying agent for the Insured Prior LTGO

Bonds will apply such cash, pro rata, to reduce the principal of Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) and such reduction in principal shall be deemed a redemption, in part, of such Insured Prior LTGO Bonds.

(iv) All Settlement-Related Documents will be in form and substance reasonably satisfactory to the LTGO Parties (and in the case of the Plan Documents, solely as they relate to this Agreement).

(v) Each of the New LTGO Bonds will be freely transferable through the DTC System under a unique CUSIP identification number or, if the DTC System is discontinued with respect to the New LTGO Bonds, in such other manner as is permitted in accordance with their terms.

(vi) The City will not optionally redeem Insured Prior LTGO Bonds except as set forth in this Agreement.

(b) In addition to issuing and delivering the New LTGO Notes to the LTGO Claims Holders, the City shall also deliver and distribute to the LTGO Claim Holders the Pro Rata share of the Reserve B Notes in accordance with Section 2.2(e) of this Agreement. The Plan will provide in the event the City intends to redeem all or a portion of principal amount of New B Notes during any time that the Insured Prior LTGO Bonds are outstanding pursuant to Section 2.1(b)(ii) then:

(i) at least 35 days prior to the redemption date, the Distribution Agent will direct the paying agent for the Reserve B Notes to send a redemption notice to the New B Note Holders

(ii) at least 34 days prior to the redemption date, the Distribution Agent will direct the paying agent for the Insured Prior LTGO Bonds to send a redemption notice to Insured Prior LTGO Bondholders providing for a pro rata redemption of Insured Prior LTGO Bonds in an aggregate principal amount equal to the proportion that the principal amount of the New B Notes held by the Distribution Agent which are to be redeemed bears to the total principal amount of Insured Prior LTGO Bonds then outstanding pursuant to Section 2.1(b)(ii), in accordance with the procedures for redemption in the Prior LTGO Bonds documents;

(iii) no later than noon, Eastern Time, on the business day prior to the redemption date the City will pay the redemption price of the New B Notes to the paying agent for the New B Notes, and upon receipt of the redemption price of the portion of the New B Notes of which it is the beneficial owner, but no later than 10:00 a.m. Eastern Time, on the redemption date the Distribution Agent shall promptly transfer the redemption price for the portion of the Insured Prior LTGO Bonds to be redeemed to the paying agent for the Insured Prior LTGO Bonds to effectuate the redemption of the Insured Prior LTGO Bonds on the same day;

(iv) if Ambac issues endorsements to its bond Insurance Policies decreasing such Policies by the redemption principal amount, the holders of Insured Prior LTGO Bonds will be deemed to consent to such endorsements and such

Bond Insurance Policies will be so reduced; and

(v) the City understands that the paying agent for the Insured Prior LTGO Bonds will apply the amount received to reduce the principal amount, pro rata, of the Insured Prior LTGO Bonds which then remain outstanding as provided in Section 2.1(b) and such reduction in principal shall be deemed a redemption in part, of such Insured Prior LTGO Bonds.

(c) The Plan will provide that, from and after the Effective Date:

(i) The City will remain a named plaintiff and defendant in the COP Litigation but will transfer all of its rights and interests in the COP Litigation to a Litigation Trust whose beneficiaries, for the purpose of the COP Litigation, shall be the Litigation Parties and the Holders of Allowed Class 14 Claims. The Litigation Trustee will be selected by the LTGO Representative and the Retiree Committee and must be acceptable to the City. The document creating the Litigation Trust shall include indemnification of the Litigation Trustee by the City and will contain such other terms satisfactory to the Retiree Committee, the LTGO Representative and the City.

(ii) The Litigation Trustee will follow the day to day direction of the VEBA Trust Representatives in prosecuting and defending the COP Litigation, including defending any counterclaims and third-party claims therein. The Litigation Trustee and VEBA Trust Representatives will meet, in person or by phone at reasonable times and with reasonable advance notice, with all or any of the LTGO Representative, the VEBA Trust Representatives and the City (the "**Litigation Parties**") as requested to discuss the status, progress and prosecution of the COP Litigation. The Litigation Trustee will provide copies of all court filings by any party in the COP Litigation and such other documents relating to the COP Litigation as may be reasonably requested by the Litigation Parties. Upon request from a Litigation Party, the Litigation Trustee will provide to such Litigation Party drafts of court papers that will be filed by the Litigation Trustee as early as practicable under the circumstances to allow for comments, which may be accepted or rejected.

(iii) The cost of all fees and expenses incurred in connection with the COP Litigation will be borne by the Disputed COP Claims Reserve, subject to the funding of the Disputed COP Claims Reserve pursuant to Section II.B.3.p.iii of the Plan. The City will advance payment of all such fees and expenses within 30 days of receipt of the statements for the same pending reimbursement from the Disputed COP Claims Reserve. Reimbursement of the City will be effected by an offset in the amount of fees and expenses paid to the date of such reimbursement against the amount to be paid by the City to the Disputed COP Claims Reserve on that date. In the event that the COP Litigation is unsuccessful and a final, nonappealable judgment is entered against the City or the Litigation Trust as successor in interest to the City, such that the notes in the Disputed COP Claims Reserve are subject to release and distribution in full to the holders of Allowed Class 9 Claims in accordance with the Plan, the City will reimburse the

Disputed COP Claims Reserve for any amounts withdrawn prior to the date of such adverse judgment.

(iv) The Litigation Trustee will submit invoices for the fees and expenses incurred in connection with the COP Litigation, including for the Litigation Trustee's professional fees to the City on a monthly basis, and the City will pay such invoice within 30 days after receipt, subject to reimbursement as provided in paragraph (c)(iii) above. The Litigation Trustee fees will be fixed and consented to by the LTGO Representative and the VEBA Trustee Representatives.

(v) The Litigation Trustee will consult with the Litigation Parties in connection with any potential settlement of the COP Litigation. The Litigation Trustee will provide the Litigation Parties advance notice as early as practicable under the circumstances of any settlement negotiations, and the Litigation Parties and their counsel will have the right to participate in such negotiations. Any potential settlement must resolve the settled claims in their entirety, including the release by the settling party of all counterclaims and third party claims relating to the settled claims that it made or could have made against anyone. The Litigation Trustee will not take action on the matters set forth below unless all of the Litigation Parties agree with the decision relating to (B), (C) and (D) below, and the LTGO Representative agrees with the settlement described in (A) below:

(A) Any settlement that releases from the Disputed COP Claims Reserve to any of the COP Holders a pro rata share of the B Notes (or equivalent currency) based on 40% or more of the face amount of their claim.

(B) Any change of COP Litigation counsel.

(C) Any decision not to appeal an adverse decision on any claim or defense related to the COP Litigation.

(D) Any decision to voluntarily dismiss a substantive claim or counterclaim or to end the COP Litigation

To the extent the Litigation Parties are unable to reach agreement on the above matters, the Litigation Trustee or any Litigation Party may refer the matter to the Independent Party for mediation. Subject to such mediation, the Litigation Trustee shall have the authority to take whatever action may be required to avoid potentially adverse or prejudicial consequences of inaction. If a consensual resolution cannot be reached, the Independent Party will decide a substantive resolution of the issue or issues based upon the Independent Party's assessment of the merits of the legal claims, counterclaims and legal liabilities in the COP Litigation, which decision will be binding on the Litigation Parties and Litigation Trustee.



The City, the COP Litigation counsel, the VEBA Trust Representatives and the LTGO Representative will take any steps that may be required to preserve applicable privileges of the City and the COP Litigation counsel.

(d) In the event any Holder of a Disputed COP Claim enters into a settlement of such claim with the City prior to the Effective Date, including pursuant to the Plan, the portion of the New B Notes allocable to such Disputed COP Claim if such Disputed COP Claim had been allowed in full that is not used to satisfy the Disputed COP Claim pursuant to the terms of such settlement shall be deposited into the Disputed COP Claims Reserve and then distributed from the Disputed COP Claims Reserve pursuant to Section 2.2(e).

(e) Following the occurrence of the Effective Date, upon a settlement, or the entry of an order by the trial court having jurisdiction over the objections to the Disputed COP Claims, resolving any objection to any disputed COP Claim (“**Resolved COP Claims**”) and after all distributions on account of Allowed Claims respecting such Resolved COP Claim have been made or provided for, any and all New B Notes and distributions thereon remaining in the Disputed COP Claims Reserve with respect to such Resolved COP Claim shall be distributed as follows, and valued at face value for the purposes of the distribution: (I) an amount of New B Notes and/or distributions thereon in an amount equal to the costs, fees and expenses related to the COP Litigation incurred from and after the Effective Date shall be distributed to the City to reimburse it for attorneys’ fees relating to the COP Litigation, subject to and in accordance with the provisions of Section 2.2(c)(iii) above; (II) following such distribution, the balance of the New B Notes and any distributions thereon remaining in the Disputed COP Claims Reserve allocated to or with respect to such Resolved COP Claim shall be distributed as follows: (i) 65% to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the New B Notes allocated to each pursuant to Sections II.B.3.s.ii.A and II.B.3.s.ii.B of the Plan; and (ii) 20% to the LTGO Claim Holders (the “**Reserve B Notes**”) to be allocated Pro Rata; and (iii) 15% is to be allocated as determined by the City.

Section 2.3 Confirmation Order and Findings. The Plan Confirmation Order shall (i) approve the terms and conditions of this Agreement, (ii) direct that each month monies for the payment of one-sixth of the next semi-annual debt service payable on the New LTGO Bonds must be segregated and deposited into a debt service fund and not be used for any purpose other than paying debt service on the New LTGO Bonds so long as any New LTGO Bonds remain outstanding, (iii) provide that Plan treatment of the Prior LTGO Bonds is part of a settlement of the Ambac Action as it relates to the Prior LTGO Bonds, (iv) provide that the Bankruptcy Court will have exclusive post-confirmation authority and power to enforce this Agreement and all Settlement-Related Documents and (v) be in form and substance reasonably satisfactory to the LTGO Parties.

Section 2.4 Conditions to Plan Effectiveness. The Plan shall provide that the effectiveness of the Plan is subject to the City having obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of this Agreement.

## Section 2.5 Stay of Litigation, Proofs of Claim.

(a) The Ambac Action, as it pertains to the Prior LTGO Bonds, shall be stayed pending the issuance of an Approval Order or Plan Confirmation Order and the occurrence of the Effective Date, whereupon Ambac and the City shall ask the Bankruptcy Court to dismiss the Ambac Action as it pertains to the Prior LTGO Bonds without prejudice until the Approval Order or the Plan Confirmation Order, as applicable, is a Final Order, when such dismissal shall be deemed to be with prejudice. If the Ambac Action is dismissed without prejudice and subsequently refiled pursuant to this Agreement, then the statute of limitations for the causes of action asserted in the Ambac Action, and all other defenses based on the passage of time, shall be tolled for 60 days after the date of the event that would permit a refiling.

(b) As soon as practicable subsequent to the execution and delivery of this Agreement by each of the Parties, but in no event later than five (5) business days subsequent thereto, Ambac and the City shall take any and all action as is appropriate to (i) stay the Ambac Action as provided in subsection (a) above, (ii) maintain the status quo in the Ambac Action as it pertains to the Prior LTGO Bonds as of the execution of this Agreement, and (iii) ensure that no action (including separate litigation and any objection to proofs of claim filed by the LTGO Parties relating to the Prior LTGO Bonds) is undertaken or commenced inconsistent with seeking a stay of and maintaining the status quo of the Ambac Action as it pertains to the Prior LTGO Bonds; provided, however, that any such stay shall terminate on the first (1st) business day following termination of this Agreement.

(c) In the event (i) an Approval Motion is made by the City and denied by the Bankruptcy Court, (ii) an Approval Order is issued but is not consistent with this Agreement in any material respect or is overturned on appeal, (iii) a Plan consistent with this Agreement in all material respects is not confirmed by the Bankruptcy Court, or (iv) a Plan Confirmation Order is entered by the Bankruptcy Court but is not consistent in all material respects with this Agreement, or is overturned on appeal, then Ambac may resume the Ambac Action and terminate this Agreement by written notice to the other Parties.

(d) The LTGO Parties agree that all proofs of claims filed by any of them with respect to Prior LTGO Bonds shall be deemed resolved and fully satisfied by approval of this Agreement in the Confirmation Order or an Approval Order, as applicable, which is a Final Order.

## Section 2.6 Additional Covenants

(a) Paying Agent and Distribution Agent. The City shall pay the reasonable and customary fees and expenses (including reasonable attorneys' fees) of (i) the paying agent with respect to the Prior LTGO Bonds, (ii) the paying agent in respect of all transactions contemplated by this Agreement, and (iii) the Distribution Agent pursuant to the Distribution Agreement.



(b) Further Action. To the extent that the City has not taken all necessary action to authorize the execution, delivery and performance of this Agreement, it will do so.

### **ARTICLE III PLAN OF ADJUSTMENT AND PLAN SUPPORT**

Section 3.1 Plan Commitment Regarding Voting and Abstention From Objection. From and after the date hereof, and so long as the City has complied, and is complying, with its covenants and obligations under this Agreement, each LTGO Party shall withdraw its objections to the Plan regarding the treatment of the Prior LTGO Bonds no later than August 1, 2014. The Plan shall provide that such treatment, consistent with this Agreement, is the treatment for all LTGO Claim Holders. The Uninsured Bondholder will vote its Prior LTGO Bonds and Ambac will vote its Prior LTGO Bonds and reimbursement claims in support of such Plan treatment promptly following the execution of this Agreement or as otherwise agreed by the City. Upon the finalization of the terms of this Agreement, the Parties will file a stipulation and proposed order with the Bankruptcy Court that will permit each LTGO Party to modify its previous vote(s) and submit a vote in support of the Plan, pursuant to Federal Rule of Bankruptcy Procedure 3018. For the absence of doubt, nothing contained in this Agreement shall require any LTGO Party to vote for the treatment of any class of claims under the Plan other than the LTGO Bonds, or refrain from objecting to the Plan with respect to issues other than the treatment of the LTGO Bonds.

Section 3.2 Solicitation Required in Connection with Plan. Notwithstanding anything contained in this Article III or elsewhere in this Agreement to the contrary, this Agreement is not, and shall not be deemed to be, a solicitation of acceptances of the Plan.

Section 3.3 Plan Document Provisions. All Plan Documents, as they relate to the settlement embodied in this Agreement must (i) be in form and substance reasonably satisfactory to the LTGO Parties and to the City and be consistent with this Agreement, (ii) provide that the Plan treatment for Prior LTGO Bonds is part of a settlement of the pending Ambac Action as it pertains to the Prior LTGO Bonds.

### **ARTICLE IV DEFAULTS AND REMEDIES**

Section 4.1 Events of Default. The breach by any Party of any material agreement or covenant set forth in this Agreement will be an event of default ("**Event of Default**") under this Agreement.

Section 4.2 Remedies. The Parties acknowledge and agree that a breach of the provisions of this Agreement by any Party would cause irreparable damage to the other Parties and that such other Parties would not have an adequate remedy at law for such damage. Therefore, the obligations of the Parties set forth in this Agreement shall be enforceable by an order compelling specific performance issued by the

Bankruptcy Court, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall be cumulative and not exclusive and shall be in addition to any other remedies that the Parties may have under this Agreement or otherwise. Any LTGO Party may exercise its rights hereunder on its own. Consistent with Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement.

#### Section 4.3 Termination.

(a) This Agreement may be terminated by the mutual agreement of all of the LTGO Parties upon an Event of Default caused by the City. This Agreement may be terminated by less than all of the LTGO Parties as to such LTGO Party or LTGO Parties upon an Event of Default caused by the City if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by one or more LTGO Parties before the Bankruptcy Court, (ii) the Bankruptcy Court, after notice and a hearing, finds that an Event of Default caused by the City has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the City of the applicable agreement or covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the City fails to comply with the order.

(b) This Agreement may be terminated by the City if (i) any of the LTGO Parties fails to withdraw its objections to the Plan regarding the treatment of the Prior LTGO Bonds on or before August 1, 2014, or (ii) any of the LTGO Parties fails to submit a ballot to vote its Class 7 Claims to accept the Plan promptly following the execution of this Agreement or as otherwise agreed by the City. This Agreement may be terminated by the City upon an Event of Default caused by the LTGO Parties, or any of them, if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by the City before the Bankruptcy Court, (ii) the Bankruptcy Court finds, after notice and a hearing, that an Event of Default caused by the applicable LTGO Party has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the applicable LTGO Party of this Agreement or the applicable covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the applicable LTGO Party fails to comply with the order.

(c) Upon any such termination, Ambac may resume the Ambac Action unless it has been previously dismissed with prejudice or has been previously deemed dismissed with prejudice.

### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

Section 5.1 Representations and Warranties of the City. The City represents and warrants to the LTGO Parties that:

(a) It is a municipal corporation of the State of Michigan.

(b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken or will take all necessary action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any order or judgment of any court or other agency of government applicable to it, or any material agreements specifically applicable to it or any of its assets.

(d) Other than (i) approvals of the State Treasurer, the Emergency Loan Board and the City Council to be obtained prior to delivery of the New LTGO Bonds, which the City reasonably expects to be obtained prior to the Effective Date, and (ii) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

Section 5.2 Representations and Warranties of the LTGO Parties. Each of the LTGO Parties represents to the City that:

(a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation.

(b) It has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary corporate action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it, or any agreements specifically applicable to it or any of its assets.

(d) All corporate or governmental consents and approvals that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

Section 5.3 Representations and Warranties of Ambac. Ambac had and has standing to bring and resolve the Ambac Action as it pertains to the Prior LTGO Bonds that it insures.

Section 5.4 Mutual Representations and Warranties. Unless otherwise noted, each Party makes the following representations, warranties and covenants (on a several basis, with respect to such Party only) to each of the other Parties:

(a) Each person signing this Agreement warrants that he or she is legally competent and authorized to execute this Agreement on behalf of the Party whose name is subscribed at or above such person's signature.

(b) The Parties have not made any statement or representation to each other regarding any facts relied upon by them in entering into this Agreement, and each of them specifically does not rely upon any statement, representation or promise of the other Parties hereto or any other person in entering into this Agreement, except as expressly stated herein or in the exhibits hereto. Each party has relied upon its own investigation and analysis of the facts and not on any statement or representation made by any other party in choosing to enter into this Agreement and the transactions contemplated herein.

(c) The Parties and their respective attorneys have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto as they deem necessary.

## **ARTICLE VI EXCULPATION**

Section 6.1 Exculpation. The Plan will include the LTGO Excipated Parties as excuplated parties for acts and omissions (other than those constituting gross negligence or willful misconduct) in connection with the Plan as it relates to this Agreement and this Agreement.

Section 6.2 Releases. Upon the dismissal with prejudice or deemed dismissal with prejudice of the Ambac Action as it pertains to the Prior LTGO Bonds, Ambac and the City shall be deemed to have released each other, and each of their respective officials, officers, directors, employees and representatives, of and from any and all claims and causes of action related to the Prior LTGO Bonds and the Ambac Action.

## **ARTICLE VII DISMISSAL OF CASE AND TERMINATION**

Section 7.1 Effect of Dismissal of the Bankruptcy Case. In the event the Bankruptcy Case is dismissed, any Party may at any time within 60 days after such dismissal immediately terminate this Agreement by written notice to the other Parties.

Section 7.2 Effect of Termination. In the event of the termination of this Agreement by any Party pursuant to any provisions of this Agreement, this Agreement shall become null and void and be deemed of no force and effect, with no liability on the part of any Party hereto (or of any of its elected or appointed officials, directors, officers, employees, consultants, contractors, agents, legal and financial advisors or other representatives) arising from such termination, and no Party shall have any obligations to any other Party arising out of this Agreement. Upon termination, neither this Agreement nor any terms or provisions set forth herein shall be admissible in any dispute, litigation, proceeding or controversy among the Parties and nothing

contained herein shall constitute or be deemed to be an admission by any Party as to any matter, it being understood that the statements and resolutions reached herein were as a result of negotiations and compromises of the respective positions of the Parties. If the Ambac Action is reinstated, and this Agreement is terminated, then no Party hereto may (i) use this Agreement, any of its terms or any discussions or negotiations conducted in respect of this Agreement, or any part of the foregoing, in the Ambac Action; (ii) seek discovery with respect to any of the matters described in subsection (i) in the Ambac Action; or (iii) seek to admit any of the matters described in subsection (i) into evidence in the Ambac Action.

## **ARTICLE VIII MISCELLANEOUS**

Section 8.1 Amendments. This Agreement may not be modified, amended or supplemented except by a written agreement executed by each Party to be affected by such modification, amendment or supplement.

Section 8.2 No Admission of Liability.

(a) The execution of this Agreement is not intended to be, nor shall it be construed as, an admission or evidence in any pending or subsequent suit, action, proceeding or dispute of any liability, wrongdoing, or obligation whatsoever (including as to the merits of any claim or defense) by any Party to any other Party or any other person with respect to any of the matters addressed in this Agreement.

(b) None of this Agreement (including, without limitation, the recitals and exhibits hereto), the settlement or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission or evidence of the validity of any claim or of any wrongdoing or liability of any Party; or (ii) is or may be deemed to be or may be used as an admission or evidence of any liability, fault or omission of any Party in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. None of this Agreement, the settlement, or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement shall be admissible in any proceeding for any purposes, except to enforce the terms of the Agreement, and except that any Party may file this Agreement in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on the principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense of counterclaim.

Section 8.3 Good Faith Negotiations. The Parties recognize and acknowledge that each of the Parties hereto is represented by counsel, and such Party received independent legal advice with respect to the advisability of entering into this Agreement. Each of the Parties acknowledges that the negotiations leading up to this Agreement were conducted regularly and at arm's length; this Agreement is made and executed by and of each Party's own free will; that each knows all of the relevant facts

and his or its rights in connection therewith, and that it has not been improperly influenced or induced to make this settlement as a result of any act or action on the part of any party or employee, agent, attorney or representative of any party to this Agreement. The Parties further acknowledge that they entered into this Agreement because of their desire to avoid the further expense and inconvenience of litigation and other disputes, and to compromise permanently and settle the claims between the Parties settled by the execution of this Agreement.

Section 8.4 Rights and Remedies. Nothing in this Agreement is intended to augment, impair any rights, remedies and interests, including without limitation, liens, of any of the Parties hereto other than with respect to the Prior LTGO Bonds.

Section 8.5 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any Person other than the Parties hereto and their respective successors and assigns, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof; and the covenants, stipulations and agreements contained in this Agreement are and shall be for the sole and exclusive benefit of the Parties hereto and their respective successors and assigns.

Section 8.6 Governing Law; Retention of Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan, without giving effect to any principles of conflicts of law and applicable federal law. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding between any or all of the foregoing with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the Bankruptcy Court for that purpose only, and, by execution and delivery of this Agreement, each hereby irrevocably accepts and submits itself to the jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 8.11 hereof, unless another address has been designated by such Party in a notice given to the other Parties in accordance with Section 8.11 hereof. The City agrees that the Bankruptcy Court will have exclusive post-confirmation authority and power to enforce this Agreement and all Settlement-Related Documents and to hear and adjudicate any challenge, action, suit or proceeding brought by any third party challenging the validity or enforceability of any provision of this Agreement, until all New LTGO Bonds have been paid in full and all Plan Instruments are no longer outstanding. Pursuant to Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement.



Section 8.7 Headings. The headings of the Articles and Sections of this Agreement are inserted for convenience only and are not part of this Agreement and do not in any way limit or modify the terms or provisions of this Agreement and shall not affect the interpretation hereof.

Section 8.8 Binding Agreement Successors and Assigns; Joint and Several Obligations. This Agreement shall be binding upon the execution and delivery of this Agreement by the Parties listed on the signature pages hereto. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, administrators, constituents and representatives. The agreements, representations, covenants and obligations of the Parties under this Agreement are several only and not joint in any respect and none shall be responsible for the performance or breach of this Agreement by another.

Section 8.9 Entire Agreement. This Agreement shall constitute the full and entire agreement among the Parties with regard to the subject matter hereof, and supersedes all prior negotiations, representations, promises or warranties (oral or otherwise) made by any Party with respect to the subject matter hereof. No Party has entered into this Agreement in reliance on any other Party's prior representation, promise or warranty (oral or otherwise) except for those that may be expressly set forth in this Agreement.

Section 8.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, shall constitute one and the same Agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts, provided receipt of copies of such counterparts is confirmed.

Section 8.11 Notices. All demands, notices, requests, consents, and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when personally delivered by courier service or messenger, (b) upon actual receipt (as established by confirmation of receipt or otherwise) during normal business hours, otherwise on the first business day thereafter if transmitted electronically (by e-mail transmission), by facsimile or telecopier, with confirmation of receipt, or (c) three (3) business days after being duly deposited in the mail, by certified or registered mail, postage prepaid-return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following Parties:

If to the City, to:

Chief Financial Officer  
City of Detroit  
1126 Coleman A. Young Municipal Center  
Two Woodward Avenue  
Detroit MI 48226



Phone: (313) 224-3382  
Fax: (313) 224-2827

with a copy given in like manner to:

Corporation Counsel  
City of Detroit Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit MI 48226  
Phone: (313) 237-3018  
Fax: (313) 224-5505

Miller, Canfield, Paddock and Stone, PLC  
150 West Jefferson, Suite 2500  
Detroit, MI 48226  
Attention: Jonathan Green  
Email: green@millercanfield.com  
Attention: Amanda Van Dusen  
Email: vandusen@millercanfield.com

If to the LTGO Parties, to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and General Counsel's Office  
Fax: (212) 208-3384

with a copy given in like manner to:

Arent Fox LLP  
1675 Broadway  
New York, New York 10019  
Attention: David L. Dubrow, Esq.  
Telecopy: (212) 484-3990  
Email: david.dubrow@arentfox.com

-and

BlackRock Financial Management  
1 University Square Drive  
Princeton, New Jersey 08540  
Attn: Jim Schwartz  
Phone: (609) 282-1784  
Email: jim.schwartz@blackrock.com

with a copy given in like manner to:

Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, NY 10036  
Attn: Amy Caton  
Phone: (212) 713-7772  
Email: acaton@kramerlevin.com

Section 8.12 Further Assurances. Each of the Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

Section 8.13 Non-Severability of Agreement. This Agreement is to be construed as a whole, and all provisions of it are to be read and construed together. Notwithstanding anything in this Agreement, the Approval Order (if applicable) or the Plan Confirmation Order to the contrary, and in light of the integrated nature of the settlements and compromises embodied in this Agreement, in the event that (i) a court of competent jurisdiction enters a Final Order ruling that any of the transactions contemplated in this Agreement, are void, invalid, illegal or unenforceable in any material respect, (ii) any of the transactions contemplated by this Agreement are reversed, vacated, overturned, voided or unwound in any material respect, or (iii) the Approval Order or Plan Confirmation Order as it relates to the transactions contemplated in this Agreement is reversed, vacated, overturned or amended in any material respect, then in each case, the entirety of this Agreement (other than this Section 8.13) shall be void ab initio and of no force and effect and, during any subsequent proceeding, the Parties shall not assert claim preclusion, issue preclusion, estoppel or any similar defense in respect of rights and claims of the Parties that were the subject of this Agreement prior to this Agreement being of no force or effect.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

THE CITY OF DETROIT, as Debtor

By: \_\_\_\_\_  
Name:  
Title:

AMBAC ASSURANCE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

BLACKROCK FINANCIAL MANAGEMENT, on  
behalf of its managed funds and accounts as  
reflected in Exhibit B

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_

**Schedule 1**

**Financial Terms of New LTGO Bonds**

Principal: \$55 million

Interest Rate: 5.65% per annum (first 10 years, 5.00% payable in cash and 0.65% capital appreciation added to principal)

Final Maturity: 23 years

Amortization: Interest payable semi-annually

On each anniversary from the sixth through tenth anniversary—\$2 million principal due per year

On each anniversary from the eleventh through twenty-third anniversary—principal payment equal to one-thirteenth (1/13) of the principal outstanding immediately prior to the eleventh anniversary (approximately \$3,735,115 per year)

Debt Service on Notes for LTGOs

\$ in MMs

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23	

Debt Service and Amortization

Opening Balance	55.0	55.4	55.7	56.1	56.4	56.8	55.2	53.5	51.9	50.2	48.6	44.8	41.1	37.3	33.6	29.9	26.1	22.4	18.7	14.9	11.2	7.5	3.7
Principal	-	-	-	-	-	2.0	2.0	2.0	2.0	2.0	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Cash Interest	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.6	2.5	2.7	2.5	2.3	2.1	1.9	1.7	1.5	1.3	1.1	0.8	0.6	0.4	0.2
Total Cash Int	2.8	2.8	2.8	2.8	2.8	4.8	4.8	4.7	4.6	4.5	6.5	6.3	6.1	5.8	5.6	5.4	5.2	5.0	4.8	4.6	4.4	4.2	3.9
PIK Interest	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate

Cash	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%	5.65%
PIK	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Exhibit A

EMERGENCY MANAGER ORDER

A-1

AFDOCS/11065646.6

CLI-2233676v8

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$55,000,000 FINANCIAL RECOVERY BONDS (LIMITED TAX GENERAL OBLIGATION) IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN CLAIMS OF THE HOLDERS AND INSURER OF CERTAIN LIMITED TAX GENERAL OBLIGATION BONDS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS IN FULL SATISFACTION OF SAID CLAIMS.



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ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$55,000,000 FINANCIAL RECOVERY BONDS (LIMITED TAX GENERAL OBLIGATION) IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN CLAIMS OF THE HOLDERS AND INSURER OF CERTAIN LIMITED TAX GENERAL OBLIGATION BONDS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS IN FULL SATISFACTION OF SAID CLAIMS.

WHEREAS, on March 1, 2013, the Governor (the “Governor”) of the State of Michigan (the “State”) determined that a financial emergency existed within the City of Detroit, County of Wayne, State of Michigan (the “City”) pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended (“Act 72”); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the “Board”) the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; and

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 (“Act 436”) and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the “Emergency Manager”); and

WHEREAS, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$160.97 million in outstanding principal amount of limited tax general obligation bonds, excluding any limited general obligation bonds secured by distributable state aid and sold to the Michigan Finance Authority (the “Prior LTGO Bonds”); and

**WHEREAS**, more than two thirds in amount of the Prior LTGO Bonds are either held by BlackRock Financial Management (the “Uninsured Bondholder”) or insured by Ambac Assurance Corporation (“Ambac”) under financial guaranty insurance policies (the “Bond Insurance Policies”) that were issued contemporaneously with certain Prior LTGO Bonds (the “Insured Prior LTGO Bonds”); and

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

WHEREAS, as of the Petition Date, the balance due on the Prior LTGO Bonds, including prepetition interest accrued as of that date, was \$163,554,770; and

WHEREAS, on October 1, 2013, the City defaulted on its obligation to make interest payments on the Prior LTGO Bonds in the amount of \$4,348,211, and Ambac paid claims in the amount of \$2,266,586 on account of the Insured Prior LTGO Bonds and was subrogated to the rights of the owners for such payments, and the insurance documents contemplate for the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim; and

WHEREAS, on April 1, 2014, the City defaulted on its obligation to make interest payments in the amount of \$4,348,211 and principal payments in the amount of \$43,420,000 on the Prior LTGO Bonds, and Ambac paid claims in the amount of \$20,686,586 on account of the Insured Prior LTGO Bonds insured by it and was subrogated to the rights of the owners for such payments, and the insurance documents contemplate for the assignment of the Insured Prior LTGO Bonds to Ambac upon payment of a claim; and

WHEREAS, on May 5, 2014, the Emergency Manager filed on behalf of the City a Fourth Amended Plan for the Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, on \_\_\_\_\_, 2014, the City, Ambac and the Uninsured Bondholder (together the "LTGO Parties") entered into a Settlement Agreement (LTGO) (the "Settlement Agreement") regarding a consensual resolution of their disputes under or in respect of the Prior LTGO Bonds, the Ambac Action (as defined in the Settlement Agreement) and the claims of the LTGO Parties (the "LTGO Claims"); and

WHEREAS, the Plan of Adjustment and the Settlement Agreement provide, among other things, for the satisfaction of the claims of the holders of Allowed Claims on account of Prior LTGO Bonds who are (i) record owners of any Prior LTGO Bonds and (ii) Ambac as to any Insured Prior LTGO Bond (each, a "LTGO Claims Holder") in exchange for the receipt of unsecured pro rata shares (each a "Pro Rata Share") of New LTGO Notes, in the form of the Bonds authorized herein, in the form of Financial Recovery Bonds authorized for settlement of unsecured claims under the Plan of Adjustment and a portion of the New B Notes, referred to as "Reserve B Notes" in the Settlement Agreement, to be authorized by separate order of the Emergency Manager; and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the "Effective Date"); and

WHEREAS, on or before the Effective Date, the City shall issue Financial Recovery Bonds (Limited Tax General Obligation) (the “Bonds”) under Section 36a of the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”) and this Order, and distribute Pro Rata Shares of the Bonds, to the LTGO Claim Holders as provided in the Plan of Adjustment; and

WHEREAS, the Emergency Manager of the City deems it necessary to authorize the issuance of the Bonds in one or more series, in the aggregate principal amount of not to exceed Fifty Five Million Dollars (\$55,000,000) pursuant to Section 36a of Act 279; and

WHEREAS, the Bonds will be secured by a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Board; and

WHEREAS, the City must receive prior approval of the terms and conditions for the issuance of the Bonds from the Board in accordance with Section 36a of Act 279; and

WHEREAS, the Emergency Manager desires to submit this Order to the Board proposing the issuance by the City of the Bonds, in one or more series, under Section 36a of Act 279, to provide for a portion of the financing of the City under the Plan of Adjustment, solely to satisfy the claims of the LTGO Claim Holders; and

WHEREAS, prior to submission of this Order to the Board, pursuant to Sections 12(1)(u) and 19(i) of Act 436, the Emergency Manager must obtain approval of the issuance of the Bonds by the City Council of the City (the “City Council”), and if the City Council disapproves the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED AS FOLLOWS:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment to them unless a different meaning clearly appears from the context:

“Accretion Date” means April 1 and October 1 of each year after the Date of Original Issue and the Conversion Date.

“Accretion Rate” means a rate of accretion in principal borne by the Bonds of 0.65% per annum compounded semiannually on each Accretion Date from the Date of Original Issue until the Conversion Date.

“Accretion Value” means as of any particular date of calculation, the original principal amount of the Bond, plus all accretion in principal accrued and compounded to the particular date of calculation. A table setting forth the Accreted Values per \$5,000 original principal amount of the Bonds at each Accretion Date shall be set forth in the Bonds and as an exhibit to the Supplemental Order.

“Act 243” means Act No. 243, Public Acts of Michigan, 1980, as amended.

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

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

“Allowed Claims” has the meaning set forth in the Plan of Adjustment.

“Authorized Denominations” shall mean denominations of Bonds equal to multiples of \$1,000 or integral multiples of \$1.00 in excess thereof.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

“Bankruptcy Code” has the meaning ascribed to it in the recitals hereof.

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

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

“Bond” or “Bonds” means the Financial Recovery Bonds (Limited Tax General Obligation), Series 2014 of the City authorized to be issued by the Order in the aggregate principal amount not to exceed \$55,000,000, in one or more series, and bearing such other designations as determined by the Authorized Officer in the Supplemental Order.

“Bond Insurance Policies” has the meaning ascribed to it in the recitals hereof.

“Bond Registry” means the books for the registration of Bonds maintained by the Paying Agent.

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

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

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

“Charter” means the Charter of the City, as amended from time to time.

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

“Claim” shall mean a “claim” as defined in Section 101(5) of the Bankruptcy Code.

“Class” means each class of Claims established under the Plan.

“Closing Date” means the Date of Original Issue.

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

“Confirmation Order” has the meaning set forth in recitals hereto.

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Conversion Date” means the last Accretion Date on the tenth anniversary of the Date of Original Issue of the Bonds, after which the Bonds shall no longer accrete in value.

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

“Debt Retirement Fund” means the Debt Retirement Fund established under Section 501 hereof, and any subaccounts thereof established hereunder for the payment of principal of and premium and interest on the Bonds.

“Distribution Agent” shall mean U.S. Bank National Association, Detroit, Michigan.

“Distribution Agreement” shall mean the Insured Prior LTGO Bonds Distribution Agreement among the Distribution Agent the City, Ambac and the paying agent for the Insured Prior LTGO Bonds, in form and substance satisfactory to the City and Ambac, relating to the distribution of payments of principal and interest on the Insured Prior LTGO Bonds.



“DTC System” shall mean the system maintained by The Depository Trust Company used for trading municipal securities.

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

“Final Order” has the meaning set forth in the Plan of Adjustment.

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

“Holder” shall mean the holder of a Claim under or evidenced by the Prior LTGO Bonds.

“Insured Prior LTGO Bonds” has the meaning ascribed to it in the recitals hereof.

“Interest Payment Date” means April 1 and October 1 of each year commencing with the April 1 or October 1 specified in the Supplemental Order.

“Interest Rate” means a rate of interest borne by the Bonds, payable currently on each Interest Payment Date, of 5% per annum from the Date of Original Issue until the Conversion Date, and thereafter at a rate of interest of 5.65% per annum payable currently until the Maturity Date.

“LTGO Claims” has the meaning ascribed to it in the recitals hereof.

“LTGO Claims Holder” shall mean holders of Allowed Claims on account of Prior LTGO Bonds who are (i) the record owners of any Prior LTGO Bonds and (ii) Ambac as to any Insured Prior LTGO Bond.

“LTGO Parties” has the meaning set forth in the recitals hereof.

“Maturity Date” means the twenty-third (23<sup>rd</sup>) anniversary of the Date of Original Issue or such other final date of maturity of each series of the Bonds as specified in the Supplemental Order.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“New LTGO Bonds” means the Bonds.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VI.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:
  - (A) Bonds theretofore canceled by the Paying Agent or delivered to such Paying Agent for cancellation;

- (B) Bonds for whose payment money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the registered owners of such Bonds;
- (C) Bonds delivered to the Paying Agent for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
- (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
- (E) Bonds deemed paid as provided in Section 701.

“Paying Agent” means the bond registrar, transfer agent and paying agent for the Bonds.

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

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Prior LTGO Bonds” has the meaning ascribed to it in the recitals hereof.

“Pro Rata” shall mean the proportion that a claim of one LTGO Claims Holder bears to the aggregate amount of all claims of all of the LTGO Claims Holders.

“Registered Owner” means the registered owner of a Bond as the registered owner’s name appears on the Bond Registry under Section 305.

“Regular Record Date” has the meaning given such term in Section 302.

“Reserve New B Notes” shall have the meaning set forth in the recitals hereto.

“Security Depository” has the meaning given such term in Section 310.

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

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

“Supplemental Order” means the order or orders of the Authorized Officer making certain determinations and confirming the final details on the Bonds upon issuance, in accordance with the parameters of this Order.

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## **ARTICLE II**

### **DETERMINATIONS**

Section 201. Finding, and Declaration of Need to Issue Bonds. The Emergency Manager hereby finds and declares that it is necessary for the City to issue the Bonds hereunder in such sum as shall be determined and approved by the Emergency Manager, not in excess of \$55,000,000 as of the Date of Original Issue (the “Maximum Aggregate Principal Amount”), and to evidence such debt by the issuance of the Bonds in one or more series not in excess of the Maximum Aggregate Principal Amount, in Authorized Denominations, pursuant to and in accordance with the provisions of Section 36a of Act 279, for the purpose of satisfying a portion of the LTGO Claims. The Maximum Aggregate Principal Amount shall not include the accretion of principal at the Accretion Rate as provided in this Order.

## **ARTICLE III**

### **AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS**

Section 301. Authorization of Bonds to Satisfy the Claims and Pledge. The City hereby authorizes the issuance of the Bonds as hereinafter defined in such principal amount as shall be confirmed in the Supplemental Order to satisfy the LTGO Claims. The principal of and interest on the Bonds shall hereby be secured by the limited tax full faith and credit pledge of the City. The City pledges to pay the principal of and interest on the Bonds as a first budget obligation from its general funds and in case of insufficiency thereof, from the proceeds of an annual levy of ad valorem taxes on all taxable property of the City, subject to applicable constitutional, statutory and charter tax rate limitations.

Section 302. Designations, Date, Interest, Maturity and Other Terms of the Bonds to Satisfy the Claims. (a) The Bonds shall be designated “FINANCIAL RECOVERY BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2014” and may bear such later or earlier dates and additional or alternative designations, series or subseries as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from “R-1” upwards, unless otherwise provided by the Authorized Officer in the Supplemental Order. The Bonds shall be dated and issued in such denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds of each series shall mature on the April 1, 2037 or such other April 1 which is not in excess of 23 years from the Date of Original Issue and shall accrete in principal amount, bear interest at the Interest Rate on a taxable or tax exempt basis, payable on the Interest

Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order. The Bonds shall be subject to mandatory sinking fund redemption on April 1 in the years and in the Accretion Values set forth in the form of Bond provided in Section 307 hereof. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of the actual number of days elapsed in a 360 day year. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(c) The Bonds shall also accrete in principal amount at the Accretion Rate starting from the Date of Original Issue and compounded semiannually on each Accretion Date until the Conversion Date. Thereafter, the Bonds at their Accretion Value shall bear interest at the Interest Rate on a taxable or tax exempt basis, payable on a current basis on the Interest Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order.

(d) Except as may be otherwise determined by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be payable to the Registered Owner as of the 15th day of the month, whether or not a Business Day (a "Regular Record Date"), prior to each Interest Payment Date. Interest on the Bonds shall be payable to such Registered Owners by check or draft drawn on the Paying Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of \$1,000,000 or more in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent.

(e) Interest on Bonds not punctually paid or duly provided for on an Interest Payment Date shall forthwith cease to be payable to the Registered Owners on the Regular Record Date established for such Interest Payment Date, and may be paid to the Registered Owners as of the close of business on a date fixed by the Paying Agent (a "Special Record Date") with respect to the payment of such defaulted interest to be fixed by the Paying Agent, or may be paid at any time in any other lawful manner. The Paying Agent shall give notice to the Registered Owners at least seven days before any such Special Record Date.

(f) The principal of the Bonds shall be payable to the Registered Owners of the Bonds upon the presentation of the Bonds to the Paying Agent at the principal corporate trust office of the Paying Agent.

(g) The Bonds shall be subject to redemption prior to maturity or shall not be subject thereto, upon such terms and conditions as shall be determined by the Authorized Officer and confirmed in the Supplemental Order, provided, however, that redemption at the option of the City prior to maturity may occur on any Interest Payment Date for which notice is given as provided herein and such redemption shall be in whole.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Paying Agent on behalf of the City. Such notice shall be dated

and shall contain at a minimum the following information: original issue date; maturity dates; interest rates, CUSIP numbers, if any; certificate numbers, and in the case of partial redemption, the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Paying Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Emergency Manager and the Finance Director of the City and authenticated by the manual signature of the Finance Director or an authorized representative of the Paying Agent, as the case may be, and a facsimile of the seal of the City shall be imprinted on the Bonds. Additional Bonds bearing the manual or facsimile signatures of the Emergency Manager or Mayor of the City and the Finance Director, and upon which the facsimile of the seal of the City is imprinted may be delivered to the Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Paying Agent shall indicate on each Bond the date of its authentication.

Section 304. Authentication of the Bonds. (a) No Bond shall be entitled to any benefit under this Order or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 307 of this Order, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Paying Agent by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

(b) The Paying Agent shall manually execute the Certificate of Authentication on each Bond upon receipt of a written direction of the Authorized Officer of the City to authenticate such Bond.

Section 305. Transfer of Registration and Exchanges on the Bonds. (a) The registration of each Bond is transferable only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

(b) Each Bond may be exchanged for one or more Bonds in equal aggregate principal amount of like maturity and tenor in one or more authorized denominations, upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent

together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing.

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

(b) For every exchange or transfer of Bonds, the City or the Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except as otherwise provided in this Order, may charge a sum sufficient to pay the costs of preparing each new Bond issued upon such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Paying Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 307 of this Order and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The City shall give the Paying Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or as approved by an Authorized Officer in the Supplemental Order:



[Forms of Bonds]

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

CITY OF DETROIT

FINANCIAL RECOVERY BOND

(LIMITED TAX GENERAL OBLIGATION), SERIES 2014

Maturity Date

Date of Original Issue

CUSIP

April 1, 20\_\_

\_\_\_\_\_, 2014

Registered Owner:

Original Principal Amount:

Dollars

The City of Detroit, County of Wayne, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Accretion Value specified below, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon at the Interest Rate of 5.0% per annum from the Date of Original Issue specified above until the tenth (10<sup>th</sup>) anniversary of the Date of Original Issue (the "Conversion Date"), and thereafter at an Interest Rate of 5.65% per annum on Accretion Value prior to the next Accretion Date, until the Maturity Date specified above or until the Accretion Value is paid in full. Interest is payable semiannually on April 1 and October 1 in each year commencing on \_\_\_\_\_ (each an "Interest Payment Date"). The interest so payable, and punctually paid or duly provided for, will be paid, as provided in the hereinafter defined Order, to the person in whose name this Bond is registered on the books maintained for such purpose by the hereinafter defined Paying Agent (the "Bond Registry"), on the close of business on the Regular Record Date for such interest payment, which shall be the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall herewith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to



the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to Registered Owners at least seven days before such Special Record Date, or may be paid at any time in any other lawful manner. The bonds of this series shall also accrete in value at an Accretion Rate of 0.65% per annum, compounded semiannually on each April 1 and October 1 to the Accreted Value as of any date of calculation (as hereinafter set forth), until the Conversion Date. Thereafter, the Bonds at their Accreted Value in principal amount shall pay current interest at the Interest Rate of 5.65% per annum, payable semiannually on each Interest Payment Date. Capitalized terms used herein but not defined herein, shall have the meanings ascribed to them in the Order.

THE BELOW CHART OF ACCRETION VALUES OF THIS BOND PER \$5,000 ORIGINAL PRINCIPAL AMOUNT WILL REQUIRE MODIFICATION IF THE BONDS ARE ISSUED ON A DATE OTHER THAN 10/01/14 BASED ON INTEREST CALCULATIONS AT 0.65% ANNUALLY.

### Chart of Accretion Values

Accretion Date	Accretion Amount
04/01/2015	\$5,016.25
10/01/2015	5,032.55
04/01/2016	5,048.91
10/01/2016	5,065.32
04/01/2017	5,081.78
10/01/2017	5,098.30
04/01/2018	5,114.87
10/01/2018	5,131.49
04/01/2019	5,148.17
10/01/2019	5,164.90
04/01/2020	5,181.68
10/01/2020	5,198.52
04/01/2021	5,215.42
10/01/2021	5,232.37
04/01/2022	5,249.37
10/01/2022	5,266.43
04/01/2023	5,283.55
10/01/2023	5,300.72
04/01/2024	5,317.95
10/01/2024	5,335.23
Thereafter	5,335.23

The Accretion Value of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registrar, transfer agent and paying agent under the Order (such bank and any successor as paying agent, the “Paying Agent”). Interest on this Bond is payable in like money by check or draft drawn on the Paying

Agent and mailed to the Registered Owner entitled thereto, as provided above, by first class mail or, upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Registered Owner, and such request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent. Interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. For prompt payment of this Bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Section 36a of Act No. 279, Public Acts of Michigan, 1909, as amended (“Act 279”), for the purpose of satisfying certain LTGO Claims, as defined in the Order. Pursuant to the Order, the bonds of this series (the “Bonds”) are limited tax general obligations of the City, and the City is obligated to levy annually ad valorem taxes on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations.

The “Order” is an Order of the Emergency Manager issued on \_\_\_\_\_, 2014, supplemented by a Supplemental Order of an Authorized Officer of the City issued on \_\_\_\_\_, 2014, authorizing the issuance of the Bonds.

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

(a) *Optional Redemption.* The Bonds are subject to redemption prior to maturity, in whole, at the option of the Issuer, on any Interest Payment Date after the Date of Original Issue, at a redemption price equal to the Accretion Value as of the date of redemption plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.*

The Bonds shall be subject to mandatory redemption, in part, by lot, on the redemption dates and in the Accretion Values set forth below, and at a redemption price equal to the Accretion Value thereof as of the date of redemption, without premium, plus accrued interest to the date fixed for redemption.

Redemption Date October 1	Principal Amount
2020	\$2,000,000
2021	2,000,000
2022	2,000,000
2023	2,000,000
2024	2,000,000
2025	3,735,115
2026	3,735,115
2027	3,735,115
2028	3,735,115
2029	3,735,115
2030	3,735,115
2031	3,735,115
2032	3,735,115
2033	3,735,115
2034	3,735,115
2035	3,735,115
2036	3,735,115
2037*	3,735,115

\*Final Maturity

The Accretion Value of the Bonds to be redeemed on the dates set forth above shall be reduced by the Accretion Value of Term Bonds that has been redeemed (other than by mandatory sinking fund redemption) or otherwise acquired by the City and delivered to the Paying Agent prior to giving the notice of redemption described below. The City may satisfy any mandatory redemption requirement by the purchase and surrender of Term Bonds of the same maturity and interest rate in lieu of calling such Term Bonds for mandatory redemption.

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

Notice of redemption shall be given to the registered owners of Bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds or portions thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem such Bonds.

Reference is hereby made to the Order for the provisions with respect to the nature and extent of the security for the Bonds, the manner and enforcement of such security, the rights,

duties and obligations of the City, and the rights of the Paying Agent and the Registered Owners of the Bonds. As therein provided, the Order may be amended in certain respects without the consent of the Registered Owners of the Bonds. A copy of the Order is on file and available for inspection at the office of the Finance Director and at the principal corporate trust office of the Paying Agent.

The City and the Paying Agent may treat and consider the person in whose name this Bond is registered on the Bond Registry as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes whatsoever, and all such payments so made to such person or upon his order shall be valid and effectual to satisfy and discharge the liability hereon to the extent of the sum or sums so paid.

The registration of this Bond is transferable only upon the Bond Registry by the Registered Owner hereof or by his attorney duly authorized in writing upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Order upon the payment of the charges, if any, therein prescribed.

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

This Bond is not valid or obligatory for any purpose until the Paying Agent's Certificate of Authentication on this Bond has been executed by the Paying Agent.

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

CITY OF DETROIT

By: \_\_\_\_\_  
Emergency Manager

By: \_\_\_\_\_  
Finance Director

(SEAL)

(Form of Paying Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Order.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Michigan  
Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or typewrite name and address of transferee)

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

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

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

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

Name and Address: \_\_\_\_\_

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



Section 308. Registration. The City and the Paying Agent may treat and consider the Registered Owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal (and premium, if any) thereof and interest thereon and for all other purposes whatsoever, and all such payments so made to such Bondowner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 309. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the Paying Agent or the City and the Paying Agent and the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds issued under this Order.

Section 310. Book-Entry-Only System Permitted. (a) If determined by the Authorized Officer in the Supplemental Order, the Bonds or portions of the Bonds shall be issued to a securities depository selected by the Authorized Officer (the "Security Depository") to be held pursuant to the book-entry-only system maintained by the Security Depository and registered in the name of the Security Depository or its nominee. Ownership interests in Bonds held under such book-entry-only system shall be determined pursuant to the procedures of the Security Depository and Article 8 of the applicable Uniform Commercial Code (such persons having such interests, "Beneficial Owners").

(b) If (i) the City and the Paying Agent receive written notice from the Security Depository to the effect that the Security Depository is unable or unwilling to discharge its responsibilities with respect to the Bonds under the book-entry-only system maintained by it or (ii) the Authorized Officer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in certificated form, then the City may so notify the Security Depository and the Paying Agent, and, in either event, the City and the Paying Agent shall take appropriate steps to provide the Beneficial Owners with Bonds in certificated form to evidence their respective ownership interests in the Bonds. Whenever the Security Depository requests the City and the Paying Agent to do so, the Authorized Officer on behalf of the City and the Paying Agent will cooperate with the Security Depository in taking appropriate action after

reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(c) Notwithstanding any other provision of the Order to the contrary, so long as the Bonds are held pursuant to the book-entry-only system maintained by the Security Depository:

(i) all payments with respect to the principal and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Security Depository as provided in the representation letter from the City and the Paying Agent to the Security Depository with respect to such Bonds; and

(ii) all payments with respect to principal of the Bonds and interest on the Bonds shall be made in such manner as shall be prescribed by the Security Depository.

## **ARTICLE IV**

### **FUNDS AND ACCOUNTS**

Section 401. Establishment of Accounts and Funds. (a) The City hereby establishes and creates the Debt Retirement Fund as a special, separate and segregated account and fund which shall be held for and on behalf of the City by the Paying Agent.

(b) The Finance Director is hereby authorized to establish such additional accounts, subaccounts or funds as shall be required for the Bonds, to accommodate the requirements of such series of Bonds.

Section 402. Debt Retirement Fund. General funds of the City, proceeds of all taxes levied pursuant to Section 301 hereof shall be used to pay the principal of and interest on the Bonds when due. The City shall set aside in the Debt Retirement Fund each month, (i) beginning the first day of the first month following the date of delivery of the Bonds, an amount equal to 1/6 of the interest coming due on the Bonds on the next Interest Payment Date and, (ii) beginning on the first day of the first month which is 11 months prior to the date on which the first mandatory sinking fund redemption occurs, an amount equal to 1/12 of the principal or Accretion Value coming due on the next mandatory sinking fund redemption date for the Bonds. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Paying Agent, and so long as the principal or Accretion Value of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal or Accretion Value and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds and the fees and expenses of the Paying Agent shall be retained by the City to be used for any lawful purpose.

Section 403. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Paying Agent, upon written direction or upon oral direction promptly confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

## ARTICLE V

### THE PAYING AGENT

Section 501. Paying Agent. The Paying Agent for the Bonds shall act as bond registrar, transfer agent and paying agent for the Bonds and shall be initially \_\_\_\_\_, Detroit, Michigan, or such other bank or trust company located in the State which is qualified to act in such capacity under the laws of the United States of America or the State. The Paying Agent means and includes any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Paying Agent as determined by an Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. An Authorized Officer is authorized to enter into an agreement with such a bank or trust company, and from time to time as required, may designate a similarly qualified successor Paying Agent and enter into an agreement therewith for such services.

## ARTICLE VI

### SUPPLEMENTAL ORDERS AND RESOLUTIONS

Section 601. Supplemental Orders and Resolutions Not Requiring Consent of Holders of the Bonds. The City may without the consent of any Bondowner adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;
- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order; and
- (iv) such other action not materially, adversely and directly affecting the security of the Bonds.

provided that (A) no supplemental order or resolution amending or modifying the rights or obligations of the Paying Agent shall become effective without the consent of the Paying Agent and (B) the effectiveness of any supplemental resolution is subject to Section 702 to the extent applicable.

Section 602. Bond Counsel Opinion. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Paying Agent, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that, Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of an Authorized Officer or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VII

### DEFEASANCE

Section 701. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Paying Agent. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Owners of such Bonds. After such deposit, such Bonds shall no longer be entitled to the benefits of this Order (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Order for the benefit of such Bonds shall be discharged.

## ARTICLE VIII

### OTHER PROVISIONS OF GENERAL APPLICATION

[Section 801. Reserved]

Section 802. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer, the City Clerk and any written designee of the Emergency Manager are each hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

Section 803. Delegation of City to, and Authorization of Actions of Authorized Officers.  
(a) Each Authorized Officer is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the

Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from available funds, for and on behalf of the City.

(b) Except as otherwise provided herein, all determinations and decisions of the Authorized Officer with respect to the issuance and sale of the Bonds or the negotiation, execution or delivery of agreements as permitted or required by this Order shall be confirmed by this Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 804. Approving Legal Opinions with Respect to the Bonds. Delivery of the Bonds shall be conditioned upon receiving, at the time of delivery of the Bonds; the approving opinion of Bond Counsel, approving legality of the Bonds.

Section 805. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable from available funds in accordance with the agreement of such firm on file with the Finance Director.

Section 806. Preservation of Records. So long as any Bond remains Outstanding, all documents received by the Paying Agent under the provisions of this Order shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, and the Bondowners, and their agents and representatives, any of whom may make copies thereof.

Section 807. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City or Paying Agent shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 808. No Recourse Under Order. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member, officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 809. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 810. Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience of reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 811. Conflict. All orders or resolutions or parts of orders or resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 812. Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 813. Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract between the City, the Paying Agent, and the Bondowners.

Section 814. Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 815. Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director

If to the Paying Agent, to:

U.S. Bank National Association

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2014.

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Kevyn D. Orr  
Emergency Manager  
City of Detroit, Michigan

22545852.5\022765-00202



**EXHIBIT I.A.246**

## PRINCIPAL TERMS OF NEW B NOTES

**NEW B NOTES**  
**SUMMARY OF PRINCIPAL TERMS<sup>1</sup>**

On the Effective Date, the City shall issue the New B Notes and distribute them as set forth in the Plan. The definitive documentation governing the New B Notes shall provide generally for the following terms:

Obligation	The City's obligations with respect to the New B Notes shall be a general and unsecured obligation of the City.
Initial Principal Amount	\$632.0 million.
Interest Rate	4.0% for the first 20 years; 6.0% for years 21 through 30.
Maturity	30 years.
Amortization	Interest only for 10 years; amortization in 20 equal annual installments beginning on the interest payment date nearest to the 11th anniversary from issuance.
Disclosure	The City will provide a continuing disclosure undertaking under 17 C.F.R. § 240.15c2-12 in connection with the delivery of the New B Notes.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Plan.

EXHIBIT I.A.247

FORM OF NEW B NOTES DOCUMENTS

ORDER NO. \_\_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$632,000,000 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN UNSECURED CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

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ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$632,000,000 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN UNSECURED CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City of Detroit, County of Wayne, State of Michigan (the "City") pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; And

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, on \_\_\_\_\_, 2014, the Emergency Manager filed on behalf of the City a \_\_\_\_\_ Amended Plan for the Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, the Plan of Adjustment provides, among other things, for the satisfaction of certain claims of unsecured creditors as set out in the Plan of Adjustment in exchange for the



receipt of unsecured pro rata shares ( each a “Pro Rata Share”) of New B Notes (the “New B Notes”); and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the “Effective Date”); and

WHEREAS, on or as reasonably practicable after the Effective Date, the City shall execute New B Notes Documents and issue New B Notes in the form of Financial Recovery Bonds authorized under Section 36a of the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”) and this Order, and distribute the New B Notes, in the form of the Financial Recovery Bonds, to the holders of the particular unsecured claims, as provided in the Plan of Adjustment and described on Exhibit A hereto (collectively, the “Claims”); and

WHEREAS, the Emergency Manager of the City deems it necessary to authorize the issuance of Financial Recovery Bonds in one or more series (the “Bonds”), in the aggregate principal amount of not to exceed Six Hundred Thirty Two Million Dollars (\$632,000,000) pursuant to Section 36a of Act 279; and

WHEREAS, the Bonds will be secured by a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Board; and

WHEREAS, the City must receive prior approval of the terms and conditions for the issuance of the Bonds from the Board in accordance with Section 36a of Act 279; and

WHEREAS, the Emergency Manager desires to submit this Order to the Board proposing the issuance by the City of Financial Recovery Bonds, in one or more series, under Section 36a of Act 279, to provide for a portion of the financing of the City under the Plan of Adjustment, solely to satisfy the Claims [and to pay certain administrative and other costs related to the issuance of the bonds, upon the terms and conditions and parameters approved by the Board; and]

WHEREAS, prior to submission of this Order to the Board, pursuant to Sections 12(1)(u) and 19(i) of Act 436, the Emergency Manager must obtain approval of the issuance of the Bonds by the City Council of the City (the “City Council”), and if the City Council disapproves the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED AS FOLLOWS:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment to them unless a different meaning clearly appears from the context:

“Act 243” means Act No. 243, Public Acts of Michigan, 1980, as amended.

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

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

“Allowed Claims” has the meaning set forth in the Plan of Adjustment.

“Allowed Limited Tax General Obligation Bond Claims” shall mean such claims under Class 7 of the Plan of Adjustment.

“Allowed Other Unsecured Claims” has the meaning set forth in the Plan of Adjustment.

“Authorized Denominations” shall mean denominations of Bonds equal to multiples of \$1,000 or integral multiples of \$1.00 in excess thereof.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

“Bankruptcy Court” has the meaning set forth in the Plan of Adjustment.

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

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

“Bond” or “Bonds” means the Financial Recovery Bonds, Series 2014B of the City authorized to be issued by the Order in the aggregate principal amount not to exceed \$632,000,000, in one or more series, and bearing such other designations as determined by the Authorized Officer in the Supplemental Order.

“Bond Registry” means the books for the registration of Bonds maintained by the Paying Agent.

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

“Bonds” means the City’s Financial Recovery Bonds, Series 2014B, with such series designations as may be determined by the Authorized Officer in the Supplemental Order.

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

“Certificate” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Order.

“Charter” means the Charter of the City, as amended from time to time.

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

“Claimants” means the beneficial owners of the Claims.

“Claims” has the meaning set forth recitals hereto.

“Closing Date” means the Date of Original Issue.

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

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Confirmation Order” has the meaning set forth in recitals hereto.

“Contingent General VEBA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“Contingent Police and Fire VEBA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“COP Litigation” has the meaning set forth in the Plan of Adjustment.

“COPs Claims” has the meaning set forth in the recitals and Exhibit A hereto.

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

“DDA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“Debt Retirement Fund” means the Debt Retirement Fund established under Section 501 hereof, and any subaccounts thereof established hereunder for the payment of principal of and premium and interest on the Bonds.

“Disbursing Agent” means the Registered Owner of the Bonds issued on behalf of the Claimants entitled to distributions of Bonds and/or cash from the Disputed COPs Claims Reserve.

“Disbursing Agent Agreement” means the agreement between the City and the Disbursing Agent to provide for the distributions of Bonds and/or cash to Claimants from the Disputed COPs Claims Reserve.

“Disputed COPs Claims” has the meaning set forth in the Plan of Adjustment.

“Disputed COPs Claims Reserve” means the Disputed COP Claims Reserve established under Section 401(b).

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

“Final Order” has the meaning set forth in the Plan of Adjustment.

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

“Interest Payment Date” means April 1 and October 1 of each year commencing with the April 1 or October 1 specified in the Supplemental Order.

“Interest Rate” means 4% per annum from the Date of Original Issue until the twentieth (20<sup>th</sup>) anniversary of the Date of Original Issue, and thereafter 6% per annum until the Maturity Date, or such other interest rates as confirmed in the Supplemental Order.

“Litigation Trust” has the meaning set forth in the Plan of Adjustment.

“Maturity Date” means the thirtieth (30<sup>th</sup>) anniversary of the Date of Original Issue or such other final date of maturity of each series of the Bonds as specified in the Supplemental Order.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VII.

“Other Unsecured Claims” has the meaning set forth in the recitals hereto.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:
  - (A) Bonds theretofore canceled by the Paying Agent or delivered to such Paying Agent for cancellation;
  - (B) Bonds for whose payment money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the registered owners of such Bonds;
  - (C) Bonds delivered to the Paying Agent for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
  - (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
  - (E) Bonds deemed paid as provided in Section 701.

“Paying Agent” means the bond registrar, transfer agent and paying agent for the Bonds.

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

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Police and Fire VEBA Claims” has the meaning set forth in the recitals and Exhibit A hereto.

“Registered Owner” means the registered owner of a Bond as the registered owner’s name appears on the Bond Registry under Section 305.

“Regular Record Date” has the meaning given such term in Section 302.

“Security Depository” has the meaning given such term in Section 310.

“Settled COP Claims” has the meaning set forth in the Plan of Adjustment.

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

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

“Supplemental Order” means the order or orders of the Authorized Officer making certain determinations and confirming the final details on the Bonds upon issuance, in accordance with the parameters of this Order.

“Unsecured Pro Rata Share” has the meaning set forth in the Plan of Adjustment.

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## **ARTICLE II**

### **DETERMINATIONS**

Section 201. Finding, and Declaration of Need to Issue Bonds. The Emergency Manager hereby finds and declares that it is necessary for the City to issue the Bonds hereunder in such sum as shall be determined and approved by the Emergency Manager, not in excess of \$632,000,000 (the “Maximum Aggregate Principal Amount”), and to evidence such debt by the issuance of the Bonds in one or more series not in excess of the Maximum Aggregate Principal Amount, in Authorized Denominations, pursuant to and in accordance with the provisions of Section 36a of Act 279, for the purpose of satisfying the Claims.

## **ARTICLE III**

### **AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS**

Section 301. Authorization of Bonds to Satisfy the Claims and Pledge. The City hereby authorizes the issuance of the Bonds as hereinafter defined in such principal amount as shall be confirmed in the Supplemental Order to satisfy the Claims as determined by the Authorized Officer in the Supplemental Order or subsequently confirmed by the Authorized Officer to Bond Counsel. The principal of and interest on the Bonds shall hereby be secured by the limited tax full faith and credit pledge of the City.

The City pledges to pay the principal of and interest on the Bonds as a first budget obligation from its general funds and in case of insufficiency thereof, from the proceeds of an annual levy of ad valorem taxes on all taxable property of the City, subject to applicable constitutional, statutory and charter tax rate limitations.

Section 302. Designations, Date, Interest, Maturity and Other Terms of the Bonds to Satisfy the Claims. (a) The Bonds shall be designated “FINANCIAL RECOVERY BONDS,

SERIES 2014B” and may bear such later or earlier dates and additional or alternative designations, series or subseries as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from “R-1” upwards, unless otherwise provided by the Authorized Officer in the Supplemental Order. The Bonds shall be dated and issued in such denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds of each series shall mature on such Maturity Dates not in excess of 30 years from the Date of Original Issue and shall bear interest at the Interest Rate on a taxable basis, payable on the Interest Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of the actual number of days elapsed in a 360 day year. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(c) Except as may be otherwise determined by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be payable to the Registered Owner as of the 15th day of the month, whether or not a Business Day (a “Regular Record Date”), prior to each Interest Payment Date. Interest on the Bonds shall be payable to such Registered Owners by check or draft drawn on the Paying Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of \$1,000,000 or more in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent.

(d) Interest on Bonds not punctually paid or duly provided for on an Interest Payment Date shall forthwith cease to be payable to the Registered Owners on the Regular Record Date established for such Interest Payment Date, and may be paid to the Registered Owners as of the close of business on a date fixed by the Paying Agent (a “Special Record Date”) with respect to the payment of such defaulted interest to be fixed by the Paying Agent, or may be paid at any time in any other lawful manner. The Paying Agent shall give notice to the Registered Owners at least seven days before any such Special Record Date.

(e) The principal of the Bonds shall be payable to the Registered Owners of the Bonds upon the presentation of the Bonds to the Paying Agent at the principal corporate trust office of the Paying Agent.

(f) The Bonds shall be subject to redemption and/or tender for purchase prior to maturity or shall not be subject thereto, upon such terms and conditions as shall be determined by the Authorized Officer and confirmed in the Supplemental Order.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Paying Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates, CUSIP numbers, if any; certificate numbers, and in the case of partial redemption,



the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Paying Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Emergency Manager and the Finance Director of the City and authenticated by the manual signature of the Finance Director or an authorized representative of the Paying Agent, as the case may be, and a facsimile of the seal of the City shall be imprinted on the Bonds. Additional Bonds bearing the manual or facsimile signatures of the Emergency Manager or Mayor of the City and the Finance Director, and upon which the facsimile of the seal of the City is imprinted may be delivered to the Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Paying Agent shall indicate on each Bond the date of its authentication.

Section 304. Authentication of the Bonds. (a) No Bond shall be entitled to any benefit under this Order or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 307 of this Order, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Paying Agent by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

(b) The Paying Agent shall manually execute the Certificate of Authentication on each Bond upon receipt of a written direction of the Authorized Officer of the City to authenticate such Bond.

Section 305. Transfer of Registration and Exchanges on the Bonds. (a) The registration of each Bond is transferable only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

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

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

(b) For every exchange or transfer of Bonds, the City or the Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except as otherwise provided in this Order, may charge a sum sufficient to pay the costs of preparing each new Bond issued upon such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Paying Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 307 of this Order and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The City shall give the Paying Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or as approved by an Authorized Officer in the Supplemental Order:

[Forms of Bonds]

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

CITY OF DETROIT  
FINANCIAL RECOVERY BOND, SERIES 2014B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
		_____, 2014	

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

The City of Detroit, County of Wayne, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon at the Interest Rate of 4.0% per annum from the Date of Original Issue specified above until the twentieth (20<sup>th</sup>) anniversary of the Date of Original Issue, and thereafter at 6.0% per annum, until the Maturity Date specified above or until the Principal Amount specified above is paid in full. Interest is payable semiannually on April 1 and October 1 in each year commencing on \_\_\_\_\_ (each an "Interest Payment Date"). The interest so payable, and punctually paid or duly provided for, will be paid, as provided in the hereinafter defined Order, to the person in whose name this Bond is registered on the books maintained for such purpose by the hereinafter defined Paying Agent (the "Bond Registry"), on the close of business on the Regular Record Date for such interest payment, which shall be the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall herewith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to Registered Owners at least seven days before such Special Record Date,

or may be paid at any time in any other lawful manner. Capitalized terms used herein but not defined herein, shall have the meanings ascribed to them in the Order.

The principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registrar, transfer agent and paying agent under the Order (such bank and any successor as paying agent, the "Paying Agent"). Interest on this Bond is payable in like money by check or draft drawn on the Paying Agent and mailed to the Registered Owner entitled thereto, as provided above, by first class mail or, upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Registered Owner, and such request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent. Interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. For prompt payment of this Bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Section 36a of Act No. 279, Public Acts of Michigan, 1909, as amended ("Act 279"), for the purpose of satisfying certain Claims, as defined in the Order. Pursuant to the Order, the bonds of this series (the "Bonds") are limited tax general obligations of the City, and the City is obligated to levy annually ad valorem taxes on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations.

The "Order" is an Order of the Emergency Manager issued on \_\_\_\_\_, 2014, supplemented by a Supplemental Order of an Authorized Officer of the City issued on \_\_\_\_\_, 2014, authorizing the issuance of the Bonds.

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

(a) *Optional Redemption.* Bonds or portions of bonds in Authorized Denominations of multiples of \$1,000 or integral multiples of \$1.00 in excess thereof are subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine, and by lot within a maturity on any date after the Date of Original Issue, at a redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* [TO BE DETERMINED]

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

Notice of redemption shall be given to the registered owners of Bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days but not more than

sixty (60) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds or portions thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem such Bonds.

Reference is hereby made to the Order for the provisions with respect to the nature and extent of the security for the Bonds, the manner and enforcement of such security, the rights, duties and obligations of the City, and the rights of the Paying Agent and the Registered Owners of the Bonds. As therein provided, the Order may be amended in certain respects without the consent of the Registered Owners of the Bonds. A copy of the Order is on file and available for inspection at the office of the Finance Director and at the principal corporate trust office of the Paying Agent.

The City and the Paying Agent may treat and consider the person in whose name this Bond is registered on the Bond Registry as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes whatsoever, and all such payments so made to such person or upon his order shall be valid and effectual to satisfy and discharge the liability hereon to the extent of the sum or sums so paid.

The registration of this Bond is transferable only upon the Bond Registry by the Registered Owner hereof or by his attorney duly authorized in writing upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of the charges, if any, therein prescribed.

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

This Bond is not valid or obligatory for any purpose until the Paying Agent's Certificate of Authentication on this Bond has been executed by the Paying Agent.

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

CITY OF DETROIT

By: \_\_\_\_\_  
Emergency Manager

By: \_\_\_\_\_  
Finance Director

(SEAL)

(Form of Paying Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Order.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Michigan  
Paying Agent

By: \_\_\_\_\_  
Authorized Signatory



ASSIGNMENT

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

\_\_\_\_\_  
(Please print or typewrite name and address of transferee)

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

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

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

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

Name and Address: \_\_\_\_\_

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

Section 308. Registration. The City and the Paying Agent may treat and consider the Registered Owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal (and premium, if any) thereof and interest thereon and for all other purposes whatsoever, and all such payments so made to such Bondowner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 309. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the Paying Agent or the City and the Paying Agent and the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds issued under this Order.

Section 310. Book-Entry-Only System Permitted. (a) If determined by the Authorized Officer in the Supplemental Order, the Bonds or portions of the Bonds shall be issued to a securities depository selected by the Authorized Officer (the "Security Depository") to be held pursuant to the book-entry-only system maintained by the Security Depository and registered in the name of the Security Depository or its nominee. Ownership interests in Bonds held under such book-entry-only system shall be determined pursuant to the procedures of the Security Depository and Article 8 of the applicable Uniform Commercial Code (such persons having such interests, "Beneficial Owners").

(b) If (i) the City and the Paying Agent receive written notice from the Security Depository to the effect that the Security Depository is unable or unwilling to discharge its responsibilities with respect to the Bonds under the book-entry-only system maintained by it or (ii) the Authorized Officer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in certificated form, then the City may so notify the Security Depository and the Paying Agent, and, in either event, the City and the Paying Agent shall take appropriate steps to provide the Beneficial Owners with Bonds in certificated form to evidence their respective ownership interests in the Bonds. Whenever the Security Depository requests the City and the Paying Agent to do so, the Authorized Officer on behalf of the City and the Paying Agent will cooperate with the Security Depository in taking appropriate action after

reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(c) Notwithstanding any other provision of the Order to the contrary, so long as the Bonds are held pursuant to the book-entry-only system maintained by the Security Depository:

(i) all payments with respect to the principal and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Security Depository as provided in the representation letter from the City and the Paying Agent to the Security Depository with respect to such Bonds; and

(ii) all payments with respect to principal of the Bonds and interest on the Bonds shall be made in such manner as shall be prescribed by the Security Depository.

## **ARTICLE IV**

### **FUNDS AND ACCOUNTS**

Section 401. Establishment of Accounts and Funds. (a) The City hereby establishes and creates the Debt Retirement Fund as a special, separate and segregated account and fund which shall be held for and on behalf of the City by the Paying Agent.

(b) On the Effective Date, the City shall establish and create the Disputed COPs Claims Reserve (the “Disputed COPs Claims Reserve”) which shall be held for and on behalf of the City by the Disbursing Agent under the Disbursing Agent Agreement pursuant to Section 401(d).

(c) The Disputed COP Claims Reserve shall contain no less than (i) an Unsecured Pro Rata Share of Bonds, calculated as if such Disputed COP Claims were Allowed in an amount equal to the sum of (A) aggregate unpaid principal amount as of the Petition Date for the COPs other than those giving rise to the Settled COP Claims (or such other amount as may be required by an order of the Bankruptcy Court), and (B) with respect to the Settled COPs Claims, the aggregate unpaid principal amount as of the Petition Date for the COPs giving rise to the Settled COPs claims less the amounts expended in settlement of such Settled COP Claims; and (ii) any distributions made on account of Bonds held in the Disputed COP Claims Reserve.

(d) An Authorized Officer is authorized and directed to designate a Disbursing Agent and negotiate and enter into a Disbursing Agent Agreement (the “Disbursing Agent Agreement”) between the City and the Disbursing Agent, setting forth the duties and obligations of the Disbursing Agent with respect to the distribution of Bonds and/or cash from the Disputed COPs Claims Reserve to the Claimants thereof pursuant to Section 404(h).

(e) The Finance Director is hereby authorized to establish such additional accounts, subaccounts or funds as shall be required for the Bonds, and the Dispute COPS Claims Reserve to accommodate the requirements of such series of Bonds and the Disputed COPS Claims Reserve.

Section 402. Debt Retirement Fund. General funds of the City, proceeds of all taxes levied pursuant to Section 301 hereof [and any amounts transferred from the debt retirement funds related to the COPs, if any,] shall be used to pay the principal of and interest on the Bonds when due. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Paying Agent, and so long as the principal of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds and the fees and expenses of the Paying Agent shall be retained by the City to be used for any lawful purpose.

Section 403. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Paying Agent, upon written direction or upon oral direction promptly confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

Section 404. Satisfaction of Claims. (a) On the Effective Date, the City shall issue the Bonds in an amount sufficient to satisfy the Claims. An Authorized Officer shall arrange for delivery of the Bonds to the Claimants and the Disbursing Agent to satisfy the Claims on behalf of the Claimants of each class of creditors entitled to New B Notes and/or cash as provided in the Plan of Adjustment and as set forth in this Section 404 in subsections (b) through (g), inclusive. Upon delivery of the Bonds to the Disbursing Agent and the Claimants, an Authorized Officer shall take all necessary steps to extinguish any related existing debt, including the cancellation of any related bonds or notes of the City representing portions of the Claims.

(b) On the Effective Date, the City shall distribute to the Detroit General VEBA, Bonds in the aggregate principal amount of \$218,000,000, in satisfaction of the Allowed OPEB Claims held by the Detroit General VEBA Beneficiaries. The Detroit General VEBA shall also be paid any contingent additional distributions from the Disputed COPs Claims Reserve as set forth in Section 404(g).

(c) On the Effective Date, the City shall distribute to the Detroit Police and Fire VEBA, Bonds in the aggregate principal amount of \$232,000,000, in satisfaction of the Allowed OPEB Claims held by the Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA shall also be paid any contingent additional distributions from the Disputed COPs Claims Reserve as set forth in Section 404(g).

(d) On the Effective Date, the Downtown Development Authority Claims shall be allowed in the amount of \$33,600,000. Unless the Holder agrees to a different treatment of its Claim, each Holder of an Allowed Downtown Development Authority Claim, in full satisfaction of such Allowed Claim, shall receive from the City, on or as soon as reasonably practicable after the Effective Date, an Unsecured Pro Rata Share of the Bonds.

(e) Unless such Holder agrees to a different treatment of such claim, each Holder of an Allowed Other Unsecured Claim, in full satisfaction of such Allowed Claim, shall receive from the Disbursing Agent, on or as soon as reasonably practicable after the Effective Date, an Unsecured Pro Rata Share of Bonds.

(f) If and to the extent that Disputed COP Claims become Allowed Claims, the Holders of such Allowed Claims shall be sent a Distribution from the Disputed COP Claims Reserve by the Disbursing Agent of no less than (i) the portion of New B Notes held in the Disputed COP Claims Reserve initially allocated to the Disputed COP Claims that became Allowed Claims; and (ii) any distributions received by the Disputed COP Claims Reserve on account of such portion of Bonds.

(g) Upon the entry of a Final Order resolving any objection to any Disputed COP Claim and after all Distributions on account of Allowed COP Claims respecting such resolved Disputed COP Claims have been made or provided for (i) an amount of Bonds or distributions thereon in an amount equal to the costs, fees and expenses related to the COP Litigation incurred by the Litigation Trust from and after the Effective Date shall be distributed by the Disbursing Agent to the City subject to the terms of the Plan of Adjustment; (ii) following such distribution, the Bonds and any distributions thereon remaining in the Disputed COP Claims Reserve shall be distributed as follows: (A) 65% to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the Bonds allocated to each pursuant to Sections 404(b) and 404(c); (B) 20% to be distributed Pro Rata among holders of Allowed Limited Tax General Obligation Bond Claims in Class 7 under the Plan of Adjustment; and (C) 15% to holders of Allowed Other Unsecured Claims in Class 14 under the Plan of Adjustment.

## ARTICLE V

### THE PAYING AGENT

Section 501. Paying Agent. The Paying Agent for the Bonds shall act as bond registrar, transfer agent and paying agent for the Bonds and shall be initially \_\_\_\_\_, Detroit, Michigan, or such other bank or trust company located in the State which is qualified to act in such capacity under the laws of the United States of America or the State. The Paying Agent means and includes any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Paying Agent as determined by an Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. An Authorized Officer is authorized to enter into an agreement with such a bank or trust company, and from time to time as required, may designate a similarly qualified successor Paying Agent and enter into an agreement therewith for such services.

## ARTICLE VI

### SUPPLEMENTAL ORDERS AND RESOLUTIONS

Section 601. Supplemental Orders and Resolutions Not Requiring Consent of Holders of the Bonds. The City may without the consent of any Bondowner adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;
- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order; and
- (iv) such other action not materially, adversely and directly affecting the security of the Bonds.

provided that (A) no supplemental order or resolution amending or modifying the rights or obligations of the Paying Agent shall become effective without the consent of the Paying Agent and (B) the effectiveness of any supplemental resolution is subject to Section 702 to the extent applicable.

Section 602. Bond Counsel Opinion. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Paying Agent, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that, Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of an Authorized Officer or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VII

### DEFEASANCE

Section 701. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Paying Agent. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held



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

## ARTICLE VIII

### OTHER PROVISIONS OF GENERAL APPLICATION

[Section 801. Credit Enhancement. (a) There is hereby authorized to be obtained municipal bond insurance or other credit enhancement or a combination thereof to secure the payment of all or part of the Bonds, if, and provided that, it shall be determined by an Authorized Officer that obtaining such Municipal Bond Insurance Policy or other credit enhancement or a combination thereof is in the best interest of the City. Such municipal bond insurance or other credit enhancement providers may be afforded certain rights and remedies to direct the proceedings with respect to the enforcement of payment of the Bonds as shall be provided in the documents relating thereto. In the event a commitment for a Municipal Bond Insurance Policy is obtained or a commitment for other credit enhancement is obtained, an Authorized Officer is hereby authorized, to approve the terms, perform such acts and execute such instruments that shall be required, necessary or desirable to effectuate the terms of such commitment and the transactions described therein and in this Order and the Supplemental Order provided that such terms are not materially adverse to the City.

(b) In connection with the execution of any of the agreements authorized by this Section, an Authorized Officer is authorized to include therein such covenants as shall be appropriate.]

Section 802. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer, the City Clerk and any written designee of the Emergency Manager are each hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

Section 803. Delegation of City to, and Authorization of Actions of Authorized Officers. (a) Each Authorized Officer is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from Bond proceeds or other available funds, for and on behalf of the City.



(b) Except as otherwise provided herein, all determinations and decisions of the Authorized Officer with respect to the issuance and sale of the Bonds or the negotiation, execution or delivery of agreements as permitted or required by this Order shall be confirmed by this Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 804. Approving Legal Opinions with Respect to the Bonds. Delivery of the Bonds shall be conditioned upon receiving, at the time of delivery of the Bonds; the approving opinion of Bond Counsel, approving legality of the Bonds.

Section 805. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable from available funds in accordance with the agreement of such firm on file with the Finance Director.

Section 806. Preservation of Records. So long as any Bond remains Outstanding, all documents received by the Paying Agent under the provisions of this Order shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, and the Bondowners, and their agents and representatives, any of whom may make copies thereof.

Section 807. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City or Paying Agent shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 808. No Recourse Under Resolution. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member, officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 809. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 810. Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience

of reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 811. Conflict. All resolutions or parts of resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 812. Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 813. Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract between the City, the Paying Agent, the Bond Insurer and the Bondowners.

Section 814. Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 815. Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director

If to the Paying Agent, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Kevyn D. Orr  
Emergency Manager  
City of Detroit, Michigan

## **EXHIBIT A**

### **THE UNSECURED CLAIMS**

1. Class 7 Allowed Limited Tax General Obligation Bond Claims.
2. Class 9 Disputed COPS Claims which become Allowed Claims.
3. Class 12 OPEB Claims - Detroit General VEBA Claims ("General VEBA Claims") in the amount of \$218,000,000, plus contingent additional distributions from the Disputed COP Claims Reserve ("Contingent General VEBA Claims");
4. Class 12 OPEB Claims - Detroit Police and Fire VEBA Claims ("Police and Fire VEBA Claims") in the amount of \$232,000,000, plus contingent additional distributions from the Disputed COP Claims Reserve ("Contingent Police and Fire VEBA Claims");
5. Class 13 Allowed Downtown Development Authority Claims ("DDA Claims") in the amount of \$33,600,000; and
6. Class 14 Allowed Other Unsecured Claims ("Other Unsecured Claims").

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**EXHIBIT I.A.248**

PRINCIPAL TERMS OF NEW C NOTES

# **NEW C NOTES** **SUMMARY OF PRINCIPAL TERMS<sup>1</sup>**

On the Effective Date, the City shall issue the New C Notes and distribute them as set forth in the Plan. The definitive documentation governing the New C Notes shall provide generally for the following terms:

Obligation	Unsecured financial recovery bonds due 2026.
Parking Revenues Lockbox	The City shall direct Parking Revenues into a lockbox account. Once amounts sufficient to pay the principal of or interest due on the New C Notes for the then current fiscal year (the “Annual Set Aside Requirement”) have been set aside, any excess may be transferred to the City’s general fund and used for other purposes.
Parking Violation Revenue	“Parking Revenues” shall mean (a) in the event the New C Notes are issued in a principal amount equal to or less than the \$21,271,804, revenues collected from fines received by the City related to tickets issued for parking violations, other than such revenues that would otherwise be paid to the 36 <sup>th</sup> District Court (“Violations Revenue”), and (b) in the event the New C Notes are issued in a principal amount in excess of \$21,271,804, Violations Revenue, meter collections and revenue from garage (other than Grand Circus) and boot and tow operations.
Principal Amount	Not to exceed \$88,430,021
Interest Rate	5%. In addition, in the event the City fails to make an interest and principal amortization payment when due (a “Payment Default”), the City shall have thirty days, following written notice of such default (the “Cure Period”), to cure such Payment Default. Failure to cure a Payment Default within the Cure Period will result in application of additional default rate interest of 2% until such Payment Default is cured.
Maturity	12 years, callable at any time for par plus accrued interest.
Payment Date	The City shall make interest and principal amortization payments annually on June 30.

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Plan.

Amortization	Principal amortization in accordance with the schedule hereto such that the total annual principal and interest cash payment on the bonds is \$9,977,153.00 (or \$2,400,000 with respect to Syncora).
City Parking Facilities Disposition	In the event the City disposes of some or all of the City Parking Facilities subsequent to distribution of the New C Notes, the City shall use the net proceeds from such transaction to prepay the amount owed on account of the New C Notes.
Effectuation of Provisions of New C Notes	The City, to the extent required to effectuate the provisions of the New C Notes, shall (i) cause the Detroit Building Authority to convey the City Parking Facilities to the City, and (ii) treat accounting of the Parking Revenues such that all Parking Revenues are deposited into a general governmental account.



**EXHIBIT I.A.249**

FORM OF NEW C NOTES DOCUMENTS

ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$88,430,021 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN COP CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY IN PARTIAL SATISFACTION THEREOF AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

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ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$88,430,021 FINANCIAL RECOVERY BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF SATISFYING CERTAIN COP CLAIMS AS PROVIDED IN THE BANKRUPTCY CASE PLAN OF ADJUSTMENT; AND AUTHORIZING THE EMERGENCY MANAGER TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE DELIVERY IN PARTIAL SATISFACTION THEREOF AND EXCHANGE OF SAID BONDS TO THE HOLDERS OF SAID CLAIMS.

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City of Detroit, County of Wayne, State of Michigan (the "City") pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; And

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, on August 20, 2014, the Emergency Manager filed on behalf of the City a Sixth Amended Plan of Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, the Plan of Adjustment provides, among other things, for the satisfaction of certain claims of unsecured creditors as set out in the Plan of Adjustment in exchange for the

receipt of unsecured pro rata shares ( each a “Pro Rata Share”) of New C Notes (the “New C Notes”); and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the “Effective Date”); and

WHEREAS, on or as reasonably practicable after the Effective Date, the City shall execute New C Notes Documents and issue New C Notes in the form of Financial Recovery Bonds authorized under Section 36a of the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”) and this Order, and distribute the New C Notes, in the form of the Financial Recovery Bonds, through the Litigation Trust, as defined in the Plan of Adjustment, to Settling COP Claimants as provided in the Plan of Adjustment (the “Settling COP Claimants”); and

WHEREAS, the Emergency Manager of the City deems it necessary to authorize the issuance of Financial Recovery Bonds in one or more series (the “Bonds”), in the aggregate principal amount of not to exceed Eighty Eight Million Four Hundred Thirty Thousand Twenty One Dollars (\$88,430,021) pursuant to Section 36a of Act 279; and

WHEREAS, the Bonds will be payable from City Parking Revenues or a portion thereof and secured by a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Board; and

WHEREAS, the City must receive prior approval of the terms and conditions for the issuance of the Bonds from the Board in accordance with Section 36a of Act 279; and

WHEREAS, the Emergency Manager desires to submit this Order to the Board proposing the issuance by the City of Financial Recovery Bonds, in one or more series, under Section 36a of Act 279, to provide for a portion of the financing of the City under the Plan of Adjustment, solely to satisfy the Settling COP Claimants’ COP Claims; and

WHEREAS, prior to submission of this Order to the Board, pursuant to Sections 12(1)(u) and 19(i) of Act 436, the Emergency Manager must obtain approval of the issuance of the Bonds by the City Council of the City (the “City Council”), and if the City Council disapproves the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED AS FOLLOWS:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment to them unless a different meaning clearly appears from the context:

“Account Control Agreement” means that certain Account Control Agreement by and among the City, the Paying Agent and the Depository Bank in favor of the Paying Agent with respect to the bank account that holds the City Parking Revenues.

“Act 243” means Act No. 243, Public Acts of Michigan, 1980, as amended.

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

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

“Authorized Denominations” shall mean denominations of Bonds equal to multiples of \$1.00.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

“Bankruptcy Court” has the meaning set forth in the Plan of Adjustment.

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

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

“Bond” or “Bonds” means the Financial Recovery Bonds, Series 2014C of the City authorized to be issued by the Order in the aggregate principal amount not to exceed \$88,430,021, in one or more series, and bearing such other designations as determined by the Authorized Officer in the Supplemental Order.



“Bond Registry” means the books for the registration of Bonds maintained by the Paying Agent.

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

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

“Certificate” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Order.

“Charter” means the Charter of the City, as amended from time to time.

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

[“City Parking Facilities” means \_\_\_\_\_.]

“City Parking Revenues” means revenues collected by the City related to (i) tickets issued for parking violations, including, but not limited to, meter collections, towing, storage fees and booting fees, other than revenues that would otherwise be paid to the 36th District Court, and (ii) if the Bonds are issued in a principal amount greater than \$21,271,804, garage operations at City Parking Facilities, other than the Grand Circus Park facility.

“Closing Date” means the Date of Original Issue.

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

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Confirmation Order” has the meaning set forth in recitals hereto.

“COP Claims” has the meaning set forth in the Plan of Adjustment.

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

“Debt Retirement Fund” means the Debt Retirement Fund established under Section 501 hereof, and any subaccounts thereof established hereunder for the payment of principal of and premium and interest on the Bonds.

“Depository Bank” means a bank or banks or other financial institution which the Emergency Manager of the City designates as depository of the City.

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

“Final Order” has the meaning set forth in the Plan of Adjustment.

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

“Interest Payment Date” means June 30 of each year commencing with the June 30 specified in the Supplemental Order.

“Interest Rate” means 5% per annum from the Date of Original Issue until the Maturity Date, or such other interest rates as confirmed in the Supplemental Order.

“Litigation Trust” has the meaning set forth in the Plan of Adjustment.

“Maturity Date” means June 30, 20\_\_ or such other final date of maturity of each series of the Bonds as specified in the Supplemental Order.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VII.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:
  - (A) Bonds theretofore canceled by the Paying Agent or delivered to such Paying Agent for cancellation;
  - (B) Bonds for whose payment money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the registered owners of such Bonds;
  - (C) Bonds delivered to the Paying Agent for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
  - (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
  - (E) Bonds deemed paid as provided in Section 701.

“Paying Agent” means the bond registrar, transfer agent and paying agent for the Bonds.

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

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Registered Owner” means the registered owner of a Bond as the registered owner’s name appears on the Bond Registry under Section 305.

“Regular Record Date” has the meaning given such term in Section 302.

“Security Depository” has the meaning given such term in Section 310.

“Settling COP Claimant” has the meaning set forth in the Plan of Adjustment.

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

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

“Supplemental Order” means the order or orders of the Authorized Officer making certain determinations and confirming the final details on the Bonds upon issuance, in accordance with the parameters of this Order.

“Unsecured Pro Rata Share” has the meaning set forth in the Plan of Adjustment.

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## **ARTICLE II**

### **DETERMINATIONS**

Section 201. Finding, and Declaration of Need to Issue Bonds. The Emergency Manager hereby finds and declares that it is necessary for the City to issue the Bonds hereunder in such sum as shall be determined and approved by the Emergency Manager, not in excess of \$88,430,021 (the “Maximum Aggregate Principal Amount”), and to evidence such debt by the issuance of the Bonds in one or more series not in excess of the Maximum Aggregate Principal Amount, in Authorized Denominations, pursuant to and in accordance with the provisions of Section 36a of Act 279, for the purpose of satisfying the Claims.

## ARTICLE III

### AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS

Section 301. Authorization of Bonds to Satisfy the Claims and Pledge. The City hereby authorizes the issuance of the Bonds as hereinafter defined in such principal amount as shall be confirmed in the Supplemental Order to satisfy a portion of the COP Claims as determined by the Authorized Officer in the Supplemental Order or subsequently confirmed by the Authorized Officer to Bond Counsel. The principal of and interest on the Bonds shall hereby be payable from (i) the City Parking Revenues and (ii) secured by the limited tax full faith and credit pledge of the City.

In the event of insufficient City Parking Revenues, the City pledges to pay the principal of and interest on the Bonds as a first budget obligation from its general funds and in case of insufficiency thereof, from the proceeds of an annual levy of ad valorem taxes on all taxable property of the City, subject to applicable constitutional, statutory and charter tax rate limitations.

Section 302. Designations, Date, Interest, Maturity and Other Terms of the Bonds to Satisfy the Claims. (a) The Bonds shall be designated "FINANCIAL RECOVERY BONDS, SERIES 2014C" and may bear such later or earlier dates and additional or alternative designations, series or subseries as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from "R-1" upwards, unless otherwise provided by the Authorized Officer in the Supplemental Order. The Bonds shall be dated and issued in Authorized Denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds of each series shall mature on the Maturity Date not more than 13 years from the Date of Original Issue and shall bear interest at the Interest Rate on a taxable basis, payable on the Interest Payment Dates, all as shall be determined and confirmed by the Authorized Officer in the Supplemental Order. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(c) Except as may be otherwise determined by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be payable to the Registered Owner as of the 15th day of the month, whether or not a Business Day (a "Regular Record Date"), prior to each Interest Payment Date. Interest on the Bonds shall be payable to such Registered Owners by check or draft drawn on the Paying Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of \$1,000,000 or more in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent.

(d) Interest on Bonds not punctually paid or duly provided for on an Interest Payment Date shall forthwith cease to be payable to the Registered Owners on the Regular Record Date established for such Interest Payment Date, and may be paid to the Registered Owners as of the close of business on a date fixed by the Paying Agent (a "Special Record Date") with respect to the payment of such defaulted interest to be fixed by the Paying Agent, or may be paid at any time in any other lawful manner. The Paying Agent shall give notice to the Registered Owners at least seven days before any such Special Record Date.

(e) The principal of the Bonds shall be payable to the Registered Owners of the Bonds upon the presentation of the Bonds to the Paying Agent at the principal corporate trust office of the Paying Agent.

(f) The Bonds shall be subject to optional, mandatory sinking fund and mandatory redemption prior to maturity or shall not be subject thereto, upon such terms and conditions as shall be determined by the Authorized Officer and confirmed in the Supplemental Order.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Paying Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates, CUSIP numbers, if any; certificate numbers, and in the case of partial redemption, the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Paying Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Finance Director of the City and authenticated by the manual signature of the Finance Director or an authorized representative of the Paying Agent, as the case may be, and a facsimile of the seal of the City shall be imprinted on the Bonds. The Bonds shall be delivered to the Litigation Trust for the Benefit of the Settling COP Claimants as described in the Plan of Adjustment. Additional Bonds bearing the manual or facsimile signatures of the Mayor of the City and the Finance Director, and upon which the facsimile of the seal of the City is imprinted may be delivered to the Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Paying Agent shall indicate on each Bond the date of its authentication.

Section 304. Authentication of the Bonds. (a) No Bond shall be entitled to any benefit under this Order or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 307 of this Order, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Paying Agent by manual signature, and such certificate upon any Bond shall be

conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

(b) The Paying Agent shall manually execute the Certificate of Authentication on each Bond upon receipt of a written direction of the Authorized Officer of the City to authenticate such Bond.

Section 305. Transfer of Registration and Exchanges on the Bonds. (a) The registration of each Bond is transferable only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

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

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

(b) For every exchange or transfer of Bonds, the City or the Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except as otherwise provided in this Order, may charge a sum sufficient to pay the costs of preparing each new Bond issued upon such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Paying Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 307 of this Order and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The City shall give the Paying Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or as approved by an Authorized Officer in the Supplemental Order:



[Form of Bonds]

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

CITY OF DETROIT

FINANCIAL RECOVERY BOND, SERIES 2014C

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
		_____, 2014	

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

The City of Detroit, County of Wayne, State of Michigan (the “City”), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon at the Interest Rate specified above per annum from the Date of Original Issue specified above until the Maturity Date specified above or until the Principal Amount specified above is paid in full. Interest is payable annually on June 30 in each year commencing on June 30, 20\_\_ (each an “Interest Payment Date”). The interest so payable, and punctually paid or duly provided for, will be paid, as provided in the hereinafter defined Order, to the person in whose name this Bond is registered on the books maintained for such purpose by the hereinafter defined Paying Agent (the “Bond Registry”), on the close of business on the Regular Record Date for such interest payment, which shall be the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall herewith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to Registered Owners at least seven days before such Special Record Date, or may be paid at any time in any other lawful manner.



Capitalized terms used herein but not defined herein, shall have the meanings ascribed to them in the Order.

The principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registrar, transfer agent and paying agent under the Order (such bank and any successor as paying agent, the "Paying Agent"). Interest on this Bond is payable in like money by check or draft drawn on the Paying Agent and mailed to the Registered Owner entitled thereto, as provided above, by first class mail or, upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Paying Agent to such Registered Owner, and such request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Paying Agent. Interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. For prompt payment of this Bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

In the event that the City fails to make a principal and interest payment when due (a "Payment Default"), the City shall have 30 days, following written notice of such default (the "Cure Period"), to cure such Payment Default. Failure to cure a Payment Default within the Cure Period will result in application of additional default rate interest at the rate of 2% per annum until such Payment Default is cured.

This bond is one of a series of bonds aggregating the principal sum of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Section 36a of Act No. 279, Public Acts of Michigan, 1909, as amended ("Act 279"), for the purpose of satisfying certain Claims, as defined in the Order. The Bonds are limited tax general obligations of the City, and the City is obligated to levy annually ad valorem taxes on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations. Pursuant to the Authorizing Orders, the bonds of this series (the "Bonds") are payable in the first instance from the City Parking Revenues.

The "Order" is an Order of the Emergency Manager issued on \_\_\_\_\_, 2014, supplemented by a Supplemental Order of an Authorized Officer of the City issued on \_\_\_\_\_, 2014, authorizing the issuance of the Bonds.

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

(a) *Optional Redemption.* Bonds or portions of bonds in Authorized Denominations of integral multiples of \$1.00 are subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine, and by lot within a maturity on any date after the Date of Original Issue, at a redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Sinking Fund Redemption.* This bond is subject to mandatory sinking fund redemption in part prior to maturity, by lot in such manner as the Paying Agent may determine, at a redemption price of 100% of the principal amount thereof plus interest accrued to the date fixed for redemption, on the dates and in the principal amounts as follows:

<u>Date (June 30)</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__†	

†Final Maturity

The amounts to be so redeemed may be reduced by the principal amounts of this bond theretofore redeemed (otherwise than through operation of the Mandatory Sinking Fund Redemption described above), or otherwise acquired and delivered to the Paying Agent, at least 45 days prior to the payment date for credit against the Mandatory Sinking Fund Redemption requirement described above and shall be applied in direct order of date of redemption.

(c) *Mandatory Redemption from Proceeds of Sale of City Parking Facilities.* In the event the City sells any City Parking Facilities, this bond is subject to redemption in part at a price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption from the net proceeds of such disposition.

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

Notice of redemption shall be given to the registered owners of Bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds or portions thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem such Bonds.

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

Reference is hereby made to the Order for the provisions with respect to the nature and extent of the security for the Bonds, the manner and enforcement of such security, the rights, duties and obligations of the City, and the rights of the Paying Agent and the Registered Owners

of the Bonds. As therein provided, the Order may be amended in certain respects without the consent of the Registered Owners of the Bonds. A copy of the Order is on file and available for inspection at the office of the Finance Director and at the principal corporate trust office of the Paying Agent.

The City and the Paying Agent may treat and consider the person in whose name this Bond is registered on the Bond Registry as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes whatsoever, and all such payments so made to such person or upon his order shall be valid and effectual to satisfy and discharge the liability hereon to the extent of the sum or sums so paid.

The registration of this Bond is transferable only upon the Bond Registry by the Registered Owner hereof or by his attorney duly authorized in writing upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent together with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the Registered Owner hereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of the charges, if any, therein prescribed.

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

This Bond is not valid or obligatory for any purpose until the Paying Agent's Certificate of Authentication on this Bond has been executed by the Paying Agent.

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

CITY OF DETROIT

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Finance Director

(SEAL)

(Form of Paying Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Order.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Michigan  
Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or typewrite name and address of transferee)

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

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

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

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

Name and Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

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

Section 308. Registration. The City and the Paying Agent may treat and consider the Registered Owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal (and premium, if any) thereof and interest thereon and for all other purposes whatsoever, and all such payments so made to such Bondowner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 309. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the Paying Agent or the City and the Paying Agent and the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds issued under this Order.

Section 310. Book-Entry-Only System Permitted. (a) If determined by the Authorized Officer in the Supplemental Order, the Bonds or portions of the Bonds shall be issued to a securities depository selected by the Authorized Officer (the "Security Depository") to be held pursuant to the book-entry-only system maintained by the Security Depository and registered in the name of the Security Depository or its nominee. Ownership interests in Bonds held under such book-entry-only system shall be determined pursuant to the procedures of the Security Depository and Article 8 of the applicable Uniform Commercial Code (such persons having such interests, "Beneficial Owners").

(b) If (i) the City and the Paying Agent receive written notice from the Security Depository to the effect that the Security Depository is unable or unwilling to discharge its responsibilities with respect to the Bonds under the book-entry-only system maintained by it or (ii) the Authorized Officer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in certificated form, then the City may so notify the Security Depository and the Paying Agent, and, in either event, the City and the Paying Agent shall take appropriate steps to provide the Beneficial Owners with Bonds in certificated form to evidence their respective ownership interests in the Bonds. Whenever the Security Depository requests the City and the Paying Agent to do so, the Authorized Officer on behalf of the City and the Paying Agent will cooperate with the Security Depository in taking appropriate action after



reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(c) Notwithstanding any other provision of the Order to the contrary, so long as the Bonds are held pursuant to the book-entry-only system maintained by the Security Depository:

(i) all payments with respect to the principal and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Security Depository as provided in the representation letter from the City and the Paying Agent to the Security Depository with respect to such Bonds; and

(ii) all payments with respect to principal of the Bonds and interest on the Bonds shall be made in such manner as shall be prescribed by the Security Depository.

## **ARTICLE IV**

### **FUNDS AND ACCOUNTS**

Section 401. Establishment of Accounts and Funds. The City hereby establishes and creates the following special, separate and segregated accounts and funds:

(a) City Parking Revenue Fund. There is hereby established at the Depository Bank the City Parking Revenue Fund. City Parking Revenues shall be directly remitted to and deposited by the Depository Bank into the City Parking Revenue Fund as provided in Section 801.

(b) Debt Retirement Fund. The City hereby establishes and creates the Debt Retirement Fund as a special, separate and segregated account and fund which shall be held for and on behalf of the City by the Paying Agent.

(c) The Finance Director is hereby authorized to establish such additional accounts, subaccounts or funds as shall be required for the Bonds to accommodate the requirements of such series of Bonds.

Section 402. Debt Retirement Fund. General funds of the City, proceeds of all City Parking Revenues transferred by the Depository Bank pursuant to Section 801 and taxes levied pursuant to Section 301 hereof shall be used to pay the principal of and interest on the Bonds when due. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Paying Agent, and so long as the principal of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds and the fees and expenses of the Paying Agent shall be retained by the City to be used for any lawful purpose.

Section 403. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Paying Agent, upon written direction or upon oral direction promptly

confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

Section 404. Satisfaction of COP Claims. On the Effective Date, the City shall issue the Bonds in an amount sufficient to satisfy the portion of the COP Claims to be satisfied thereby. An Authorized Officer shall arrange for delivery of the Bonds to the Litigation Trust to be distributed to satisfy the portion of the COP Claims on behalf of the Settling COP Claimants as provided in the Plan of Adjustment. Upon delivery of the Bonds to the Litigation Trustee, an Authorized Officer shall take all necessary steps to extinguish any related existing debt, including the cancellation of any obligation of the City representing portions of the COP Claims settled thereby.

## ARTICLE V

### THE PAYING AGENT

Section 501. Paying Agent. The Paying Agent for the Bonds shall act as bond registrar, transfer agent and paying agent for the Bonds and shall be initially \_\_\_\_\_, or such other bank or trust company located in the State which is qualified to act in such capacity under the laws of the United States of America or the State. The Paying Agent means and includes any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Paying Agent as determined by an Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. An Authorized Officer is authorized to enter into an agreement with such a bank or trust company, and from time to time as required, may designate a similarly qualified successor Paying Agent and enter into an agreement therewith for such services.

## ARTICLE VI

### SUPPLEMENTAL ORDERS AND RESOLUTIONS

Section 601. Supplemental Orders and Resolutions Not Requiring Consent of Holders of the Bonds. The City may without the consent of any Bondowner adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;

- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order; and
- (iv) such other action not materially, adversely and directly affecting the security of the Bonds.

provided that (A) no supplemental order or resolution amending or modifying the rights or obligations of the Paying Agent shall become effective without the consent of the Paying Agent and (B) the effectiveness of any supplemental resolution is subject to Section 702 to the extent applicable.

Section 602. Bond Counsel Opinion. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Paying Agent, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that, Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of an Authorized Officer or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## ARTICLE VII

### DEFEASANCE

Section 701. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Paying Agent. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Owners of such Bonds. After such deposit, such Bonds shall no longer be entitled to the benefits of this Order (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Order for the benefit of such Bonds shall be discharged.

## ARTICLE VIII

### OTHER PROVISIONS OF GENERAL APPLICATION

Section 801. Account Control Agreement. (a) The City shall enter into the Account Control Agreement with the Depository Bank and the Paying Agent, pursuant to which the bank account described in Section 401(a) shall be established at the Depository Bank. Daily, City Parking Revenues deposited in the City Parking Revenue Fund shall be remitted by the Depository Bank to the Debt Retirement Fund held by the Paying Agent until sufficient funds are on deposit therein to pay the principal and interest payable on the Bonds during that fiscal year (the "Annual Deposit Requirement"). Once the Annual Deposit Requirement is satisfied, any additional City Parking Revenues shall be remitted to the City for deposit into its general fund and used for any other purposes permitted by law.

(b) In connection with the execution of any of the agreements authorized by this Section, an Authorized Officer is authorized to include therein such covenants as shall be appropriate.

Section 802. Agreements with Third Parties Related to Deposit of City Parking Revenues; Approval of Third Parties. The Emergency Manager is hereby authorized and directed on behalf of the City to take any and all other actions and perform any and all acts that shall be required, necessary or desirable, including, but not limited to, negotiate the terms and enter into the Account Control Agreement in such form and with such terms as shall be subsequently approved by the Emergency Manager (such subsequent approval to be conclusively evidenced by his execution and delivery of the Account Control Agreement) as security for the Bonds.

Section 803. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer, the City Clerk and any written designee of the Emergency Manager are each hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

Section 804. Delegation of City to, and Authorization of Actions of Authorized Officers. (a) Each Authorized Officer is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from Bond proceeds or other available funds, for and on behalf of the City.

(b) Except as otherwise provided herein, all determinations and decisions of the Authorized Officer with respect to the issuance and sale of the Bonds or the negotiation, execution or delivery of agreements as permitted or required by this Order shall be confirmed by this Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 805. Approving Legal Opinions with Respect to the Bonds. Delivery of the Bonds shall be conditioned upon receiving, at the time of delivery of the Bonds; the approving opinion of Bond Counsel, approving legality of the Bonds.

Section 806. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable from available funds in accordance with the agreement of such firm on file with the Finance Director.

Section 807. Preservation of Records. So long as any Bond remains Outstanding, all documents received by the Paying Agent under the provisions of this Order shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, and the Bondowners, and their agents and representatives, any of whom may make copies thereof.

Section 808. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City or Paying Agent shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 809. No Recourse Under Resolution. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member, officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 810. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 811 Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience of

reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 812 Conflict. All resolutions or parts of resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 813 Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 814 Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract between the City, the Paying Agent and the Bondowners.

Section 815 Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 816 Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director

If to the Paying Agent, to:

\_\_\_\_\_

Attention:

SO ORDERED this \_\_\_\_ day of September, 2014.

\_\_\_\_\_  
Kevyn D. Orr  
Emergency Manager  
City of Detroit, Michigan

A-1



**EXHIBIT I.A.250.a**

FORM OF NEW GRS ACTIVE PENSION PLAN

**COMBINED PLAN  
FOR THE  
GENERAL RETIREMENT SYSTEM  
OF THE  
CITY OF DETROIT, MICHIGAN**

**Amendment and Restatement Effective July 1, 2014**

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## COMPONENT I

## **ARTICLE 1. GENERAL PROVISIONS**

### **Sec. 1.1. General Retirement System Established; Adoption of 2014 Combined Plan Document; Amendment and Restatement of 2014 Combined Plan Document**

Effective July 1, 1938, a General Retirement System for the employees of the City of Detroit was established for the purpose of providing retirement and survivor benefits for eligible City employees and their beneficiaries. The provisions of the Detroit General Retirement System, as in effect July 1, 2014, were set forth in a Combined Plan Document. As provided in Ordinance 19-14 and Ordinance 20-14 and Section 47-1-1 of the Detroit City Code, this Combined Plan Document replaced in its entirety Chapter 47 of the Detroit City Code as in effect on June 30, 2014 and any conflicting provisions in any collective bargaining agreements covering Members (including, without limitation, the City Employment Terms that applied to Members effective July 18, 2012). All resolutions and policies of the Retirement Board previously adopted which were inconsistent with the provisions of the Combined Plan Document were also repealed to the extent of such inconsistency.

The Combined Plan Document is hereby amended and restated effective July 1, 2014, in the form of this instrument. Component I of the Combined Plan Document applies to benefits accrued by Members on and after July 1, 2014 and to operation of the Detroit General Retirement System on and after July 1, 2014. Component II of the Combined Plan Document applies to benefits accrued by Members prior to July 1, 2014. Except as specifically provided in Component II, benefits provided under Component II of the Combined Plan Document are frozen effective June 30, 2014.

### **Sec. 1.2. Retirement System Intended to be Tax-Qualified**

The Retirement System is a governmental plan under Section 414(d) of the Internal Revenue Code which is intended to be a qualified plan and trust pursuant to applicable provisions of the Internal Revenue Code. The Board shall construe and administer the provisions of the Retirement System in a manner that gives effect to the tax-qualified status of the Retirement System.

### **Sec. 1.3. Compliance With Plan of Adjustment**

The Retirement System is intended to comply with all relevant provisions (including Exhibits) of the Plan for the Adjustment of Debts of the City of Detroit, as approved by the United States Bankruptcy Court in *In re City of Detroit, Michigan, Case No. 13-53846* ("Plan of Adjustment"). Component I and Component II of the Combined Plan shall be interpreted and construed by the City, the Board of Trustees and the Retirement System to give full effect to the Plan of Adjustment. To the extent that a conflict arises between the Combined Plan Document and the Plan of Adjustment, the City, the Board of Trustees, the Investment Committee and the Retirement System are directed to interpret any inconsistency or ambiguity to give full effect to the Plan of Adjustment.

#### **Sec. 1.4. Board of Trustees**

Effective July 1, 1938, a Board of Trustees of the Detroit General Retirement System was created. The Board is vested with responsibility for the general administration, management and operation of the Detroit General Retirement System and with the trust and investment powers conferred in this Combined Plan Document.

#### **Sec. 1.5. Board of Trustees – Membership; Appointment**

The Board of Trustees of the Detroit General Retirement System shall consist of ten Trustees, as follows:

- (1) The Mayor, *ex officio*, or the Mayor's designee;
- (2) One City Council member, *ex officio*, who is selected by the City Council;
- (3) The City Treasurer, *ex officio*;
- (4) Five active employee Members of the Retirement System to be elected by the Members in accordance with such rules and regulations as may be adopted by the Board. No more than one Trustee shall be elected from any one City Department;
- (5) One individual, appointed by the Mayor subject to the approval of the Board, who is neither an employee of the City nor is eligible to receive benefits under the Retirement System; and
- (6) One retiree who is receiving benefits under the Retirement System and who is elected by Retirees in accordance with procedures described in Section 1.6.

#### **Sec. 1.6. Board of Trustees; Retiree Member Election**

The procedures for the election of the Retiree member of the Board of Trustees shall be as follows:

- (1) *Notice.* Notice of a primary election shall be sent to each Retiree by United States Mail.
- (2) *Nominating petitions.* No candidate's name shall be placed on the primary election ballot unless a nominating petition containing the signatures of at least one hundred and twenty-five Retirees is filed with the executive director of the Retirement System. The form of the nominating petition, the filing of the petition, and the procedure for verification of signatures shall be in accordance with rules and regulations adopted by the Board. Notwithstanding the foregoing, an incumbent Retiree Trustee shall not be required to submit a nominating petition but instead shall submit a written communication indicating his or her intention to seek an additional term.

- (3) *Ballot.* Each candidate whose name appears on the ballot at any election held for the office of Retiree Trustee shall be identified by the title of the position held by the Retiree at the time of retirement and by the word “incumbent” if the candidate is a current trustee seeking re-election. No ballot shall contain any organizational or political designation or mark. Rotation and arrangement of names on the ballot shall be in accordance with the rules and regulations of the Board.
- (4) *Voting.* Procedures regarding mailing of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, handling of return envelopes received, and sealed ballot boxes shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (5) *Procedures.* Procedures regarding the selection and certification of successful candidates for nomination, the selection of Trustees from nominees, tie votes, and the destruction of ballots shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (6) *Board Rules.* Any matters relative to the election of the Retiree member of the Board not covered by this Section 1.6 shall be handled in accordance with such rules and regulations as the Board may adopt.

#### **Sec. 1.7. Board of Trustees; Oath; Term; Vacancies**

Within ten days after appointment or election, each Trustee shall take an oath of office to be administered by the Detroit City Clerk.

The regular term of office for the elected Member Trustees and the Trustee appointed by the Mayor under Section 1.5(5) shall be for a period of six years, one such Trustee to be elected or appointed, as the case may be, each year. The term of office for the Retiree Trustee shall be two years.

If an active employee Trustee leaves the employ of the City, or if an elected or appointed Trustee fails to attend four consecutive scheduled Board meetings without being excused for cause by the Trustees attending such meetings, the Trustee shall be considered to have resigned from the Board. By resolution, the Board shall declare the office vacated as of the date of adoption of such resolution. If a vacancy occurs in the office of Trustee, the vacancy shall be filled at the next regular election held by the Board, or at any special election ordered by resolution adopted by the Board.

#### **Sec. 1.8. Board of Trustees; Officers and Employees**

The Board shall elect a chair and vice-chair from its members. The executive director of the Retirement System or its designee shall serve as secretary of the Board. The Board may employ such actuarial, medical and other contractors and employees as shall be required, subject to the powers and authority reserved to the Investment Committee and subject to the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*

### **Sec. 1.9. Board of Trustees; Meetings; Rules of Procedure; Votes; Quorum**

- (1) The Board shall hold regular meetings, at least one in each month, and shall hold special meetings as necessary. The Board shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure, including provisions for special meetings and notice thereof, and shall keep a record of proceedings. All meetings of the Board shall be public and are subject to the *Michigan Open Meetings Act, MCL 15.261 et seq.* All Board meetings shall be held within the City of Detroit.
- (2) Each Trustee shall be entitled to one vote on each question before the Board. A majority vote of the Trustees present shall be necessary for a decision by the Trustees at any meeting of the Board.
- (3) Five Trustees shall constitute a quorum.

### **Sec. 1.10. Board of Trustees; Compensation; Expenses**

Members of the Board of Trustees shall serve without additional compensation from the Employer, but they shall be compensated by the Retirement System as follows:

- (1) *Stipend.* Trustees are eligible for a meeting stipend, provided the Trustee attends one or more regular or special Board meetings during a month. The stipend amount shall be a minimum of sixty-seven dollars (\$67.00) per week multiplied by the Trustee's years of service. Eligibility rules and the amount of the stipend shall be set by Board resolution. However, the amount of the weekly meeting stipend shall not exceed two hundred dollars (\$200.00).
- (2) *Ex Officio Trustees.* Ex Officio Trustees are not eligible for a stipend payment.
- (3) *Attendance.* For purposes of this Section 1.10, attendance at a Board meeting shall include actual attendance at a meeting or being otherwise available to attend a Board meeting canceled for lack of a quorum.

Trustees shall be reimbursed from the Expense Fund for all actual, reasonable and necessary expenses incurred in the performance of their duties as Trustees.

### **Sec. 1.11. Rules for Administration of Funds**

Subject to the limitations contained in this Combined Plan Document, the Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this Plan document and for the transaction of its business.

### **Sec. 1.12. Board of Trustees; Certain Data to be Kept**

The Board shall keep or cause to be kept, in convenient form, such data as shall be necessary for an actuarial valuation of the Retirement System and for checking and compiling

the experience of the Retirement System. The ordinary actuarial, accounting and clerical services for the operation of the Retirement System shall be performed by the employees of the Retirement System.

#### **Sec. 1.13. Board of Trustees; Annual Audit Report**

The Board shall render a report to the Mayor, the City Council and the Investment Committee on or before the fifteenth day of January, showing the fiscal transactions of the Retirement System for the year ending on the preceding thirtieth day of June, the amounts of accumulated cash and securities in the various funds of the System, and the last balance sheet showing the financial condition of the Retirement System by means of an actuarial valuation of the assets and liabilities of the Retirement System.

#### **Sec. 1.14. Board of Trustees; Legal Advisors**

- (1) The Board shall appoint legal advisors (including a general counsel) who shall be directly responsible to and shall hold office at the pleasure of the Board of Trustees. Any legal advisor to the Board of Trustees shall be an attorney licensed to practice law in the State of Michigan and shall be experienced in matters relating to pension systems. The qualifications of legal counsel shall be approved by the Board of Trustees.
- (2) Legal advisors to the Board of Trustees shall have such duties relative to pension matters as shall be assigned by the Board of Trustees.
- (3) Costs and expenses relative to the position of legal advisors to the Board shall be payable out of the assets of the Retirement System, subject to the provisions of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*

#### **Sec. 1.15. Designation of Actuary; Authority to Engage Additional Actuaries**

The Retirement System actuary as of July 1, 2014 shall continue to serve as such until resignation or removal by the Board. In the event the Board desires to retain a new actuary, the Board and the Investment Committee shall collectively participate in the evaluation and selection of a qualified actuary. The Retirement System actuary shall be responsible for assisting the Board and the Investment Committee in performing their actuarial duties and shall comply with all requests for information or modeling requested by the Board or the Investment Committee, and shall attend meetings of the Board and Investment Committee as requested, so as to allow the Board and Investment Committee to perform satisfactorily the rights and duties set forth in the Combined Plan, the term sheet regarding Investment Committee Governance for General Retirement System, attached to that certain agreement by and between the Michigan Settlement Administration Authority, a Michigan body public corporation (the "Authority"), the Retirement System, the Police and Fire Retirement System for the City of Detroit, Michigan ("PFRS") and the City (the "State Contribution Agreement") as Exhibit A (the "Governance Term Sheet") and the Plan of Adjustment. Furthermore, the Board shall not act on any recommendation made by the Retirement System's actuary based on any calculation, assumption or assessment rejected by the Investment Committee.

Nothing herein shall be interpreted as limiting the Investment Committee's authority to engage an actuarial consulting firm other than the Retirement System's actuary to perform actuarial services deemed necessary to fulfill its fiduciary and other duties to the Retirement System as set forth in the Governance Term Sheet and the Plan of Adjustment.

**Sec. 1.16. Board of Trustees; Adoption of Mortality and Other Tables of Experience and Rates of Interest; Limitations on Payments by the Retirement System**

- (1) Subject to Section 15.1, the Board shall adopt such mortality and other tables of experience, and a rate or rates of interest, as shall be necessary for the operation of the System on an actuarial basis, provided, that the authority granted by this section shall not permit or be used to provide for an interest rate which would violate the prohibitions of subsection (2) or (3) of this section.
- (2) The Retirement System and the Trustees charged with management of the System shall not make any payment to active or retired Members other than payments that are required by the governing documents of the Retirement System. This prohibition applies to all payments that are not authorized by this Combined Plan, whether such payments are those commonly referred to as a "thirteenth check" or by any other name.
- (3) Anything in this Combined Plan Document or any other document to the contrary notwithstanding, the annual actuarial interest rate assumption for the period commencing July 1, 2014 and ending June 30, 2023 shall be six and three-quarters percent (6.75%).

**Sec. 1.17. Board of Trustees; Annual Actuarial Valuation of Assets and Liabilities**

Subject to Section 15.1, each year, on the basis of such mortality and other tables of experience, and such rate or rates of regular interest as the Board shall adopt pursuant to Section 1.16, the Board shall cause to be made an actuarial valuation of the assets and liabilities of the Retirement System.

**Sec. 1.18. Board of Trustees; Powers and Duties; Fiduciary Status; Fiduciary Duties**

The Board of Trustees shall have such powers and duties as are necessary for the proper administration of the Retirement System and the custody and investment of Retirement System assets, other than those powers and duties reserved to the Investment Committee. To the extent the Board exercises discretion with respect to investment of Retirement System assets, each member of the Board of Trustees shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*, and shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* A member of the Board of Trustees shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Board members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflicts with the provisions set forth in this Combined Plan Document.



#### **Sec. 1.19. Investment Committee; Establishment; Purpose; Fiduciary Status; Fiduciary Duties**

As of the effective date of the Plan of Adjustment, but subject to consummation of the State Contribution Agreement, an Investment Committee is hereby created for the purpose of making recommendations to the Board of Trustees with respect to certain investment management matters relating to the Retirement System. The creation and operation of the Investment Committee is controlled by the Governance Term Sheet. The Investment Committee shall remain in effect for a period of not less than twenty years following the date of confirmation of the Plan of Adjustment. The Investment Committee shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* and shall have all powers granted fiduciaries under the first sentence of *MCL 38.1133(5) and (6)*. The Investment Committee shall serve in a fiduciary capacity with respect to the investment management of Retirement System assets, determination of the investment return assumptions, and Board compliance with provisions of the governing documents of the Retirement System. An Investment Committee member shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* An Investment Committee member shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Investment Committee members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflict with the provisions set forth in the Governance Term Sheet.

#### **Sec. 1.20. Investment Committee; Membership; Appointment**

The Investment Committee shall consist of seven (7) members, determined as follows:

- (1) Five independent members, two of whom must be residents of the State of Michigan, and none of whom may be a party-in-interest with respect to the Retirement System, as defined in Section 38.1132d(4) of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* Each independent Investment Committee member shall have expert knowledge or extensive experience with respect to either (a) economics, finance, or institutional investments, or (b) administration of public or private retirement plans, executive management, benefits administration or actuarial science. At least one of the independent Investment Committee members shall satisfy the requirements of (a) above and at least one of the independent Investment Committee members shall satisfy the requirements of (b) above. The initial independent Investment Committee members shall be selected by mutual agreement of the appropriate representatives of the State of Michigan, the City and the Board, in consultation with the Foundation for Detroit's Future (the "Foundation"), and shall be named in the Plan of Adjustment. If one or more of the five initial independent Investment Committee members are not selected by mutual agreement prior to confirmation of the Plan of Adjustment, then the United States Bankruptcy Court, Eastern District of Michigan shall designate such number of independent Investment Committee members as is necessary to bring the number of independent Investment Committee members to five (5);

- (2) One Retiree who is a Retiree member of the Board of Trustees who shall be appointed by the Board; and
- (3) One employee who is an active employee member of the Board of Trustees who shall be appointed by the Board.

**Sec. 1.21. Investment Committee; Term; Resignation and Removal; Vacancies**

The term of office for the independent members of the Investment Committee shall be six years; provided, however, that the initial term for the independent Investment Committee members shall be determined as follows:

<u>Independent Member</u>	<u>Term of Office</u>
(1)	2 years
(2)	3 years
(3)	4 years
(4)	5 years
(5)	6 years

The term of office for a Retiree or employee Investment Committee member shall be the number of years remaining on such individual's term of office as a member of the Board of Trustees. Each Investment Committee member shall serve until his or her successor is appointed at the expiration of his or her term of office, or until his or her death, incapacity, resignation or removal, if earlier. Notwithstanding any provision of this Combined Plan Document, an initial independent Investment Committee member shall not be prohibited from becoming a successor independent Investment Committee member after expiration of his or her initial term.

An Investment Committee member may resign at any time by giving ninety days' prior written notice to the Investment Committee, the City and the Board, which notice or time period may be waived by the Investment Committee. An Investment Committee member may be removed from office by majority vote of the remaining Investment Committee members for any of the following reasons: (a) the member is legally incapacitated from executing his or her duties as a member of the Investment Committee and neglects to perform those duties; (b) the member has committed a material breach of the provisions of the Retirement System or the policies or procedures of the Retirement System and the removal of the member is in the interests of the Retirement System or its Members and Beneficiaries; (c) the member is convicted of a violation of law and the removal is accomplished by a vote of the members of the Investment Committee in accordance with the voting procedure set forth in Section 1.22; or (d) if the member holds a license to practice and such license is revoked for misconduct by any State or federal government. A member who fails to attend four (4) consecutive scheduled meetings of the Investment Committee shall be deemed to have resigned, unless in each case his or her absence is excused for cause by the remaining members attending such meetings. In the event of any such removal or resignation, the Investment Committee shall by resolution declare the office of the member vacated as of the date such resolution is adopted.

Any vacancy occurring on the Investment Committee shall be filled within sixty (60) days following the date of the vacancy for the unexpired portion of the term, in the same manner in which the office was previously filled.

Successor independent Investment Committee members shall be recommended by a majority of the remaining independent Investment Committee members and shall be confirmed by the Board and the Treasurer of the State of Michigan ("State Treasurer"), in consultation with the Foundation, pursuant to such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with the Governance Term Sheet or the Plan of Adjustment). In the event the Board and the State Treasurer cannot agree on a successor independent Investment Committee member within thirty (30) days of the receipt of the recommendation of the Investment Committee, the remaining independent Investment Committee members shall appoint the successor independent Investment Committee member.

In the event the United States Bankruptcy Court, Eastern District of Michigan appoints one or more of the initial independent Investment Committee members, a successor to any such independent Investment Committee member shall be appointed in the same manner as provided in the preceding paragraph following three (3) weeks' notice to the Board of the individuals appointed, in accordance with such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with either the Governance Term Sheet or the Plan of Adjustment).

Successor Investment Committee members shall have the powers and duties conferred on Investment Committee members herein.

#### **Sec. 1.22. Investment Committee; Operation; Meetings; Quorum; Voting**

The Investment Committee members shall select from among the independent members a chair and a vice chair. The Investment Committee members shall select from among themselves a secretary. The Investment Committee shall hold regular meetings, not less frequently than once every other month, and shall hold special meetings as necessary. The Investment Committee shall designate the time and place thereof in advance. The secretary or his or her designee shall be responsible for providing meeting notices to the other Investment Committee members. The Investment Committee shall adopt its own rules of procedure and shall keep a record of its proceedings. Notice and conduct of all Investment Committee meetings, both regular and special, shall be subject to the *Michigan Open Meetings Act, MCL 15.261 et seq.* All Investment Committee meeting shall be held within the City of Detroit.

Five Investment Committee members shall constitute a quorum at any meeting, as long as at least three of the independent Investment Committee members are in attendance. Except as otherwise provided in the Governance Term Sheet, each Investment Committee member shall be entitled to one vote on each question before the Committee and at least four concurring votes shall be necessary for a decision by the Investment Committee.

An Investment Committee member may have his or her voting privileges temporarily suspended by a 70% or higher vote of the other members if the member is indicted or sued by a

State or federal government for an alleged violation of the law that relates to his or her service on the Investment Committee, or for other alleged financial crimes, including fraud.

#### **Sec. 1.23. Investment Committee; Compensation; Expenses; Employment of Advisors**

Investment Committee members shall not receive any compensation from the Retirement System for their services; Investment Committee members shall, however, be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to the administration of the Investment Committee, including but not limited to the purchase of insurance, shall be payable out of the assets of the Retirement System. The Investment Committee may retain actuarial, legal counsel, audit or other professional or support personnel to provide advice to the Investment Committee as it deems reasonably necessary to perform its functions and such parties or persons may be reasonably compensated from the assets of the Retirement System. Such engagements shall not be subject to approval of the Board.

#### **Sec. 1.24. Investment Committee; Special Reporting Obligations**

- (1) Beginning in 2015, pursuant to Section 6 of the State Contribution Agreement, the Investment Committee shall provide compliance reports to the State Treasurer on a semi-annual basis and at such other times as the State Treasurer reasonably may request (each, a "Compliance Report") that certifies that the Investment Committee is not aware of any defaults under the State Contribution Agreement, or, if the Investment Committee is aware of a default under the State Contribution Agreement, specifically identifying the facts of such default.
- (2) In the event the Retirement System receives a written notice from the State Treasurer declaring and specifically identifying the facts of an alleged default under the State Contribution Agreement ("Default Notice"), and such default is cured as provided in the State Contribution Agreement, the Investment Committee must provide to the State Treasurer a written certification that (i) the default has been cured, and (ii) that no material damages have been caused by the default that have not otherwise been remedied (the "Cure Certification").
- (3) Beginning in 2015, the Investment Committee shall provide to the City not later than December 31 of each year evidence reasonably necessary to show that the internal controls governing the investment of Retirement System assets are in compliance with the applicable provisions of the Plan of Adjustment.
- (4) Beginning in calendar year 2015 and for each calendar year thereafter, as of a date which is not later than December 31 of each such calendar year the Investment Committee shall provide to the Foundation the following information:
  - (a) a copy of the audited annual financial statement and the corresponding management letter for the Retirement System for the Fiscal Year ending June 30 of such calendar year, containing a non-qualified opinion of an independent external auditor to the Retirement System;

- (b) a certification from the Chair of the Investment Committee on behalf of the Investment Committee (“Pension Certificate”) in a form reasonably acceptable to the Foundation that, as of the date of the annual report required to be provided by the City to the Foundation under the Omnibus Transaction Agreement by and among the City, The Detroit Institute of Arts and Foundation For Detroit’s Future (“Annual Report”):
  - (i) the City is current in its obligation to contribute to Component II of the Combined Plan determined in accordance with the Plan of Adjustment;
  - (ii) the Investment Committee has been operated in accordance with the terms set forth in this Component I of the Combined Plan Document; and
  - (iii) the City continues to maintain the pension governance terms reflected in this Component I of the Combined Plan as of the effective date of the Plan of Adjustment, without modification or amendment during the twenty (20) year period following the effective date of the Plan of Adjustment, except as required to comply with applicable federal law, including without limitation to maintain the tax qualified status of the Retirement System under the Internal Revenue Code, or to comply with the Plan of Adjustment;
- (c) a copy of (i) the Compliance Report covering the calendar year for which the Annual Report is made; (ii) any additional Compliance Reports provided during the calendar year for which the Annual Report is made as requested by the State Treasurer; (iii) either the certificate of compliance or the Default Notice, within the meaning of Section 6 of the State Contribution Agreement, as applicable, that was provided to the Investment Committee by the State Treasurer; and (iv) in the event that the State Treasurer issued a Default Notice, the Cure Certification, within the meaning of Section 6 of the State Contribution Agreement, provided by the Investment Committee. Notwithstanding anything in this paragraph (c) to the contrary, if the parties to the State Contribution Agreement agree to revise the requirements of Section 6 of the State Contribution Agreement or the information required in the Compliance Report, in order to meet the obligations of this paragraph (c), the Investment Committee shall be required only to provide documentation to the Foundation that meets such revised requirements; and
- (d) any additional information that may be reasonably requested by the Foundation from time to time.
- (5) Beginning in calendar year 2016, before May 15<sup>th</sup> of each calendar year, the Investment Committee shall provide to the Chief Financial Officer of the City confirmation that, as of the date of the City’s report to the Foundation, there has been no impairment or modification of the information contained in the most recent Pension Certificate since the date of such Pension Certificate.



## ARTICLE 2. DEFINITIONS

### Sec. 2.1. Definitions

Unless a different meaning is plainly required by context, the following words and phrases have the meanings respectively ascribed to them by this section:

- (1) *Accumulated Mandatory Employee Contributions* means the sum of all amounts deducted from the compensation of a Member and credited to the Accumulated Mandatory Employee Contribution Fund for periods on and after July 1, 2014.
- (2) *Accumulated Voluntary Employee Contributions* means the total balance in a Member's individual account under Component I of the Retirement System representing after-tax amounts deducted from the compensation of the Member, together with earning on such contributions.
- (3) *Actuarial Equivalent* or *Actuarially Equivalent* means a Retirement Allowance or benefit amount having the same Actuarial Equivalent Value as another applicable benefit. The rates of interest, tables and factors adopted by the Board from time to time to determine Actuarial Equivalence shall not violate the terms of the Plan of Adjustment.
- (4) *Actuarial Equivalent Value* means the value of an applicable Retirement Allowance or benefit amount, where values are calculated under generally accepted actuarial methods and using the applicable tables, interest rates and other factors established by the Board upon recommendation of the Investment Committee.
- (5) *Administrative Rules and Regulations* means rules and regulations promulgated by the Board of Trustees for the administration of the Retirement System and for the transaction of its business.
- (6) *Age, Attainment of* means the age an individual reaches on the day of his or her birthday.
- (7) *Average Final Compensation* means the average Compensation received by a Member during the ten consecutive years of Credited Service under the Retirement System (for this purpose, both before and after July 1, 2014) which immediately precede the date of the Member's last termination of employment with the Employer. If a Member has less than ten years of Credited Service, the Member's Average Final Compensation shall be the average of the annual Compensation received by the Member during the Member's total years of Credited Service. If a Member is absent from service with the City for a period of not less than two consecutive months during his last two years of employment because of an unpaid leave under the Family and Medical Leave Act, such Member's Average Final Compensation will mean the average Compensation received by the Member during the ten consecutive year period out of the last twelve years of Credited Service which produces the highest average.
- (8) *Beneficiary* means any person or persons (designated by a Member pursuant to procedures established by the Board) who are entitled to receive a Retirement Allowance

or pension payable from funds of the Retirement System due to the participation of a Member.

- (9) *Board of Trustees* or *Board* or *Retirement Board* means the Board of Trustees of the Retirement System.
- (10) *City* means the City of Detroit, Michigan, a municipal corporation.
- (11) *City Council* or *Council* means the legislative body of the City.
- (12) *Combined Plan* means the Combined Plan for the General Retirement System of the City of Detroit, Michigan, effective July 1, 2014 and as amended thereafter.
- (13) *Compensation* means a Member's base salary or wages actually paid to the Member for personal services rendered to the Employer, excluding bonuses, overtime pay, payment of unused accrued sick leave, longevity pay, payment for unused accrued vacation, the cost or value of fringe benefits provided to the Member, termination or severance pay, reimbursement of expenses, or other extra payment of any kind. Compensation will include any amount which is contributed by the City to a plan or program pursuant to a salary reduction agreement and which is not includable in the taxable income of the Member under Sections 125, 402(e)(3), 402(h) or 403(b) of the Internal Revenue Code or which are contributed by the City on behalf of a Member as provided in Section 9.3(3) and 9.5 pursuant to a qualified "pick-up program".

For periods of time prior to July 1, 2014, the City shall provide to the Retirement System actual base salary or wages paid to Members using the best and most reliable sources of information available to the City. In the event the City is unable to provide actual base wages to the Retirement System, the City shall make reasonable estimates of each Member's base salary or wages for purposes of determining a Member's Compensation for periods prior to July 1, 2014.

Notwithstanding the foregoing, for purposes of determining a Member's Voluntary Employee Contributions, Compensation shall mean the gross salary or wages paid to the Member for personal services rendered to the Employer on and after July 1, 2014.

The annual Compensation of each Member taken into account for the purposes of determining all benefits provided under the Retirement System for any determination period shall not exceed the limitation set forth in Code Section 401(a)(17) (\$260,000 for the Plan Year commencing July 1, 2014). Such limitation shall be adjusted for the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year. If Compensation for any prior determination period is taken into account in determining a Member's benefits for the current determination period, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that determination period. If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the



numerator of which is the number of months in the short determination period, and the denominator of which is 12.

- (14) *Component I* means the portion of the Retirement System described in this Combined Plan and which consists of:
  - (a) the 2014 Defined Benefit Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code; and
  - (b) the 2014 Defined Contribution Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code.
- (15) *Component II* means the portion of the Retirement System described in this Combined Plan and which consists of:
  - (1) The 1973 Defined Benefit Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code; and
  - (2) the 1973 Defined Contribution Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code.
- (16) *Credited Service* means service credited to a Member to the extent provided in Article 4 of Component I of this Combined Plan Document and, solely for purposes of Section 2.1(7), service credited to a Member prior to July 1, 2014 pursuant to Component II of this Combined Plan.
- (17) *Disability* or *Disabled* means that a Member has been determined to be eligible to receive long term disability benefits under a policy or plan of insurance or self-insurance maintained by the Employer.
- (18) *Employee* means any regular and/or permanent officer, agent, or person in the employ of the Employer, but does not include:
  - (a) individuals whose services for the Employer are compensated on a contractual or fee basis;
  - (b) persons who are not employed as Full-time Employees;
  - (c) any person during any period when such person is classified by the Employer as a non-common-law employee or an independent contractor for federal income tax and withholding purposes whose compensation for services is reported on a form other than Form W-2 or any successor form for reporting wages paid to and taxes withheld from employees, even if a court or administrative agency determines that such person is a common-law employee of the Employer;
  - (d) the medical director of the Retirement System; or

- (e) any Police or Fire employee covered by the Police and Fire Retirement System of the City of Detroit, Michigan by virtue of such employment.

If a person described in (c) above is reclassified by the Employer as a common-law employee of the Employer and otherwise meets the definition of an Employee, the person will be eligible to participate in the Retirement System prospectively as of the actual date of such reclassification only (and only to the extent such individual otherwise qualifies as an Employee).

- (19) *Employer* means the City, or any board, commission, or court serving the City, to the extent that both the City, through the action of City Council, and the governing authority of such board, commission or court, shall mutually agree to include the employees of such board, commission, or court, as Employees under the provisions of this Retirement System at such time as they are eligible. To the extent that any employees of a board, commission, or court are considered Employees for this purpose, all employees of such board, commission, or court, shall be so included. However, only City board members and commissioners who are also Employees are eligible to participate in the Retirement System, unless otherwise specifically provided for in the Combined Plan Document. In all cases of doubt, the Board of Trustees shall decide who is an Employee.
- (20) *Family and Medical Leave Act* means the federal Family and Medical Leave Act of 1993, as amended, and regulations issued thereunder.
- (21) *Fiscal Year* means the twelve month period commencing each July 1 and ending on the following June 30.
- (22) *Full-time Employee* means an Employee who is employed in a position normally requiring six hundred hours of work or more per calendar year; provided, however, that an employee who is hired by an Employer as a part-time transit operator to work less than twenty-five hours per week shall not be a full-time employee under the Retirement System. Notwithstanding the general rule, a special service employee of the City shall be considered a full-time employee under the Retirement System upon completion of fourteen hundred and forty (1440) hours or more in a Fiscal Year. For purposes of Component I, once a special service employee has worked 1440 hours in a Fiscal Year, the employee will be deemed to be a full-time employee under the Retirement System for all subsequent Fiscal Years.
- (23) *General Retirement System* or *Retirement System* means the General Retirement System of the City of Detroit created and established by Title IX, Chapter VI, of the 1918 Detroit City Charter, as amended, continued in effect through the 1974, 1997 and 2012 Detroit City Charters, Article 47 of the Detroit City Code and this Combined Plan Document, as amended from time to time, which consists of:
  - (a) The 2014 Defined Benefit Plan, the terms of which are described in Component I hereof;
  - (b) The 2014 Defined Contribution Plan, consisting of the Voluntary Employee Contribution Account, the terms of which are described in Component I hereof;

- (c) The Frozen 1973 Defined Benefit Plan, the terms of which are described in Component II hereof; and
- (d) The Frozen 1973 Defined Contribution Plan, the terms of which are described in Component II hereof.

References to the words Retirement System in Component I of the Combined Plan Document shall mean the provisions of the 2014 Defined Benefit Plan and/or the 2014 Defined Contribution Plan described in Component I, unless a different meaning is plainly required by the context.

- (24) *Hour of Service* means (i) each hour for which a Member is paid or entitled to payment by the Employer for the performance of duties, and (ii) each hour for which a Member is directly paid or entitled to payment by the Employer for reasons other than the performance of duties (such as vacation, holiday, illness or approved leave of absence).
- (25) *Internal Revenue Code* or *Code* means the United States Internal Revenue Code of 1986, as amended.
- (26) *Investment Committee* means the committee established pursuant to Section 1.19 which shall have the powers and duties described herein.
- (27) *Mandatory Employee Contributions* mean the contributions made by a Member to the Retirement System pursuant to Section 9.3(3).
- (28) *Medical Beneficiary* means a Member who has retired from employment with the Employers and the spouses and dependants of such Member who are receiving post-retirement benefits in accordance with the terms of a retiree medical plan sponsored or maintained by an Employer.
- (29) *Medical Benefits* mean the provision of payments for certain sickness, accident, hospitalization and medical benefits within the meaning of Treasury Regulation section 1.401-14(a), including dental, vision and mental health benefits, as designated by the City.
- (30) *Medical Benefits Account* means the bookkeeping account established under Section 16.1 to provide for the payment of Medical Benefits on behalf of Medical Beneficiaries.
- (31) *Member* means any Employee who is included in the membership of the Retirement System and who has not retired or died.
- (32) *Normal Retirement Age* means age sixty-two (62). Notwithstanding the foregoing, the Normal Retirement Age of a Member who is an active Employee as of June 30, 2014 and who has 10 or more years of Vesting Service as of such date shall be as follows solely for purposes of this Component I:

Age as of July 1, 2014

Normal Retirement Age

61 years	60 years and 0 months
60 years	60 years and 0 months
59 years	60 years and 3 months
58 years	60 years and 6 months
57 years	60 years and 9 months
56 years	61 years and 0 months
55 years	61 years and 3 months
54 years	61 years and 6 months
53 years	61 years and 9 months

- (33) *Normal Retirement Date* means for any Member the later of the date the Member (i) attains 10 years of Vesting Service, or (ii) attains Normal Retirement Age.

Pursuant to Code Section 411(e), as in effect in 1974, a Member shall be 100% vested in his accrued benefit under the Retirement System upon attainment of his or her Normal Retirement Date while employed by an Employer.

- (34) *Notice to Members, Beneficiaries, and Retirees* means a mailing using First Class United States Mail to the Members, Beneficiaries, and Retirees at their last known addresses.
- (35) *Pension Reserve* means the present value of all payments to be made on account of any Retirement Allowance payable under Component I of the Combined Plan. Such Pension Reserve shall be computed upon the basis of such mortality and other tables of experience and interest, as provided herein until June 30, 2023 and, thereafter, as shall be adopted by the Board upon the recommendation of the Investment Committee.
- (36) *Plan Actuary* or *Actuary* means the enrolled actuary or actuarial firm appointed as provided in Section 1.15 to serve as technical advisor to the Investment Committee and the Board on matters regarding the funding and operation of the Retirement System and to perform such other duties as the Board or the Investment Committee may direct.
- (37) *Plan Document* or *Combined Plan Document* means this instrument, effective as of July 1, 2014, with all amendments hereafter adopted.
- (38) *Plan of Adjustment* means the Plan for the Adjustment of Debts of the City of Detroit, which has been approved by the United States Bankruptcy Court in *In re City of Detroit, Michigan, Case No. 13-53846*.
- (39) *Plan Year* means the twelve month period commencing on July 1 and ending on June 30.
- (40) *Prior Service* means the service credit awarded to a Member before July 1, 2014 under the terms of Component II of the Retirement System as in effect on June 30, 2014, as certified by the Board of Trustees.
- (41) *Retiree* means a former Member who is receiving a Retirement Allowance from the Retirement System.

- (42) *Retirement* means a Member's withdrawal from the employ of the Employer with a Retirement Allowance paid by the Retirement System.
- (43) *Retirement Allowance* means an annual amount payable in monthly installments by the Retirement System, whether payable for a temporary period or throughout the future life of a Retiree or Beneficiary.
- (44) *Service* means personal services rendered to the Employer by a person as an Employee, provided such person is compensated by the Employer for such personal services.
- (45) *Spouse* means the person to whom a Member is legally married under applicable law at the time the determination is made.
- (46) *Straight Life Retirement Allowance* means payment of a Member's Retirement Allowance over the Member's lifetime.
- (47) *Vesting Service* means service credited to a Member to the extent provided in Article 4 of Component I of this Combined Plan Document.
- (48) *Voluntary Employee Contributions* mean the after-tax contributions made by a Member to the Retirement System pursuant to Section 10.1.
- (49) *Voluntary Employee Contributions Account* means the account established pursuant to Section 10.3 for a Member who elects to make Voluntary Employee Contributions.

The following terms shall have the meanings given to them in the Sections of this Combined Plan Document set forth opposite such term:

Accumulated Mandatory Employee Contribution Fund	Section 9.2(1)
Accumulated Voluntary Employee Contribution Fund	Section 9.2(2)
Annual Addition	Section 12.2(1)
Annual Report	Section 1.24(4)(b)
Authority	Section 1.19
compensation	Section 12.1(11)
Compliance Report	Section 1.24(1)
Cure Certification	Section 1.24(2)
Default Notice	Section 1.24(2)
Direct Rollover	Section 17.8(2)(a)
Distributee	Section 17.8(2)(b)
Dollar Limit	Section 12.1(3)(b)
Eligible retirement plan	Section 17.8(2)(c)
Eligible rollover distribution	Section 17.8(2)(d)
Expense Fund	Section 9.2(6)
Foundation	Section 1.20(1)
funding level	Section 9.5
Governance Term Sheet	Section 1.15
Income Fund	Section 9.2(7)
Investment management decision/investment management matter	Section 15.2

limitation year	Section 12.1(2)
Medical Benefit Fund	Section 9.2(5)
Medical Plans	Section 16.1
Option “A”. Joint and Seventy-Five Percent Survivor Allowance	Section 8.1(1)(c)
Option “B”. Joint and Twenty-Five Percent Survivor Allowance	Section 8.1(1)(e)
Option One. Cash Refund Annuity	Section 8.1(1)(a)
Option Three. Joint and Fifty Percent Survivor Allowance	Section 8.1(1)(d)
Option Two. Joint and One Hundred Percent Survivor Allowance	Section 8.1(1)(b)
Pension Accumulation Fund	Section 9.2(3)
Pension Certificate	Section 1.24(4)(b)
Pension Improvement Factor (Escalator)	Section 6.2
PFRS	Section 1.19
Plan of Adjustment	Section 1.3
Pop-up Form	Section 8.1(2)(b)
Rate Stabilization Fund	Section 9.2(4)
Standard Form	Section 8.1(2)(a)
State Contribution Agreement	Section 1.15
State Treasurer	Section 1.21
Straight Life Retirement Allowance	Section 8.1(1)



## **ARTICLE 3. MEMBERSHIP**

### **Sec. 3.1. Eligible Employees**

The membership of the Retirement System shall consist of all persons who are Full-time Employees, except:

- (a) persons who are members of the Police and Fire Retirement System of the City of Detroit, Michigan established under Title IX, Chapter VII of the 1918 Detroit City Charter, continued in the 1974, 1997 and 2012 Detroit City Charters, and continued in the form of the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan; and
- (b) Any person who is a member of any other public employee pension or retirement plan or retirement system adopted by the State of Michigan, other than the Michigan National Guard, or by any other political subdivision of the State of Michigan.

### **Sec. 3.2. Cessation of Membership; Re-Employment by the Employer**

- (1) The following provisions shall apply to a non-vested Member who terminates employment with the Employer and is re-employed:
  - (a) Except as otherwise provided in this Article 3, if any non-vested Member leaves the employment of the Employer for any reason other than Retirement or death, such person shall continue to be a Member until such time as the Member receives a total distribution of his Accumulated Mandatory Employee Contributions and Accumulated Voluntary Employee Contributions. Upon receipt of his Accumulated Mandatory Employee Contributions, the Member's Credited Service and Vesting Service at that time shall be forfeited.
  - (b) If the Member is re-employed by an Employer (other than as a part-time transit operator) within a period of six years from and after the date employment with the Employer last terminated, any forfeited Credited Service and Vesting Service rendered on and after July 1, 2014 shall be restored for purposes of determining the Member's Retirement Allowance after re-employment, provided that within the two year period beginning on the Member's re-employment date, the Member re-contributes to the Retirement System any Accumulated Mandatory Employee Contributions that were distributed to the Member pursuant to Section 5.5.
  - (c) If a non-vested Member is re-employed (other than as a part-time transit operator) more than six years from and after the date employment with the Employer last terminated, the Member shall not be permitted to re-contribute to the Retirement System any Accumulated Mandatory Employee Contributions that were distributed to the Member pursuant to Section 5.5 and any forfeited Credited Service and Vesting Service shall not be restored at the time of the Member's re-employment.



- (2) A former Employee who is vested but has not yet begun to receive a Retirement Allowance and who is rehired (other than as a part-time transit operator) prior to being separated for six years shall have his benefit pertaining to his total Credited Service earned on and after July 1, 2014 calculated in accordance with the terms of Component I of the Retirement System in effect at the time of his last separation from service.
- (3) A former Employee who is vested but has not begun to receive a Retirement Allowance and who is rehired (other than as a part-time transit operator) after being separated for more than six years shall be entitled to two separate and distinct pension benefits under Component I, each to be calculated in accordance with the provisions of Component I of the Retirement System in effect at the time of each separation from service.
- (4) Retirement benefits for a Retiree who returns to active full time employment with an Employer shall be subject to the following provisions:
  - (a) A Retiree who returns to work will have his Retirement Allowance suspended upon re-employment. The variable pension improvement factor (escalator) shall not be added to the amount of the original Retirement Allowance during the Retiree's re-employment period.
  - (b) A Retiree who returns to work will be entitled to receive a second Retirement Allowance in accordance with the provisions of the Retirement System in effect during his re-employment period.
  - (c) A Retiree's Average Final Compensation for purposes of determining the Retiree's second Retirement Allowance will be based upon the Compensation earned by the Retiree after he returns to work.
  - (d) An individual who retires for a second time will not be allowed to change the payment option selected by the Member with respect to the original Retirement Allowance. However, the individual may select a separate payment option with respect to his second Retirement Allowance.
  - (e) The Coordination of Benefits (Equalized Social Security) option will not be available with respect to payment of the second Retirement Allowance.

### **Sec. 3.3. Report of the Employer**

It shall be the duty of the Employer to submit to the Board of Trustees a statement showing the name, title, compensation, duties, date of birth, date of hire, and length of service of each Member, and such other information as the Board of Trustees may require or reasonably request for proper administration of the Retirement System.

## **ARTICLE 4. SERVICE CREDIT**

### **Sec. 4.1. Credited Service**

- (1) The Board shall keep an accurate record of each Employee's accumulated Service credit from the date of commencement of employment with the Employer to the date of termination of employment with the Employer.
- (2) A Member shall be credited with one month of Credited Service for each calendar month during which he performs one hundred forty (140) or more Hours of Service for the Employer as an Employee, beginning on the later of July 1, 2014 or his date of hire with the Employer and ending on the date his employment with the Employer is terminated. Service shall be credited in years and twelfths (1/12<sup>th</sup>) of a year. Not more than one-twelfth (1/12<sup>th</sup>) of a year of Credited Service shall be credited to a Member on account of all Service rendered to the Employer in a calendar month. Not more than one year of Credited Service shall be credited to a Member on account of all Service rendered to the Employer in any period of 12 consecutive months.
- (3) A Member who does not perform Service for the Employer by reason of a Disability which begins on or after July 1, 2014 shall be credited with Credited Service for the period of his Disability during which he is entitled to receive long-term disability benefits under the Employer's plan or policy.
- (4) Solely for purposes of determining eligibility for a retirement benefit under Section 5.2, a Member shall be credited with the sum of his Prior Service as determined by the Board and his Credited Service on and after July 1, 2014 determined under Section 4.1(2).

### **Sec. 4.2. Vesting Service**

- (1) A Member shall be credited with a year of Vesting Service for each Plan Year commencing on or after July 1, 2014 during which the Member performs 1,000 or more Hours of Service for the Employer.
- (2) A Member's total Vesting Service shall be the sum of his Prior Service and his Service determined under Section 4.2(1).

### **Sec. 4.3. Service Credit; Military Service**

An Employee who enters the military service of the United States while employed by an Employer shall have the period of such military service credited as Service in the same manner as if the Employee had served the Employer without interruption, provided that (1) the Employee's entry into such military service and re-employment thereafter shall be in accordance with applicable laws, ordinances, and regulations of the State of Michigan and the Employer; (2) he or she is re-employed by the Employer upon completion of such military service; and (3) the Member contributes to the Retirement System the Mandatory Employee Contributions that would have been made by the Member but for the Member's military service. The Member shall be permitted to make such contributions in accordance with Code Section 414(u) and regulations thereunder. During the period of military service and until return to employment with the

Employer, the Employee's Mandatory Employee Contributions to the Retirement System shall be suspended.

#### **Sec. 4.4. Service Credit; Qualified Military Service**

Notwithstanding any provision of this Combined Plan Document to the contrary, contributions, benefits, and service credit with respect to qualified military service under Component I, shall be provided in accordance with Code Section 414(u). Notwithstanding anything to the contrary herein, if a Member dies while performing qualified military service (as defined in Code Section 414(u)), to the extent required by Code Section 401(a)(37), the survivors of the Member are entitled to any additional benefits (if any, and other than benefit accruals relating to the period of qualified military service) provided under the Retirement System as if the Member had resumed and then terminated employment on account of death.

## **ARTICLE 5. ELIGIBILITY FOR RETIREMENT BENEFITS**

### **Sec. 5.1. Eligibility for Unreduced Normal Retirement Benefit**

Any Member who attains his Normal Retirement Date while employed by the City may retire upon written application filed with the Board setting forth the date on which the Member desires to be retired. The date of retirement shall be effective as of the first day following the later of (i) the Member's last day on the City payroll, or (ii) the date the Member executes and files an application for retirement, notwithstanding that the Member may have separated from Service during the notification period. Such a Member shall be entitled to receive an unreduced Retirement Allowance calculated as provided in Section 6.1 and payable in a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.2. Eligibility for Reduced Early Retirement Benefit**

Any Member who has attained Age fifty-five, who is credited with thirty or more years of Credited Service, and who has not attained his Normal Retirement Date, shall have the option of retiring upon written application filed with the Board setting forth the date on which the Member desires to be retired. The Retirement Allowance payable to a Member who retires early shall be the Actuarial Equivalent of the Retirement Allowance that would be payable to the Member at his Normal Retirement Date pursuant to Section 6.1, as determined by the Plan Actuary. A Member's early retirement benefit shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.3. Eligibility for Deferred Vested Retirement Benefit**

Any Member who ceases to be an employee before satisfying the requirements for receipt of a retirement benefit under Section 5.1 or Section 5.2 and who is credited with ten or more years of Vesting Service upon his or her termination of employment (regardless of age), shall be entitled to receive an unreduced Retirement Allowance commencing at any time following his attainment of Age sixty-two. Deferred vested retirement benefits shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.4. Eligibility for Retirement Benefit – Disabled Members**

Any Member who becomes Disabled prior to his Normal Retirement Date shall be entitled to receive an unreduced Retirement Allowance commencing at any time following the Member's attainment of Age sixty-two. Disability retirement benefits shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec. 5.5. Return of Accumulated Mandatory Contributions to Non-Vested Member**

If a Member ceases to be an Employee before becoming eligible for a deferred vested Retirement Allowance under Section 5.3, the Member may elect to receive distribution of the Accumulated Mandatory Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Mandatory Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly

installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.

## **ARTICLE 6. RETIREMENT ALLOWANCE; VARIABLE PENSION IMPROVEMENT FACTOR (ESCALATOR)**

### **Sec. 6.1. Retirement Allowance**

The Retirement Allowance payable to a Member commencing at the later of his Normal Retirement Date or his actual retirement from employment with the Employer in the form of a Straight Life Retirement Allowance shall be equal to one and one-half percent (1.5%) of the Member's Average Final Compensation multiplied by the Member's years (computed to the nearest one-twelfth (1/12th) year) of Credited Service earned after June 30, 2014.

### **Sec. 6.2. Variable Pension Improvement Factor (Escalator)**

Except as provided in Section 9.5, beginning July 1, 2018 and effective the first day of each Plan Year thereafter, the Board may determine that a Retiree's annual Retirement Allowance shall be increased by a factor of two percent (2.0%), computed each year on the basis of the amount of the original Retirement Allowance received at the time of Retirement; provided, that the recipient of said Retirement Allowance shall have attained Age sixty-two and shall have been receiving a Retirement Allowance for a period of not less than twelve months prior to the first day of such Plan Year. The Pension Improvement Factor (Escalator) shall not be compounded.

## **ARTICLE 7. DEATH BENEFITS**

### **Sec. 7.1. Accidental Death Benefit; Performance of Duty**

- (1) If a Member is killed in the performance of duty in the service of the Employer, or dies as the result of illness contracted or injuries received while in the performance of duty in the service of the Employer, and such death, illness or injury resulting in death, is found by the Board to have resulted from the actual performance of duty in the service of the Employer, the Member's surviving Spouse shall be entitled to a monthly annuity benefit equal to the Member's Retirement Allowance at the time of his death, unreduced for early payment. Such benefit shall be payable until the surviving Spouse's death.
- (2) The minimum annual Retirement Allowance payable to a surviving Spouse under this Section 7.1 shall be equal to ten percent (10%) of the Member's Average Final Compensation determined as of the date of the Member's death.

### **Sec. 7.2. Death Benefits for Surviving Spouses Generally**

If any Member dies while in the employ of the Employer (other than in the performance of duty) after the date such Member has earned ten or more years of Credited Service, the Member's surviving Spouse shall receive a Retirement Allowance. The Retirement Allowance payable to the Spouse shall be computed in the same manner in all respects as if said Member had (i) retired effective the day preceding the Member's death, notwithstanding that the Member had not attained his or her Normal Retirement Date, (ii) elected a Joint and One Hundred Percent Survivor Allowance as described in Section 8.1, and (iii) nominated the surviving Spouse as Beneficiary.

### **Sec. 7.3. Refund of Accumulated Mandatory Contributions Upon Death of Member**

If a Member dies while employed by the City or following termination of employment and the Member is not eligible for a benefit under Section 7.1 or 7.2, the Member's Accumulated Mandatory Employee Contributions to the Retirement System at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Mandatory Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Mandatory Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.

### **Sec. 7.4. Benefits Offset by Compensation Benefits; Subrogation**

- (1) Any amounts which may be paid or payable to a Beneficiary on account of a Member's death under the provisions of any Workers' Compensation, pension, or similar law, except federal Social Security old-age and survivors' benefits, shall be an offset against any amounts payable from funds of the Retirement System on account of the Member's death. If the present value of the benefits payable under said Workers' Compensation, pension, or similar law, is less than the Pension Reserve for the Retirement Allowance



payable by the Retirement System, the present value of the said Workers' Compensation, pension, or similar legal benefit shall be deducted from the amounts payable by the Retirement System, and such amounts as may be provided by the Retirement System, so reduced, shall be payable as provided in this Combined Plan Document.

- (2) In the event a person becomes entitled to a pension payable by the Retirement System because of an accident or injury caused by the act of a third party, the Retirement System shall be subrogated to the rights of said person against such third party to the extent of the benefit which the Retirement System pays or becomes liable to pay.

## ARTICLE 8. FORMS OF PAYMENT

### Sec. 8.1. Retirement Allowance Options

- (1) Until the date the first Retirement Allowance payment check is issued, any Member may elect to receive a Straight Life Retirement Allowance payable throughout life, or the Member may elect to receive the Actuarial Equivalent of the Straight Life Retirement Allowance computed as of the effective date of retirement, in a reduced Retirement Allowance payable throughout life, and nominate a Beneficiary to receive benefit payments following the Member's death, in accordance with the options set forth below:
- (a) *Option One. Cash Refund Annuity.* If a Retiree who elected a Cash Refund Annuity dies before payment of the Accumulated Contributions made to the Retirement System on and after July 1, 2014 has been received in an aggregate amount equal to, but not exceeding the Retiree's Accumulated Mandatory Employee Contributions at the time of retirement, the difference between said Accumulated Mandatory Employee Contributions and the aggregate amount of annuity payments already received, shall be paid in a single lump sum to a Beneficiary nominated by written designation duly executed by the Member and filed with the Board. If there are no such designated Beneficiaries surviving said Retiree, any such difference shall be paid to the Retiree's estate.
  - (b) *Option Two. Joint and One Hundred Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and One Hundred Percent Survivor Allowance, one hundred percent of the reduced Retirement Allowance shall be paid to and continued throughout the life of the Beneficiary nominated by written designation duly executed and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (c) *Option "A". Joint and Seventy-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and Seventy-Five Percent Survivor Allowance, seventy-five percent of the reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (d) *Option Three. Joint and Fifty Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and Fifty Percent Survivor Allowance, fifty percent of the reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (e) *Option "B". Joint and Twenty-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and Twenty-Five Percent Survivor Allowance, twenty-five percent of the reduced Retirement Allowance shall be paid throughout the life of the Beneficiary nominated by written designation duly executed and

filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.

- (2) *Joint and Survivor Optional Forms of Payment.* The Joint and Survivor Optional Forms of Payment provided under the Retirement System shall be made available in either the standard form or the pop-up form, as follows:
  - (a) *Standard Form.* Under the Standard Form, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree.
  - (b) *Pop-up Form.* Under the Pop-up Form, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree and the designated Beneficiary. In the event of the death of the designated Beneficiary during the lifetime of the Retiree, the amount of the Retirement Allowance shall be changed to the amount that would have been payable had the Retiree elected the Straight Life Retirement Allowance Form of Payment.
- (3) *Coordination of Benefits.* According to such rules and regulations as the Board shall adopt, until the first payment of a Retirement Allowance becomes due, but not thereafter, a Member under Age sixty-five may elect to have the Member's Straight Life Retirement Allowance provided for under Component I equated on an Actuarial Equivalent basis to provide an increased Retirement Allowance payable to Age sixty-two or Age sixty-five, and to provide a decreased Retirement Allowance thereafter. The increased Retirement Allowance payable to such Age shall approximate the total of the decreased Retirement Allowance payable thereafter and the estimated social security benefit. If a Member elects to receive increased and then decreased Retirement Allowance payments provided for in this paragraph, he or she may also elect to have such payments reduced by electing one of the optional forms of payment provided for in paragraph (1) of this Section 8.1. This coordination of benefits option shall not create any additional actuarial costs to the City.

#### **Sec. 8.2. Disposition of Surplus Benefits upon Death of Retiree and Beneficiary**

If under a Joint and One Hundred Percent Survivor allowance, a Joint and Seventy-Five Percent Survivor allowance, a Joint and Fifty Percent Survivor allowance, or a Joint and Twenty-Five Percent Survivor allowance as provided for under Section 8.1(1), both a Retiree and his Beneficiary die before they have received in Retirement Allowance payments an aggregate amount equal to the Retiree's Accumulated Mandatory Employee Contributions at the time of retirement, the difference between the said Accumulated Mandatory Employee Contributions and the aggregate amount of Retirement Allowances paid to the Retiree and Beneficiary, shall be paid in a single lump sum to such person or persons nominated by written designation of the Retiree duly executed and filed with the Board. If there are no such person or persons surviving the Retiree and the Beneficiary, any such difference shall be paid to the estate of the second to die of the Retiree or Beneficiary.

## **ARTICLE 9. FUNDING AND RESERVES**

### **Sec. 9.1. Funding Objective of the Retirement System**

The funding objective of Component I of the Retirement System is to establish and receive Employer and Member contributions during each Plan Year that are sufficient to fully cover the actuarial cost of benefits anticipated to be paid on account of Credited Service rendered by Members during the Plan Year (the normal cost requirements of the Retirement System), and to amortize the unfunded actuarial costs of benefits likely to be paid on account of Credited Service rendered on or after July 1, 2014 and before the first day of the Plan Year (the unfunded actuarial accrued liability of Component I of the Retirement System).

### **Sec. 9.2. Funds**

Component I of the Retirement System shall consist of the Accumulated Mandatory Employee Contribution Fund, the Accumulated Voluntary Employee Contribution Fund, the Pension Accumulation Fund, the Rate Stabilization Fund, the Medical Benefit Fund, the Expense Fund, and the Income Fund, as follows:

- (1) The Accumulated Mandatory Employee Contribution Fund shall be the Fund in which shall be accumulated the contributions of Members to provide their Retirement Allowances. Upon the Retirement, termination, or death of a Member with a vested Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions shall be deemed to be part of the Pension Reserve which shall be used to pay the Member's Retirement Allowance.
- (2) The Accumulated Voluntary Employee Contribution Fund shall be the Fund in which shall be accumulated the voluntary after-tax contributions of Members together with earnings thereon.
- (3) The Pension Accumulation Fund shall be the fund in which shall be accumulated reserves for the Retirement Allowances and other benefits payable from that portion of the Employer's annual contribution that is not credited to the Rate Stabilization Fund and amounts transferred to Component I as provided in Section E-16(c) of Component II, and from which shall be paid Retirement Allowances and other benefits on account of Members.
- (4) The Rate Stabilization Fund shall be the Fund to which shall be credited Employer annual contributions in excess of the amount of the Employer's contribution which is credited to the Pension Accumulation Fund and amounts transferred to Component I as provided in Section E-16(c) of Component II.
- (5) The Medical Benefit Fund shall be the Fund to which shall be credited contributions made for the purpose of funding Medical Benefits.
- (6) The Expense Fund shall be the fund to which shall be credited any money provided by the Employers to pay the administrative expenses of the Retirement System, and from

which shall be paid certain expenses incurred in connection with the administration and operation of the Retirement System.

- (7) The Income Fund shall be the Fund to which shall be credited all interest, dividends, and other income derived from the investments of Component I of the Retirement System and any earnings thereon, all gifts and bequests received by Component I of the Retirement System, and all other moneys credited to Component I of the Retirement System, the disposition of which is not specifically provided for in this Article 9. There shall be paid or transferred from the Income Fund, all amounts required to credit earnings and losses to the various Funds of the Retirement System in accordance with the provisions of Component I of this Combined Plan Document. Amounts credited to the Income Fund in excess of amounts needed to credit earnings and losses of the Retirement System as provided in this Component I for any Plan Year shall be transferred to the Pension Accumulation Fund and used to pay Retirement Allowances and other benefits on account of Members.

### **Sec. 9.3. Method of Financing Retirement System Benefits**

- (1) The pension liabilities for Members shall be determined by the Plan's Actuary using the entry-age normal cost method of actuarial valuation.
- (2) The Employer's annual contribution to finance the prospective pension liabilities for the nine Plan Year period commencing July 1, 2014 and ending June 30, 2023 shall be five percent (5%) of the base Compensation of active Members for the applicable Plan Year. A portion of the Employer's annual contribution for each Plan Year as determined by the City shall be credited to the Rate Stabilization Fund. The remainder of the City's annual contribution shall be allocated to the Pension Accumulation Fund.
- (3) Except as provided in Section 9.5, for each Plan Year, a Member shall contribute to the Retirement System an amount equal to four percent (4%) of his or her base Compensation for such Plan Year. A Member's Mandatory Employee Contributions for the Plan Year beginning July 1, 2014 and ending June 30, 2015 shall commence as of the Member's first payroll date occurring in August 2014. The officer or officers responsible for processing the payroll shall cause a Member's Mandatory Employee Contributions to be deducted from the Member's Compensation on each and every payroll, for each and every payroll period, from the later of (i) the Member's first payroll date occurring in August 2014, and (ii) the Member's date of hire to the date he ceases to be an Employee. The contribution shall be deducted from a Member's Compensation, notwithstanding that the minimum compensation provided by law for the Member shall be reduced thereby. Payment of compensation, less said Mandatory Employee Contributions, shall be a complete discharge of all claims and demands whatsoever for the services rendered by the said Member during the period covered by such payment. Member Mandatory Employee Contributions will be used for the purpose of funding the normal cost of the Retirement System.

#### **Sec. 9.4. Member Contributions Picked-Up**

- (1) The Employer shall pick up Member Mandatory Employee Contributions required pursuant to Sections 9.3(3) and 9.5 in accordance with Code Section 414(h).
- (2) The picked-up contributions, although designated as employee contributions shall be treated as City contributions for the purpose of determining a Member's tax treatment under the Internal Revenue Code. The City shall pay the contributions picked-up on behalf of a Member from the same source of funds that are used for paying compensation to the Member.
- (3) The Employer shall pick up Member Mandatory Employee Contributions by a reduction in the Member's cash salary or an offset against a future salary increase, or both. The Employer shall designate Mandatory Employee Contributions that are picked-up and paid to the Retirement System as employer contributions and not as employee contributions. No Member who participates in the Retirement System shall have the option of choosing to receive the contributed amounts directly instead of having those amounts paid by the City to the Retirement System.

#### **Sec. 9.5. Fiscal Responsibility: Increased Funding Obligations and Benefit Reductions**

- (1) To safeguard the long-term actuarial and financial integrity of the Retirement System, in the event the funding level of Component I of the Retirement System projected over a five year period falls below one hundred percent (100%), the following remedial action shall be required in the order set forth below, beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than one hundred percent (100%):
  - (a) the Trustee may not award the variable pension improvement factor (escalator) described in Section 6.2 to any Retiree;
  - (b) all amounts credited to the Rate Stabilization Fund shall be transferred to the Pension Accumulation Fund for the purposes of funding benefits payable under Component I of the Retirement System; and
  - (c) Member Mandatory Employee Contributions shall be increased from four percent (4%) of Compensation to five percent (5%) of Compensation for up to the next following five Plan Years.
- (2) In the event the funding level of Component I of the Retirement System determined as provided in Section 9.5(1) is projected to fall below eighty percent (80%), the following remedial action shall be required in the order set forth below, beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than eighty percent (80%):
  - (a) the remedial action required in Section 9.5(1) shall be implemented or continued;



- (b) the Retirement Allowance payable to a Retiree shall not include the variable pension improvement factor (escalator) that was most recently added to the Retiree's Retirement Allowance for a Plan Year;
- (c) Member Mandatory Employee Contributions shall be increased from five percent (5%) of Compensation to six percent (6%) of Compensation for up to the next following five Plan Years;
- (d) the Retirement Allowance payable to a Retiree shall not include the variable pension improvement factor (escalator) that was most recently added to the Retiree's Retirement Allowance for the Plan Year preceding the Plan Year referenced in paragraph (b) above; and
- (e) the Retirement Allowance accrued by Members for up to the next five Plan-Year-period shall be determined as provided in Section 6.1, except that one percent (1%) shall be substituted for one and one-half percent (1.5%) wherever it appears in said Section 6.1.

In determining whether the eighty percent (80%) funding level under this Section 9.5(2) has been achieved, the Plan's Actuary shall calculate the funding percentage of the Retirement System after taking into account the elimination of the variable pension improvement factor (escalator) pursuant to Section 9.5(1)(a) but prior to taking into account the remedial steps provided in Sections 9.5(1)(b) and (c).

- (3) For purposes of this Section 9.5, the "funding level" of Component I of the Retirement System shall mean the ratio of the market value of the assets of Component I of the Retirement System to the actuarial accrued liability of Component I of the Retirement System. The actuarial accrued liability shall be calculated by the Plan's Actuary utilizing an interest rate assumption of six and three-quarters percent (6.75%) and other reasonable assumptions as directed by the Board upon the recommendation of the Investment Committee. The market value of assets shall be determined on the basis of a three-year look back period of smoothed investment returns.



## **ARTICLE 10. VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec. 10.1. Voluntary Employee Contributions; Amount; Vesting**

Subject to procedures established by the Board, a Member may elect to reduce his Compensation for any Plan Year by a whole percentage equal to three percent (3%), five percent (5%) or seven percent (7%) and have such amount contributed by the Employer to a Voluntary Employee Contribution Account maintained on his behalf under Component I of the Retirement System. Voluntary Employee Contributions shall be made to the Retirement System on an after-tax basis. Amounts credited to a Member's Voluntary Employee Contribution Account shall be one hundred percent (100%) vested at all times.

### **Sec. 10.2. Changing an Election to Contribute**

A Member may change or revoke an election to make Voluntary Employee Contributions to the Retirement System pursuant to this Article 10 in such manner and with such advance notice as the City shall determine. Notwithstanding the foregoing, a Member shall be permitted to change such election not less frequently than annually.

### **Sec. 10.3. Individual Member Accounting; Crediting of Earnings**

The Board shall maintain a Voluntary Employee Contribution Account on behalf of each Member who elects to make Voluntary Employee Contributions to the Retirement System. Each Plan Year, a Member's Voluntary Employee Contribution Account shall be credited with earnings at a rate equal to the actual net investment rate of return on the assets of the Retirement System for the second Plan Year immediately preceding the Plan Year in which the earnings are credited; in no event, however, shall the earnings rate credited to a Member's Voluntary Employee Contribution Account for any Plan Year be less than zero percent (0%) nor greater than five and one-quarter percent (5.25%).

### **Sec. 10.4. Distribution of Accumulated Voluntary Employee Contributions**

- (1) If a Member ceases to be an Employee other than by reason of death, the Member may elect to receive distribution of the Accumulated Voluntary Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Voluntary Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.
- (2) In lieu of receiving distribution of his Accumulated Voluntary Employee Contributions as provided in Section 10.4(1), a Member may elect to have the actuarial equivalent value of his Accumulated Voluntary Employee Contributions added to his Retirement Allowance and paid in the form of an annuity described in Section 8.1.
- (3) If a Member dies while employed by the Employer or following termination of employment but prior to receiving distribution of the Member's Accumulated Voluntary Employee Contributions, the amounts credited to the Member's Voluntary Employee

Contribution Account at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving the Member, the Member's Accumulated Voluntary Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Voluntary Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.

## **ARTICLE 11. LOAN PROGRAM FOR VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec. 11.1. The Loan Program**

A loan program shall be available to Members who have amounts credited to a Voluntary Employee Contributions Account under Component I of the Retirement System. The Board is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of the loan program. Copies of the rules shall be made available to eligible Members in the offices of the Retirement System. Any loans granted or renewed under the Retirement System shall be made and administered pursuant to and in compliance with Section 72(p) of the Internal Revenue Code and regulations thereunder.

### **Sec. 11.2. Eligibility for Loan**

Subject to the rules and procedures established by the Board, loans may be made to eligible Members from such Member's Voluntary Employee Contribution Account. An eligible Member is any Member who has participated in the Retirement System for twelve months or more. Former Members, Spouses and Beneficiaries are not eligible to receive any loans from the Retirement System. No Member shall have more than two outstanding loans from the Retirement System (Component I and/or Component II) at any time. A Member who has previously defaulted on a loan (under either Component I or Component II) shall not be eligible for a loan from the Retirement System.

### **Sec. 11.3. Amount of Loan**

An eligible Member who has satisfied applicable rules and procedures established by the Board may borrow from his Voluntary Employee Contribution Account an amount which does not exceed the lesser of (i) fifty percent (50%) of the Member's Voluntary Employee Contribution Account balance, and (ii) Ten Thousand Dollars (\$10,000.00), in each case reduced by the excess, if any, of: (1) the Member's highest outstanding loan balance under the Retirement System (both Component I and Component II) during the one (1) year period ending on the day before the date on which the loan is made, or (2) the outstanding loan balance under the Retirement System (both Component I and Component II) on the date on which the loan is made, whichever is less. The minimum loan amount shall be One Thousand Dollars (\$1,000.00).

### **Sec. 11.4. Terms and Conditions**

In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:

- (a) Each loan application shall be made in writing.
- (b) All loans shall be memorialized by a collateral promissory note for the amount of the loan, including interest, payable to the order of the Retirement System and properly executed by the Member.

- (c) Each loan shall be repaid by substantially equal payroll deductions over a period not to exceed five years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen years. In no case shall the amount of the payroll deduction be less than Twenty Dollars (\$20.00) for any two-week pay period. A Member receiving a loan will be required to authorize payroll deductions from his compensation in an amount sufficient to repay the loan over its term.
- (d) An amount equal to the principal amount of the loan to a Member (but not more than one half of the Member's vested interest in the Defined Contribution Plans of the Retirement System) will be designated as collateral for guaranteeing the loan.
- (e) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among Members in its determination of interest rates on loans. However, loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the Retirement System's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the Retirement System of administering the loan. The loan interest rate shall be calculated in a manner that will not negatively affect either the Employers' costs with respect to the Retirement System or the investment return allocated to Members.
- (f) Loan repayments shall be suspended during a period of military service, as permitted by Section 414(u)(4) of the Internal Revenue Code. A Member who has an outstanding loan balance from the Retirement System who is absent from employment with the City, and who has satisfied the requirements of Section 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the Retirement System during said periods of absence.

#### **Sec. 11.5. Loan Balance**

A Member's outstanding loan balance shall be considered a directed investment by the Member and interest payments shall be credited to the Member's Voluntary Employee Contribution Account (provided that the interest credited to the Member's Voluntary Employee Contribution Account shall be reduced appropriately to cover the administrative costs of the loan program and avoid negatively affecting the Employers' costs or the Retirement System's investment returns), and shall not be part of the Retirement System's net investment income or part of the Member's Voluntary Employee Contribution Account balance for the purpose of allocation of net investment income under the Retirement System.

#### **Sec. 11.6. Default**

In the event a Member defaults on a loan before the loan is repaid in full, the unpaid balance thereof will become due and payable and, to the extent that the outstanding amount is not repaid by the end of the calendar quarter which follows the calendar quarter in which the last

payment was received, such amount shall be deemed to have been distributed to the Member for tax purposes, consistent with Section 72(p) of the Internal Revenue Code.

#### **Sec. 11.7. Distribution**

No distribution shall be made to a Member, former Member, Spouse or Beneficiary from the Retirement System until all outstanding loan balances and applicable accrued interest have been repaid or offset against amounts distributable to the individual from the Retirement System.

#### **Sec. 11.8. Annual Report**

The Retirement System shall include, in its annual report to all Members, an accounting of the Loan Program established by this Article 11, which contains the number and amount of loans made, the costs of administering the Loan Program maintained under this Component I, the amount of payments made including interest received by Component I of the Retirement System, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in that Fiscal Year covered the costs of administering the Loan Program under Component I.

## ARTICLE 12. LIMITATION ON BENEFITS AND CONTRIBUTIONS

### Sec. 12.1. Compliance With Code Section 415(b) And Regulations

- (1) Notwithstanding any other provision of this Combined Plan Document, the defined benefit component of the Retirement System shall be administered in compliance with the provisions of Code Section 415(b) and regulations thereunder that are applicable to governmental plans.
- (2) The maximum annual benefit accrued by a Member during a "limitation year" (which shall be the Plan Year) and the maximum annual benefit payable under the Retirement System to a Member at any time within a Plan Year, when expressed as an annual benefit in the form of a straight life annuity (with no ancillary benefits), shall be equal to \$160,000 (as such amount is adjusted pursuant to Code Section 415(d) for such Plan Year).
- (3) Notwithstanding the foregoing:
  - (a) if the benefit under the Retirement System is payable in any form other than a straight life annuity, the determination as to whether the limitation described in Section 12.1(2) has been satisfied shall be made, in accordance with the regulations prescribed by the Secretary of the Treasury, by adjusting such benefit to the Actuarially Equivalent straight life annuity beginning at the same time, in accordance with Section 12.1(8) or (9);
  - (b) if the benefit under the Retirement System commences before Age sixty-two, the determination of whether the limitation set forth in Section 12.1(2) (the "Dollar Limit") has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by reducing the Dollar Limit so that the Dollar Limit (as so reduced) is equal to an annual benefit payable in the form of a straight life annuity, commencing when such benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-two; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-two and the age of benefit commencement, then the Dollar Limit (as so reduced) shall equal the lesser of (i) the amount determined under this Section 12.1(3)(b) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the straight life annuity under the Retirement System, commencing at Age sixty-two; and
  - (c) if the benefit under the Retirement System commences after Age sixty-five, the determination of whether the Dollar Limit has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by increasing the Dollar Limit so that the Dollar Limit (as so increased) is equal to an annual benefit payable in the form of a straight life annuity, commencing when

the benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-five; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-five and the Age of benefit commencement, the Dollar Limit (as so increased) shall equal the lesser of (i) the amount determined under this Section 12.1(3)(c) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System, commencing at Age sixty-five.

- (4) Notwithstanding the foregoing provisions of this Section 12.1, except as provided in Section 12.1(5), the maximum annual benefit specified in Section 12.1(2) above shall not apply to a particular Retirement System benefit if (a) the annual amount of such Retirement System benefit, together with the aggregate annual amount of any other pensions payable with respect to such Member under all other defined benefit plans maintained by an Employer, does not exceed \$10,000 for the Plan Year or any prior Plan Year and (b) the Member was not at any time a participant in a defined contribution plan maintained by an Employer.
- (5) In the case of a Member who has less than ten years of participation in the Retirement System, the limitation set forth in Section 12.1(2) shall be such limitation (without regard to this Section 12.1(5)), multiplied by a fraction, the numerator of which is the number of years of participation in the Retirement System (or parts thereof) credited to the Member and the denominator of which is ten. In the case of a Member who has less than ten years of Vesting Service, the limitations set forth in Paragraph (b) of Section 12.1(2) and in Section 12.1(4) shall be such limitations (determined without regard to this Section 12.1(5)) multiplied by a fraction, the numerator of which is the number of years of Vesting Service, or parts thereof, credited to the Member and the denominator of which is ten.
- (6) Notwithstanding anything in this Section 12.1 to the contrary, if the annual benefit of a Member who has terminated employment with the Employer is limited pursuant to the limitations set forth in Section 12.1(2), such annual benefit shall be increased in accordance with the cost-of-living adjustments of Code Section 415(d).
- (7) For purposes of determining actuarial equivalence under Paragraph (b) or (c) of Section 12.1(3), the interest rate assumption shall be five percent (5%) and the mortality table used shall be the applicable mortality table specified by the Board.
- (8) The actuarially equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) does not apply, as required by Paragraph (a) of Section 12.1(3), is equal to the greater of (a) the annual amount of the straight life annuity payable under the Retirement System commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has



the same actuarial present value as the form of benefit payable to the Member, computed using the interest rate and mortality assumptions set forth in Section 12.1(7).

- (9) The actuarially equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) applies, as required by Paragraph (a) of Section 12.1(3), is equal to the greatest of (a) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same Actuarial Equivalent present value as the form of benefit payable to the Member, (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table specified by the Board, or (c) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the applicable interest rate and the applicable mortality table, both as specified by the Board, divided by 1.05.
- (10) For purposes of applying the limitations set forth in this Section 12.1, all qualified defined benefit plans (whether or not terminated) ever maintained by an Employer shall be treated as one defined benefit plan.
- (11) For purposes of this Section 12.1, the term “compensation” shall include those items of remuneration specified in Treasury Regulation § 1.415(c)-2(b) and shall exclude those items of remuneration specified in Treasury Regulation § 1.415(c)-2(c), taking into account the timing rules specified in Treasury Regulation § 1.415(c)-2(e), but shall not include any amount in excess of the limitation under Code Section 401(a)(17) in effect for the year. The term “compensation” as defined in the preceding sentence shall include any payments made to a Member by the later of (a) two and one-half months after the date of the Member’s severance from employment with an Employer or (b) the end of the limitation year that includes the date of the Member’s severance from employment with an Employer, provided that, absent a severance from employment, such payments would have been paid to the Member while the Member continued in employment with the Employer and are regular compensation for services performed during the Member’s regular working hours, compensation for services outside the Member’s regular working hours (such as overtime or shift differential pay), commissions, bonuses or other similar compensation.
- (12) This Section 12.1 shall be administered in conformity with the regulations issued by the Secretary of the Treasury interpreting Code Section 415 including, but not limited to, any regulation providing for the “grandfathering” of any benefit accrued prior to the effective date of such regulations or statutory provision.

## **Sec. 12.2. Compliance with Code Section 415(c) and Regulations**

- (1) The “Annual Addition” with respect to a Member for a limitation year (which shall be the Plan Year) shall in no event exceed the lesser of:

- (a) \$40,000 (adjusted as provided in Code Section 415(d)); or
  - (b) One hundred percent (100%) of the Member's compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder, for the limitation year.
- (2) The Annual Addition with respect to a Member for a limitation year means the sum of his Voluntary Employee Contributions for such limitation year to the Retirement System, and the employer contributions, employee contributions and forfeitures allocated to his accounts under any other qualified defined contribution plan (whether or not terminated) maintained by an Employer, and the amounts described in Code Sections 415(l)(2) and 419A(d)(2) allocated to his account.
- (3) In the event the Annual Addition to the Retirement System on behalf of a Member would otherwise exceed the amount that may be applied for his benefit under the limitation contained in this Section 12.2, the limitation shall be satisfied by reducing the Member's Voluntary Employee Contributions to the extent necessary and distributing such amounts to the Member.

## **ARTICLE 13. RETIREMENT SYSTEM ADMINISTRATION**

### **Sec. 13.1. Board of Trustees as Retirement System Administrator**

- (1) The Retirement Board shall have the power and authority to manage and administer the Retirement System in accordance with the provisions of the Combined Plan Document.
- (2) The Retirement Board shall provide procedures for the processing and review of benefit claims, corrections of errors, and similar matters, as further described in Section 13.2.
- (3) The Retirement Board and the Retirement System shall not make any payment to active or retired Members or Beneficiaries other than payments that are required by the Retirement System as established by this Combined Plan Document. This prohibition applies to all payments that are not authorized by this Combined Plan Document, whether such payments are those commonly referred to as a “thirteenth check” or payments by any other name.

### **Sec. 13.2. Powers and Duties of Board**

- (1) The Board shall have the following powers and duties:
  - (a) exclusive authority regarding the administration, management and operation of the Retirement System, including, but not limited to, the right to contract for office space, computer hardware and software, and human resource services (any or all of which may be obtained from the City), and to make rules and regulations with respect to the operation of the Retirement System not inconsistent with the terms of the Combined Plan Document and applicable law, and to amend or rescind such rules and regulations;
  - (b) to determine questions of law or fact that may arise as to the rights of any person claiming rights under the Retirement System;
  - (c) to determine the contributions to the Retirement System required of the Employer and Members pursuant to the documents governing operation of the Retirement System, including the Plan of Adjustment;
  - (d) to construe and interpret the provisions of the Retirement System and to reconcile any inconsistencies;
  - (e) to perform ministerial functions, whether or not expressly authorized, which the Board may deem necessary or desirable in carrying out its duties under the Retirement System;
  - (f) except to the extent authority is vested in the Investment Committee, authority to employ, contract and pay for professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation of the Retirement System;

- (g) except to the extent authority or responsibility is vested in the Investment Committee, to arrange for annual audits of the records and accounts of the Retirement System by a certified public accountant or by a firm of certified public accountants pursuant to generally accepted auditing standards;
- (h) to prepare an annual report for the Retirement System for each Fiscal Year in compliance with generally accepted accounting principles. The report shall contain information regarding the financial, actuarial, and other activities of the Retirement System during the Fiscal Year. The Board shall furnish a copy of the annual report to the Mayor and finance director of the City, to the chair of the City Council and to the Investment Committee. The report shall also contain a review of the latest actuarial valuation of the Retirement System;
- (i) to maintain or cause to be maintained such separate funds and accounts as are required to be maintained under the provisions of Components I and II of the Combined Plan Document and such additional accounts as the Board deems necessary or expedient for the proper administration of the Retirement System and the administration and investment of the assets of the Retirement System. The Board shall maintain suitable records, data and information in connection with the performance of its functions, including, but not limited to, accurate and detailed accounts of all investments, receipts, disbursements, and other actions, including the proportionate interest therein and Accumulated Contributions of each Member who has made contributions to the Retirement System;
- (j) to correct any error in the records of the Retirement System that results in overpayment or underpayment of contributions to the Retirement System by the Employer or a Member, or overpayment or underpayment of benefits to a Member, former Member, or Beneficiary by the Retirement System. In the event of overpayment to a Member, former Member or Beneficiary, the Board may, as far as practicable, adjust future payments to such individual, in such a manner that the Actuarial Equivalent of the benefit to which such individual was entitled shall be paid;
- (k) to the extent permissible under Michigan law (and consistent with the Retirement System's favorable tax qualified status under Code Section 401(a)), purchase one or more insurance policies to indemnify any person and such person's heirs and legal representatives who is made a party to (or threatened to be made a party to) any action, suit or proceeding whether brought by or in the right of the Board, the Investment Committee or the Retirement System or otherwise, by reason of the fact that such person is or was a Board member, Investment Committee member, director, officer, employee or agent of the Board (or an advisory body or committee of the Board) or the Retirement System. The insurance policies purchased by the Board shall not indemnify any person who is judicially determined to have incurred liability due to fraud, gross negligence or malfeasance in the performance of his duties; and

- (l) except to the extent authority or responsibility is vested in the Investment Committee, to perform any other function that is required for the proper administration of the Retirement System.

### **Sec. 13.3. Executive Director; Employees**

The Board shall employ on behalf of the Retirement System an executive director and any other employees for which the Board establishes positions. The executive director shall do all of the following:

- (a) manage and administer the Retirement System under the supervision and direction of the Board;
- (b) annually prepare and submit to the Board for review, amendment, and adoption an itemized budget projecting the amount required to pay the Retirement System's expenses for the following Fiscal Year; and
- (c) perform such other duties as the Board shall delegate to the executive director.

The executive director, unless such power is retained by the Board, shall determine the compensation of all employees of the Retirement System (except the executive director, whose compensation shall be determined by the Board; and the chief investment officer, whose compensation shall be determined by the Investment Committee) and such compensation shall be payable from the Retirement System. Any person employed by the Retirement System may, but need not, be an employee of the City.

### **Sec. 13.4. Discretionary Authority**

The Board shall have discretion to:

- (a) interpret the provisions of the Retirement System;
- (b) make factual findings with respect to any and all issues arising under the Retirement System;
- (c) determine the rights and status of Members, Retirees, Beneficiaries and other persons under the Retirement System;
- (d) decide benefit claims and disputes arising under the Retirement System pursuant to such procedures as the Board shall adopt; and
- (e) make determinations and findings (including factual findings) with respect to the benefits payable hereunder and the persons entitled thereto as may be required for the purposes of the Retirement System.

### **Sec. 13.5. Administrator's Decision Binding**

The Board's decision on any matter arising in connection with administration and interpretation of the Retirement System shall be final and binding on Members, Retirees and Beneficiaries.

## **ARTICLE 14. MANAGEMENT OF FUNDS**

### **Sec. 14.1. Board as Trustee of Retirement System Assets**

The Board of Trustees shall be the trustee of the funds held under the Retirement System, shall receive and accept all sums of money and other property paid or transferred to it by or at the direction of the City and, subject to the terms of Article 15, shall have the power to hold, invest, reinvest, manage, administer and distribute such money and other property subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws, as amended.*

### **Sec. 14.2. Maintenance of Segregated Funds**

The Board of Trustees shall maintain separate funds as required for the proper administration of the Retirement System and shall not commingle the assets held under the Retirement System for the purpose of funding benefits accrued by Members prior to July 1, 2014, together with earnings and losses on such assets (or replacement assets), as more fully described in Component II of this Combined Plan Document, with the assets of the Retirement System held for the purpose of paying benefits accrued by Members on and after July 1, 2014 as described in this Component I of the Combined Plan Document. Notwithstanding the foregoing, the assets held under Components I and II of this Combined Plan Document may be commingled for investment purposes, and transferred as provided in Section E-16(c) of Component II.

### **Sec. 14.3. Custodian of Funds**

The Board of Trustees shall appoint or employ custodians of the assets of the Retirement System. The custodians shall perform all duties necessary and incidental to the custodial responsibility and shall make disbursements as authorized by the Board.

### **Sec. 14.4. Exclusive Purpose**

All money and other assets of the Retirement System shall be held by the Trustees and invested for the sole purpose of paying benefits to Members and Beneficiaries and shall be used for no other purpose other than payment of the reasonable expenses of maintaining the Retirement System. In exercising its discretionary authority with respect to the management of the money and other assets of the Retirement System, the Trustees shall exercise the care, skill, prudence and diligence under the circumstances then prevailing, that a person acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character with like aims.

### **Sec. 14.5. Prohibited Conduct**

Members of the Board and employees of the Retirement System are prohibited from:

- (1) Having any beneficial interest, direct or indirect, in any investment of the Retirement System;



- (2) Being an obligor or providing surety for any money loaned to or borrowed from the Retirement System;
- (3) Except as provided in Article 11, borrowing any money or other assets of the Retirement System; and
- (4) Receiving any pay or other compensation from any person, other than compensation paid by the Retirement System, with respect to investments of the Retirement System.

## ARTICLE 15. INVESTMENT OF RETIREMENT SYSTEM ASSETS

### Sec. 15.1. Investment Powers of the Board and the Investment Committee

Subject to the requirements set forth in this Article 15, the Board shall have the power and authority to manage, control, invest and reinvest money and other assets of the Retirement System subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws, as amended*. Notwithstanding anything in this Combined Plan Document to the contrary, for the twenty year period following the effective date of the Plan of Adjustment, the Investment Committee shall make recommendations to the Board with respect to investment management matters as provided in this Article 15.

All investment management decisions made by the Board, as more fully described in Section 15.2, shall require a recommendation by an affirmative vote of the Investment Committee as provided in this Combined Plan Document. The Board shall take no action with respect to any matter for which the Investment Committee has responsibility and authority, including the investment management matters described in Section 15.2, unless and until such action has been approved by affirmative vote of the Investment Committee. All actions and recommendations of the Investment Committee shall be forwarded to the Board for consideration and are subject to Board approval. If (a) the Board fails to approve or disapprove an Investment Management decision that has been recommended by an affirmative vote of the Investment Committee, and such failure continues for forty-five days after the date that the recommendation was made to the Board, or (b) the Board disapproves an Investment Management decision within such forty-five day period but fails to provide to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee and the Chief Investment Officer are authorized to implement the decision.

If the Board disapproves an investment management decision within such forty-five day period and provides to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee shall have forty-five days after the receipt of the Board response to either (a) withdraw the recommended investment management decision, or (b) request, in writing, a conference with the Board to be held within ten days, but not less than five business days, of the request by the Investment Committee to discuss the disapproval by the Board described in the written response. Any such conference shall be conducted with at least three independent Investment Committee members present in person or by phone. Within ten days of the commencement of the conference or twenty days following the Investment Committee's request for a conference if no conference is held, the Investment Committee shall either withdraw the recommended Investment Management decision or provide the Board with a written explanation of the Investment Committee's decision to proceed with the recommended Investment Management decision. After delivery of such written explanation by the Investment Committee, the Investment Committee and the chief investment officer are authorized to implement the decision. Any action taken by the Board or the Investment Committee in violation of the terms of this Article 15 shall constitute an *ultra vires* act and the Investment Committee or the Board is

granted the express right to seek to preliminarily enjoin such violation without the need to show irreparable harm.

### **Sec. 15.2. Investment Management**

- (1) For purposes of this Combined Plan, “investment management decisions” and “investment management matters” shall include:
  - (a) development of an investment policy statement with sound and consistent investment goals, objectives, and performance measurement standards which are consistent with the needs of the Retirement System;
  - (b) within 120 days after the effective date of the Plan of Adjustment, placement of all of the assets of the Retirement System not already under qualified management with qualified investment managers selected by the Investment Committee;
  - (c) evaluation, retention, termination and selection of qualified managers to invest and manage the Retirement System’s assets;
  - (d) review and affirmation or rejection of the correctness of any and all calculations, actuarial assumptions and/or assessments used by the Actuary including, but not limited to (i) those underlying the restoration of pension benefits, funding levels and amortization thereof, all in accordance with the pension restoration program attached to the Plan of Adjustment (as more fully described in Article G of Component II of this Combined Plan Document), (ii) those underlying the determination of annual funding levels and amortization thereof, and (iii) on or after Fiscal Year 2024, the recommended annual contributions to the Retirement System in accordance with applicable law;
  - (e) in accordance with approved actuarial work as provided in paragraph (d) above and based on the annual actuarial valuation reports and any other projections or reports as applicable from the Actuary or other professional advisors, the determination of the extent of restoration of pension benefits, including but not limited to the payment of all or a portion of the reduced base monthly pension amounts and the payment of lost COLA payments, all in conformance with the pension restoration program attached to the Plan of Adjustment;
  - (f) communication of the Retirement System’s investment goals, objectives, and standards to the investment managers, including any material changes that may subsequently occur;
  - (g) determination and approval of the Retirement System’s investment and asset allocation guidelines, taking into account the appropriate liquidity needs of the Retirement System;
  - (h) the taking of corrective action deemed prudent and appropriate when an investment manager fails to perform as expected;

- (i) interpretation of Retirement System governing documents, existing law, the Plan of Adjustment and other financial information that could affect funding or benefit levels;
- (j) review and approval, prior to final issuance, of the annual audit and all financial reports prepared on behalf of the Retirement System and meet and confer with the Auditor or other professional advisors, as necessary, prior to approval of the annual audit or other financial reports;
- (k) determination of the funding status of the Retirement System and any remedial action to be taken pursuant to Section 9.5; and
- (l) performance of an asset/liability valuation study for the Retirement System every three years or, more often, as requested by the Investment Committee or the Board.

All actions of the Investment Committee shall comply with the provisions of pertinent federal, state, and local laws and regulations, specifically *Act No. 314 of the Public Acts of 1965, being Sections 38.1132 et seq. of the Michigan Compiled Laws*, as amended, and the Retirement System's investment guidelines.

### **Sec. 15.3. Best Practices**

Prior to adopting investment guidelines and asset allocation policies, selecting investment managers or adopting investment return assumptions, the Investment Committee shall have an understanding of and shall give appropriate consideration to the following:

- (a) the fiduciary best practices and institutional standards for the investment of public employee retirement system plan assets;
- (b) the objective to obtain investment returns above the established actuarial investment return assumption to support the restoration of benefits under the pension restoration program described in the Plan of Adjustment and Component II of this Combined Plan Document, to the extent that it is prudent and consistent with the overall funding, liquidity needs and actuarial assumptions governing the Retirement System; and
- (c) the liquidity needs of the Retirement System.

### **Sec. 15.4. Chief Investment Officer**

The Investment Committee shall have the exclusive power to select, retain and terminate the services of a chief investment officer for the Retirement System. The Investment Committee shall determine any and all compensation and other terms of employment of any chief investment officer hired by it. The chief investment officer shall report directly to the Investment Committee and the executive director of the Board. The chief investment officer shall be responsible for assisting the Investment Committee and the Board with respect to oversight of the Retirement System's investment portfolio. The chief investment officer shall

provide such periodic reports relating to the Retirement System's assets to the Investment Committee and the Board as it or they shall request.

#### **Sec. 15.5. Investment Consultants**

The Board and/or Investment Committee may retain the services of one or more investment consultants who shall be responsible for assisting the Board and the Investment Committee with oversight of the Retirement System's investment portfolio. Any such investment consultant shall be a registered advisor with the United States Securities and Exchange Commission and shall be a nationally recognized institutional investment consultant with expertise in the investment of public pension plan assets. Any such investment consultant shall acknowledge in writing its role as investment fiduciary with respect to the Retirement System as defined in the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* The Board or the Investment Committee, as appropriate, shall determine the compensation and other terms of employment of any investment consultant hired by it. The duties of an investment consultant may include, but shall not be limited to:

- (a) providing an asset/liability valuation study for the Retirement System;
- (b) reviewing the Retirement System's asset allocation based on current market assumptions;
- (c) identifying and recommending to the Investment Committee and the Board appropriate investment strategies based on the financial condition of the Retirement System;
- (d) implementing the approved investment strategies, such as recommending to the Investment Committee, for Board approval, an asset allocation strategy, building an investment structure for the Retirement System, and identifying qualified investment managers (through an organized search process) to execute and implement investment strategies;
- (e) monitoring and evaluating the ongoing progress of the investment managers toward stated investment goals and objectives;
- (f) recommending to the Investment Committee and the Board any necessary corrective actions, including adjustments to the investment structure or investment management organizations, in the event of a deviation from expectations;
- (g) communicating the investment policies of the Retirement System to the investment managers;
- (h) reviewing the investment policies with the appropriate employees of the Retirement System;
- (i) aiding the Investment Committee in providing recommendations on issues relating to rebalancing and cash flow management, securities lending, transition management, cash equalization and other investment related topics;

- (j) attending Investment Committee and Board meetings in person, or telephonically, as needed or as requested;
- (k) meeting with the Investment Committee and the Board to provide detailed quarterly performance reports and executive summaries of performance;
- (l) meeting with the Investment Committee and the Board to review capital markets and inform the Board and Retirement System employees on the current investment environment; and
- (m) meeting with the Investment Committee and the Board to provide recommendations on asset allocation, investment structure, and manager selections.

## **ARTICLE 16. RETIREE MEDICAL ACCOUNT**

### **Sec. 16.1. Establishment of Account**

A Medical Benefits Account shall be established and maintained under the Retirement System out of which the Board shall pay the cost, which would otherwise be borne by the Employers, for certain medical and related benefits provided under the plans or programs maintained by the Employers to provide Medical Benefits (the "Medical Plans") for the benefit of the Medical Beneficiaries. The provisions of this Article 16 are intended to comply with Section 401(h) of the Code and shall be construed to comply therewith.

### **Sec. 16.2. Effective Date of Retiree Medical Account**

Medical Benefits may be paid from the Medical Benefits Account beginning October \_\_\_\_, 2014, or such other date recommended by an enrolled actuary (within the meaning of Section 7701(a)(35) of the Code) and approved by the Board and Investment Committee.

### **Sec. 16.3. Funding of Benefits**

Subject to the Plan of Adjustment and the right reserved to the City to amend or terminate the provision of Medical Benefits under its general power to amend the Plan under Section 17.5, the City expects and intends to make actuarially determined contributions under the Retirement System from time to time to fund the Medical Benefits Account. The assets of the Medical Benefits Account may be invested together with the other assets of the Retirement System, in which case earnings of the Retirement System shall be allocated to the Medical Benefits Account on a reasonable basis, or such assets may be invested separately. In any event, no part of the Retirement System, other than the assets of the Medical Benefits Account, shall be available to pay for any part of the cost of Medical Benefits.

The amount determined by the City to be contributed for any Plan Year by the Employers pursuant to the paragraph above shall be reasonable and ascertainable and shall not exceed the total cost for such Plan Year of providing Medical Benefits to the Medical Beneficiaries, determined in accordance with generally accepted actuarial methods and assumptions that are reasonable in view of the provisions and coverage of the medical and other welfare plans providing such benefits, the funding medium and any other applicable considerations. At the time any Employer makes a contribution to the Trustee, the Employer shall designate the portion thereof that is allocable to the Medical Benefits Account.

### **Sec. 16.4. Limitation on Contributions**

At all times the aggregate of the contributions made by the Employers to provide Medical Benefits shall not exceed twenty-five percent (25%) of the sum of the aggregate contributions made by the Employers to the Plan under Sections 9.3, 9.4 and 9.5 other than the contributions to fund past service credits, plus the aggregate contributions to the Medical Benefits Account. In the event that a contribution under Section 16.3 shall exceed the amount described in the preceding sentence, such contribution shall be reduced by the excess amount.



#### **Sec. 16.5. Impossibility of Diversion**

In no event, prior to the satisfaction of all liabilities to provide Medical Benefits, shall the Medical Benefits Account be used for, or diverted to, any purpose other than the payment of such benefits and any necessary or appropriate expenses of administration associated therewith. Any amounts credited to the Medical Benefits Account following the satisfaction of all such liabilities shall be returned to the Employers.

#### **Sec. 16.6. Administration**

The Medical Plans shall continue to be administered, and claims processed, under their respective terms. The interpretation and administration of the terms of this Article 16 shall be subject to the provisions of the Combined Plan Document.

#### **Sec. 16.7. Right to Amend or Terminate Medical Plans**

The Employers expressly reserve the exclusive right, retroactively to the extent permitted by law, to amend, modify, change, terminate or revoke any medical or other welfare plan or policy maintained by any such Employer that provides medical or other welfare benefits, including but not limited to Medical Benefits, and to require Members, former Members, their eligible Spouses and dependents to pay all or any portion of the cost of such medical benefits.

#### **Sec. 16.8. Reversion**

At no time prior to the satisfaction of all liabilities under the Retirement System to provide Medical Benefits, shall any part of the Medical Benefits Account be used for any purpose other than providing Medical Benefits, and any necessary or appropriate expenses attributable to the administration of the Medical Benefits Account. If any residual assets remain in the Medical Benefits Account after the satisfaction of all obligations of the Employers to provide Medical Benefits to the Medical Beneficiaries, such assets shall be returned to the Employers. In the event a Medical Beneficiary's interest in the Medical Benefits Account is forfeited prior to the termination of the Retirement System, an amount equal to such forfeiture shall be applied as soon as possible to reduce the Employers' contributions to the Medical Benefits Account.

#### **Sec. 16.9. Limitation of Rights**

A Medical Beneficiary shall have no right, title or claim in any specific asset of the Medical Benefits Account, but shall have the right only to the Medical Benefits provided from time to time under the Medical Benefits Account.

## **ARTICLE 17. MISCELLANEOUS**

### **Sec. 17.1. Nonduplication of Benefits**

If any Member is a participant in another defined benefit pension plan, retirement system or annuity plan sponsored by an Employer (including Component II of this Retirement System) and the Member is or becomes entitled to accrue pension benefits under such plan or retirement system (including Component II of this Retirement System) with respect to any period of service for which he is entitled to accrue a benefit under Component I of this Retirement System, such Member shall not be eligible to accrue or receive payment of a benefit under Component I with respect to such period of service.

### **Sec. 17.2. Assignments Prohibited**

The right of a person to a pension, annuity, the return of Accumulated Voluntary Employee Contributions and/or the return of Accumulated Mandatory Employee Contributions, the Retirement Allowance itself, to any optional form of payment, to any other right accrued or accruing to any person under the provisions of this Retirement System, and the monies in the various funds of the Retirement System shall not be assignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, except as specifically provided in this Combined Plan Document or by an eligible domestic relations order of a lawful court.

### **Sec. 17.3. Protection Against Fraud**

A person who, with intent to deceive, makes any statements or reports required under this Retirement System that are untrue, or who falsifies or permits to be falsified any record or records of this Retirement System, or who otherwise violates, with intent to deceive, any terms or provisions of the Retirement System, shall be subject to prosecution under applicable law.

### **Sec. 17.4. Errors**

If any change or error in the records results in any person receiving from the Retirement System more or less than the person would have been entitled to receive from the Retirement System had the records been correct, the Board shall correct such error and, as far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such person was correctly entitled shall be paid.

### **Sec. 17.5. Amendment; Termination; Exclusive Benefit**

The City reserves the right to amend the Combined Plan Document created hereunder at any time; such amendments may include termination of the Retirement System; provided, however, that following the effective date of the Plan of Adjustment, no amendment other than amendments permitted under the terms of the Plan of Adjustment (including amendments contemplated in Section G-4(5) of Component II) may be made to the terms, conditions and rules of operation of the Retirement System, or any successor plan or trust, that govern the calculation of pension benefits during the period ending June 30, 2023, nor may any amendment or termination deprive any Member, former Member or Beneficiary of any then vested benefit

under the Retirement System, except as provided in the Plan of Adjustment. Notwithstanding the foregoing, the City and the Board have the authority to amend the Combined Plan Document as necessary to retain the tax qualified status of the Retirement System under the Internal Revenue Code. The City shall make no amendment or amendments to the Retirement System which causes any part of the assets of the Retirement System to be used for, or diverted to, any purpose other than the exclusive benefit of Members, former Members or their Beneficiaries; provided, that the City may make any amendment necessary, with or without retroactive effect, to comply with applicable federal law. Any amendment of the Retirement System by the City must be approved by the Council or person standing in the stead of the Council.

Upon termination of the Retirement System or upon complete discontinuance of contributions to the Retirement System, the rights of all Members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

#### **Sec. 17.6. Forfeitures Not to Increase Benefits**

Any forfeitures arising under the Retirement System due to a Member's termination of employment or death, or for any other reason, shall be used to pay expenses of the Retirement System and shall not be applied to increase the benefits any Member would otherwise receive under the Retirement System at any time prior to termination of the Retirement System.

#### **Sec. 17.7. Required Distributions - Compliance with Code Section 401(a)(9) and Regulations**

The Retirement System will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the final regulations issued thereunder, notwithstanding any provision in the Combined Plan Document to the contrary. Pursuant to Code Section 401(a)(9)(A)(ii), a Member's interest must begin to be distributed by the later of (i) the April 1 of the calendar year following the calendar year in which he attains the Age of seventy and one-half (70-1/2), or (ii) April 1 of the calendar year following the year in which he retires. Distributions will be made in accordance with Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9. The provisions of this Section 17.7 and the regulations cited herein and incorporated by reference override any inconsistent plan distribution options.

#### **Sec. 17.8. Direct Rollovers**

- (1) For purposes of compliance with Code Section 401(a)(31), a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (2) For purposes of this Section 17.8, the following terms shall have the following meanings:
  - (a) "Direct rollover" means a payment by the retirement system to an eligible retirement plan specified by a distributee.
  - (b) "Distributee" means a Member or former Member. It also includes the Member's or former Member's surviving Spouse, a Spouse or former spouse who is the

alternate payee under an eligible domestic relations order, or a nonspouse beneficiary who is a designated beneficiary as defined by Code Section 401(a)(9)(E). However, a nonspouse beneficiary may only make a direct rollover to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an “inherited” individual retirement account or annuity.

- (c) “Eligible retirement plan” means any of the following that accepts a distributee’s eligible rollover distribution:
  - (i) a qualified trust described in Code Section 401(a);
  - (ii) an annuity plan described in Code Section 403(a);
  - (iii) an annuity contract described in Code Section 403(b);
  - (iv) an individual retirement account described in Code Section 408(a);
  - (v) an individual retirement annuity described in Code Section 408(b);
  - (vi) a Roth IRA described in Code Section 408A; or
  - (vii) a plan eligible under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan from the Retirement System.
- (d) “Eligible rollover distribution” means any distribution of all or any portion of the balance to the credit of a distributee under the Retirement System, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or the life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income; and any other distribution which the Internal Revenue Service does not consider eligible for rollover treatment, such as any distribution that is reasonably expected to total less than \$200 during the year. Notwithstanding the foregoing, a portion of a distribution will not fail to be an “eligible rollover distribution” merely because the portion consists of after-tax contributions that are not includible in Member’s gross income upon distribution from the Retirement System. However, such portion may be transferred only (i) to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; (ii) to a qualified defined benefit plan

described in Code Section 401(a) or to an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or (iii) to a Roth IRA described in Code Section 408A.

#### **Sec. 17.9. Construction**

Words in the singular should be read and construed as though used in the plural, and words in the plural should be read and construed as though used in the singular, where appropriate. The words “hereof”, “herein”, and “hereunder” and other similar compounds of the word “here”, shall mean and refer to Component I and/or Component II of this Combined Plan Document or to the Combined Plan Document in its entirety, as the context may require, and not to any particular provision or section thereof. The table of contents, article and section headings are included for convenience of reference, and are not intended to add to, or subtract from, the terms of the Combined Plan Document or the Retirement System created hereunder.

#### **Sec. 17.10. Severability**

If any section or part of a section of this Combined Plan Document or provision relating to the Retirement System is for any reason held to be invalid or unconstitutional, such holding shall not be construed as affecting the validity of the remaining sections of the Combined Plan Document or Retirement System or of the Combined Plan Document or Retirement System in its entirety.

EXHIBIT I.A.250.b

PRINCIPAL TERMS OF NEW GRS ACTIVE PENSION PLAN

## NEW GRS ACTIVE PENSION PLAN -- MATERIAL TERMS

1. Benefit Formula: FAC (average base compensation over last 10 consecutive years of employment) x Years of Service x 1.5%. If an employee had leave of not less than 2 months without pay under the Family and Medical Leave Act in the last 2 years of employment, such employee's FAC will be determined using the highest 10 consecutive years of base compensation over the last 12 consecutive years of employment. Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus.
2. Actual time for accrual is actual time served. For vesting and eligibility, 1,000 hours for a year of service.
3. Normal Retirement Age – age 62 with a transition period for active employees as of June 30, 2014 as follows:

<u>Age as of July 1, 2014</u>	<u>Normal Retirement Age</u>
61 years	60 years
60 years	60 years
59 years	60.3 years
58 years	60.6 years
57 years	60.9 years
56 years	61.0 years
55 years	61.3 years
54 years	61.6 years
53 years	61.9 years
52 years	62 years

4. 10 Years of Service for vesting.
5. Early retirement -- Eligible at 55 & 30 years of service, with true actuarial reduction. No pension payments allowed below age 55; terminated employees must wait until 62.
6. Deferred Vested -- 10 Years payable at 62.
7. Disability -- to be provided by commercial insurance until normal retirement age. In applying the formula for an age 62 pension, a disabled employee will be credited with service for the period of long-term disability leave.
8. Annuity Savings Fund - voluntary Annuity Savings Fund contributions equal to 3%, 5% or 7% of after-tax pay. Interest will be credited at the actual net investment rate of return for GRS, but will in no event be lower than 0% or higher than 5.25%. No in-service withdrawals permitted.



9. Investment Return/Discount Rate – 6.75%
10. COLA - Variable COLA benefit payable after the hybrid plan has been in effect for 4 full plan years, provided that the funding level is above 100%. A simple 2% COLA on hybrid benefit. Retirees become eligible for a COLA only for plan years after the retiree reaches age 62 and has been retired for a minimum of 12 months.
11. Contributions - Employer contribution of 5% of the base compensation of eligible employees. A portion of such contribution is used to fund normal cost and a portion is credited to a rate stabilization fund. Employees contribute 4% of base compensation toward normal cost.
12. If the funding level is below 100% (based on 3 year look back of smoothed returns), the plan's risk-shifting levers listed below will be applied in the listed order, until the actuary can state that by virtue of the use of levers, and a 6.75% discount rate and return assumption, the funding level is projected to be 100% on a market value basis within the next 5 years.
  - (a) No COLAs will be paid;
  - (b) Amounts credited to the rate stabilization fund will be used to fund accrued benefits; and
  - (c) Employee contributions to the hybrid will increase by 1% to 5% of base compensation for up to a 5 year period.

If the funding level is below 80% (without taking into account the use of rate stabilization funds and the 1% increase in employee contributions):

- (d) The steps taken in (a), (b) and (c) above will be continued;
- (e) The most recently awarded COLA is rescinded (i.e., Members' future benefit payments will be not include that COLA);
- (f) Employee contributions to the hybrid will increase to 6% of base compensation for up to a 5 year period;
- (g) The second most recently awarded COLA is rescinded; and
- (h) The benefit accrual rate is decreased from 1.5% to 1% for up to 5 years.

EXHIBIT I.A.254.a

FORM OF NEW PFRS ACTIVE PENSION PLAN

**COMBINED PLAN  
FOR THE  
POLICE AND FIRE  
RETIREMENT SYSTEM OF  
THE CITY OF DETROIT, MICHIGAN**

**Amendment and Restatement Effective July 1, 2014**

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# COMPONENT I

## **ARTICLE 1. GENERAL PROVISIONS**

### **Sec 1.1. Police and Fire Retirement System Established; Adoption of 2014 Plan Document**

Effective July 1, 1941, a Pension System for Policemen and Firemen of the City of Detroit was established for the purpose of providing retirement allowances and death benefits for Policemen and Firemen and their beneficiaries by amendment to the Charter of the City of Detroit. That Pension System was amended on numerous occasions after July 1, 1941, including an amendment renaming the Retirement System as the "Police and Fire Retirement System of the City of Detroit." The provisions of the Police and Fire Retirement System of the City of Detroit, as in effect July 1, 2014, are set forth in this Plan Document (including Appendix A attached hereto). Component I of the Plan Document applies to benefits accrued by Members on and after July 1, 2014 and to operation of the Police and Fire Retirement System of the City of Detroit on and after July 1, 2014. Component II of the Plan Document generally applies to benefits accrued by Members prior to July 1, 2014. Except as specifically provided in Component II, benefits provided under Component II of the Plan Document are frozen effective June 30, 2014.

Pursuant to Section 47-1-2 of the Detroit City Code, this Combined Plan Document shall replace the provisions of the Police and Fire Retirement System of the City of Detroit as set forth in the City of Detroit Charter, the Detroit City Code and any conflicting provisions in any collective bargaining agreements, rulings or opinions covering Members (including, without limitation, City Employment Terms). All resolutions and policies of the Board previously enacted which are inconsistent with the provisions of this Plan Document are also hereby repealed to the extent of such inconsistency.

### **Sec 1.2. Retirement System Intended to be Tax-Qualified; Governmental Plan**

The Retirement System is a governmental plan under Section 414(d) of the Internal Revenue Code which is intended to be a qualified plan and trust pursuant to applicable provisions of the Internal Revenue Code. The Board shall construe and administer the provisions of the Retirement System in a manner that gives effect to the tax-qualified status of the Retirement System.

### **Sec 1.3. Compliance With Plan of Adjustment**

The Retirement System is intended to comply with all relevant provisions (including Exhibits) of the Plan for the Adjustment of Debts of the City of Detroit, as approved by the United States Bankruptcy Court in *In re City of Detroit, Michigan, Case No. 13-53846* ("Plan of Adjustment"). Component I and Component II of the Combined Plan shall be interpreted and construed by the City, the Board of Trustees and the Retirement System to give full effect to the Plan of Adjustment. To the extent that a conflict arises between the Combined Plan Document and the Plan of Adjustment, the City, the Board of Trustees, the Investment Committee and the Retirement System are directed to interpret any inconsistency or ambiguity to give full effect to the Plan of Adjustment.

#### **Sec 1.4. Board of Trustees**

Effective July 1, 1941, a Board of Trustees of the Police and Fire Retirement System of the City of Detroit was created. The Board is vested with responsibility for the general administration, management and operation of the Police and Fire Retirement System of the City of Detroit and with the trust and investment powers conferred in this Combined Plan Document.

#### **Sec 1.5. Board of Trustees – Membership; Appointment**

The Board of Trustees of the Police and Fire Retirement System of the City of Detroit shall consist of seventeen Trustees, as follows:

- (1) The Mayor, *ex-officio*, or the Mayor's designee;
- (2) The President of City Council or a member thereof elected by the City Council, *ex-officio*;
- (3) The City Treasurer or Deputy City Treasurer, *ex-officio*;
- (4) The City Finance Director, or a designated representative, *ex-officio*;
- (5) The City Budget Director, or a designated representative, *ex-officio*;
- (6) The Corporation Counsel of the City, or a designated representative, *ex-officio*;
- (7) Three Fire Members of the Retirement System to be elected by the Fire Members under such rules and regulations as may be established by the Board of Fire Commissioners to govern such elections, as follows:
  - (a) Two to be elected by and from Members holding the rank of lieutenant (or its equivalent) and lower ranks; and
  - (b) One to be elected by and from Members holding ranks above the rank of lieutenant (or its equivalent);
- (8) Three Police Members of the Retirement System to be elected by the Police Members under the rules and regulations as may be established by the Commissioner of Police to govern such elections, as follows:
  - (a) Two to be elected by and from Members holding the rank of lieutenant (or its equivalent) and lower ranks; and
  - (b) One to be elected by and from Members holding a rank above lieutenant (or its equivalent); and
- (9) One individual who neither is a Member of the Retirement System nor an employee of the City in any capacity to be selected by the Board;

- (10) Two Retirees receiving benefits under the Retirement System, one of whom shall be elected by Retired Police Members and one of whom will be elected by Retired Fire Members pursuant to Sections 1.6 and 1.7 below;
- (11) One Trustee appointed by the Mayor upon election of a Retiree Police Trustee; and
- (12) One Trustee appointed by the Mayor upon election of a Retiree Fire Trustee.

**Sec 1.6. Board of Trustees; Scheduling of Elections for Active and Retiree Trustees**

- (1) Annual elections for active Police Officers and Fire Fighters shall be held in the Police and Fire Departments during the month of May to elect a trustee to fill the vacancy created by the expiration of a term.
- (2) Elections to fill vacancies created by the expiration of a term for a Retiree Trustee shall be held every three years during the month of May.
- (3) A special election for Retiree Trustees shall be held as soon as practicable after the Plan of Adjustment is confirmed. Unless a Retiree Trustee elected by reason of this special election resigns or is removed from the position of Trustee in accordance with the terms of the Combined Plan Document, a Retiree elected to the office of Trustee in the special election shall be eligible to serve a full term of three (3) years from the date of the special election, plus such period of time until the last day of June that follows the third anniversary of the special election, at which time an election for Retiree Trustees shall be held in accordance with Section 1.7.

**Sec 1.7. Procedures for election of Retiree Trustees**

The procedures for the election of the Retiree Trustees shall be as follows:

- (1) *Notice.* Notice of a primary election shall be sent to each Retiree by United States Mail.
- (2) *Notice of Candidacy.* A proposed candidate shall submit a notarized letter to the executive director notifying the Retirement System of his or her candidacy.
- (3) *Ballot.* Each candidate whose name appears on the ballot at any election held for the office of Retiree Trustee shall be identified by the title of the position the Retiree held at the time of retirement and by the word “incumbent” if the candidate is a current trustee seeking re-election. No ballot shall contain any organizational or political designation or mark. Rotation and arrangement of names on the ballot shall be in accordance with the rules and regulations of the Board.
- (4) *Voting.* Procedures regarding mailing of ballots, poll lists, custody of ballots, marking of ballots, return of ballots, handling of return envelopes received, and sealed ballot boxes shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.

- (5) *Procedures.* Procedures regarding the selection and certification of successful candidates for nomination, the selection of Trustees from nominees, tie votes, and the destruction of ballots shall be the same as those adopted and followed by the Board in the immediately preceding election of an active employee Trustee.
- (6) *Board Rules.* Any matters relative to the election of the Retiree member of the Board not covered by this Section 1.7 shall be handled in accordance with such rules and regulations as the Board may adopt and Michigan law.

#### **Sec 1.8. Board of Trustees; Oath; Term; Vacancies**

Within ten days after appointment or election, each Trustee shall take an oath of office to be administered by the City Clerk.

The term of office for each elected Trustee under Sections 1.5(7), (8) and (10) shall be three years. The term of office for the Trustee who is selected by the Board under Section 1.5(9) shall be two years. The term of office for the Trustees appointed by the Mayor under Sections 1.5(11) and (12) shall be three years. Except as provided in Section 1.6(3), elected Trustees holding office on June 30, 2014 shall serve the remainder of their terms.

If a Trustee resigns or is removed by the other Trustees for cause, or if an elected or appointed Trustee fails to attend three consecutive scheduled Board meetings without being excused for cause by the Trustees attending such meetings, the Trustee shall be considered to have resigned from the Board. If a vacancy occurs in the office of Trustee from any cause other than expiration of a term, the vacancy for the unexpired term shall be filled within sixty days of the date of said vacancy in the same manner as the office was previously filled. No vacancy shall result by reason of a change in the rank or grade of a Trustee during the term of office.

#### **Sec 1.9. Board of Trustees; Officers and Employees**

The Board of Trustees shall elect from its membership a chairman and a vice chairman. The executive director of the Retirement System or his or her representative shall serve as secretary of the Board of Trustees. The Board may employ such special actuarial, medical and other employees as shall be required, subject to the powers and authority reserved to the Investment Committee and subject to the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*

#### **Sec 1.10. Board of Trustees; Meetings; Rules of Procedure; Votes; Quorum**

- (1) The Board shall hold regular meetings, at least one in each month, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure, including provisions for special meetings and notice thereof, and shall keep a record of proceedings. All meetings of the Board shall be public and are subject to the *Michigan Open Meetings Act, MCL 15.261 et seq.* All Board meetings shall be held within the City of Detroit.

- (2) Each Trustee shall be entitled to one vote on each question before the Board. A majority vote of the Trustees present shall be necessary for a decision by the Trustees at any meeting of the Board.
- (3) Eight members of the Board, four of whom must be elected members, shall constitute a quorum.

#### **Sec 1.11. Board of Trustees; Compensation; Expenses**

All members of the Board of Trustees shall serve without additional compensation from the City or the Retirement System; however Retiree Trustees shall receive a hourly stipend from the Retirement System equal to the lowest rate of pay received by an active employee Trustee for attending Board meetings, educational time and travel out of the City on official business of the Retirement System. All Trustees shall be reimbursed from the Expense Fund for all actual, reasonable and necessary expenses incurred in the performance of their duties as Trustees.

#### **Sec 1.12. Rules for Administration of Funds.**

Subject to the limitations contained in this Combined Plan document, the Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this Combined Plan document and for the transaction of its business.

#### **Sec 1.13. Board of Trustees; Certain Data to be Kept**

The Board of Trustees shall keep, or cause to be kept, in convenient form, such data as shall be necessary for the actuarial valuation of the various funds of the Retirement System and for checking and compiling the experience of the Retirement System. The ordinary actuarial, accounting and clerical services for the operation of the Retirement System shall be performed by the employees of the Retirement System.

#### **Sec 1.14. Board of Trustees; Annual Audit Report**

The Board shall render a report to the Mayor, the City Council and the Investment Committee on or before the fifteenth day of January, showing the fiscal transactions of the Retirement System for the year ending on the preceding thirtieth day of June, the amounts of accumulated cash and securities in the various funds of the System, and the last balance sheet showing the financial condition of the Retirement System by means of an actuarial valuation of the assets and liabilities of the Retirement System.

#### **Sec 1.15. Board of Trustees; Legal Advisors**

- (1) The Board shall appoint legal advisors (including a general counsel) who shall be directly responsible to and shall hold office at the pleasure of the Board of Trustees. Any legal advisor to the Board of Trustees shall be an attorney licensed to practice law in the State of Michigan and shall be experienced in matters relating to pension systems. The qualifications of legal counsel shall be approved by the Board of Trustees.



- (2) Legal advisors to the Board of Trustees shall have such duties relative to pension matters as shall be assigned by the Board of Trustees.
- (3) Costs and expenses relative to the position of legal advisors to the Board shall be payable out of the assets of the Retirement System, subject to the provisions of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*

**Sec 1.16. Board of Trustees; Medical Director**

- (1) The Board shall appoint a Medical Director who is directly responsible to and shall hold office at the pleasure of the Board. The Medical Director shall be a physician who has not at any time been regularly or permanently employed by any department, board, or commission of the City, county, or state, has not held an elective, appointive, or salaried office in any city, county, or state government at any time, and is not eligible to participate in a retirement system maintained by the City. However, service as an intern in any city, county, or state hospital or sanitarium and service in any state military body shall not disqualify a physician for appointment as Medical Director.
- (2) The Medical Director shall arrange for and pass upon all medical examinations required under the provisions of the Combined Plan, and shall report in writing to the Board of Trustees his or her conclusions and recommendations on medical matters referred to it.

**Sec 1.17. Designation of Actuary; Authority to Engage Additional Actuaries**

The Retirement System actuary as of July 1, 2014 shall continue to serve as such until resignation or removal by the Board. In the event the Board desires to retain a new actuary, the Board and the Investment Committee shall collectively participate in the evaluation and selection of a qualified actuary. The Retirement System actuary shall be responsible for assisting the Board and the Investment Committee in performing its actuarial duties and shall comply with all requests for information or modeling requested by the Investment Committee, and shall attend meetings of the Board and Investment Committee as requested, so as to allow the Investment Committee to perform satisfactorily the rights and duties set forth in the Combined Plan, the governance terms attached to the that certain Agreement by and between the Michigan Settlement Administration Authority, the Retirement System, the General Retirement system for the City of Detroit, Michigan ("GRS"), and the City (the "State Contribution Agreement") as Exhibit B (the "Governance Term Sheet"), and the Plan of Adjustment. Furthermore, the Board shall not act on any recommendation made by the Retirement System's actuary based on any calculation, assumption or assessment rejected by the Investment Committee.

Nothing herein shall be interpreted as limiting the Investment Committee's authority to engage an actuarial consulting firm other than the Retirement System's actuary to perform actuarial services deemed necessary to fulfill its fiduciary and other duties to the Retirement System as set forth in the Governance Term Sheet and the Plan of Adjustment.

**Sec 1.18. Board of Trustees; Adoption of Mortality and Other Tables of Experience and Rates of Interest; Limitations on Payments by the Retirement System**

- (1) Subject to Section 15.1, the Board shall adopt such mortality and other tables of experience, and a rate or rates of interest, as shall be necessary for the operation of the System on an actuarial basis, provided, that the authority granted by this Section shall not permit or be used to provide for an interest rate which would violate the prohibitions of Subsection (2) or (3) of this Section.
- (2) The Retirement System and the Trustees charged with management of the System shall not make any payment to active or retired Members other than payments that are required by the governing documents of the Retirement System. This prohibition applies to all payments that are not authorized by this Combined Plan, whether such payments are those commonly referred to as a “thirteenth check” or by any other name.
- (3) Anything in this Combined Plan Document or any other document to the contrary notwithstanding, the annual actuarial interest rate assumption for the period commencing July 1, 2014 and ending June 30, 2023 shall be six and three-quarters percent (6.75%).

#### **Sec 1.19. Board of Trustees; Annual Actuarial Valuation of Assets and Liabilities**

Subject to Section 15.1, each year, on the basis of such mortality and other tables of experience, and such rate or rates of regular interest as the Board shall adopt pursuant to Section 1.18, the Board shall cause to be made an actuarial valuation of the assets and liabilities of the Retirement System.

#### **Sec 1.20. Board of Trustees; Powers and Duties; Fiduciary Status; Fiduciary Duties**

The Board of Trustees shall have such powers and duties as are necessary for the proper administration of the Retirement System and the custody and investment of Retirement System assets, other than those powers and duties reserved to the Investment Committee. To the extent the Board exercises discretion with respect to investment of Retirement System assets, the Board shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*, and a Board member shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* A member of the Board of Trustees shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Board members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member’s fiduciary duties or conflicts with the provisions set forth in this Combined Plan Document.

#### **Sec 1.21. Investment Committee; Establishment; Purpose; Fiduciary Status; Fiduciary Duties**

As of the effective date the Plan of Adjustment, but subject to consummation of the State Contribution Agreement, an Investment Committee is hereby created for the purpose of making recommendations to, and approving certain actions by, the Board of Trustees and/or making determinations and taking action under and with respect to certain investment management matters relating to the Retirement System. The creation and operation of the Investment

Committee is controlled by the Governance Term Sheet. The Investment Committee shall remain in effect for a period of not less than twenty years following the date of confirmation of the Plan of Adjustment. The Investment Committee shall be an investment fiduciary as defined in the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* and shall have all powers granted fiduciaries under the first sentence of *MCL 38.1133(5) and (6)*. The Investment Committee shall serve in a fiduciary capacity with respect to the investment management of Retirement System assets, determination of the investment return assumptions, and Board compliance with provisions of the governing documents of the Retirement System. An Investment Committee member shall discharge his or her duties with respect to the Retirement System in compliance with the provisions of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* An Investment Committee member shall discharge his or her duties with the care, skill and caution under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an activity of like character and purpose. Investment Committee members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflict with the provisions set forth in the Governance Term Sheet.

#### **Sec 1.22. Investment Committee; Membership; Appointment**

The Investment Committee shall consist of nine (9) members, determined as follows:

- (1) Five independent members, at least two of whom must be residents of the State of Michigan, and none of whom may be a party in interest with respect to the Retirement System, as defined in as defined in Section 38.1132d(4) of the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* Each independent Investment Committee member shall have expert knowledge or extensive experience with respect to either (a) economics, finance, or institutional investments, or (b) administration of public or private retirement plans, executive management, benefits administration or actuarial science. At least one of the independent Investment Committee members shall satisfy the requirements of (a) above and at least one of the independent Investment Committee members shall satisfy the requirements of (b) above. The initial independent Investment Committee members shall be selected by mutual agreement of the appropriate representatives of the State of Michigan, the City and the Board, in consultation with the Foundation for Detroit's Future (the "Foundation"), and shall be named in the Plan of Adjustment. If one or more of the five initial independent Investment Committee members are not selected by mutual agreement prior to confirmation of the Plan of Adjustment, then the United States Bankruptcy Court, Eastern District of Michigan shall designate such number of independent Investment Committee members as necessary to bring the number of independent Investment Committee members to five (5);
- (2) Two Retirees who shall be appointed by the Board consisting of one elected retired Police Member and one elected retired Fire Member who are serving on the Board and who are receiving benefit payments under the Retirement System; and

- (3) Two Employee members who shall be appointed by the Board consisting of one Fire Department Employee and one Police Department Employee who are active members of the Board.

**Sec 1.23. Investment Committee; Term; Resignation and Removal; Vacancies**

The term of office for the independent members of the Investment Committee shall be six years; provided, however, that the initial term for the independent Investment Committee members shall be determined as follows:

<u>Independent Member</u>	<u>Term of Office</u>
(1)	2 years
(2)	3 years
(3)	4 years
(4)	5 years
(5)	6 years

The term of office for a Retiree or Employee Investment Committee member shall be the number of years remaining on such individual's term of office as a member of the Board of Trustees. Each Investment Committee member shall serve until his or her successor is appointed at the expiration of his or her term of office, or until his or her death, incapacity, resignation or removal, if earlier. Notwithstanding any provision of this Combined Plan document, an initial independent Investment Committee member shall not be prohibited from becoming a successor independent Investment Committee member after expiration of his or her initial term.

An Investment Committee member may resign at any time by giving ninety days' prior written notice to the Investment Committee, the City and the Board, which notice or time period may be waived by the Investment Committee. An Investment Committee member may be removed from office by majority vote of the remaining Investment Committee members for any of the following reasons: (a) the member is legally incapacitated from executing his or her duties as a member of the Investment Committee and neglects to perform those duties; (b) the member has committed a material breach of the provisions of the Retirement System or the policies or procedures of the Retirement System and the removal of the member is in the interests of the Retirement System or its Members and Beneficiaries; (c) the member is convicted of a violation of law and the removal is accomplished by a vote of the members of the Investment Committee in accordance with the voting procedure set forth in Section 1.24; or (d) if the member holds a license to practice and such license is revoked for misconduct by any State or federal government. A member who fails to attend four (4) consecutive scheduled meetings of the Investment Committee shall be deemed to have resigned, unless in each case his or her absence is excused for cause by the remaining members attending such meetings. In the event of any removal or resignation, the Investment Committee shall by resolution declare the office of the member vacated as of the date such resolution is adopted.

Any vacancy occurring on the Investment Committee shall be filled within sixty (60) days following the date of the vacancy for the unexpired portion of the term, in the same manner in which the office was previously filled.

Successor independent Investment Committee members shall be recommended by a majority of the remaining independent Investment Committee members and shall be confirmed by the Board and the Treasurer of the State of Michigan ("Treasurer"), in consultation with the Foundation, in accordance with such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with the Governance Term Sheet or the Plan of Adjustment). In the event the Board and the Treasurer cannot agree on a successor independent Investment Committee member within thirty (30) days of the receipt of the recommendation of the Investment Committee, the remaining independent Investment Committee members shall appoint the successor independent Investment Committee member.

In the event the United States Bankruptcy Court, Eastern District of Michigan appoints one or more of the initial independent Investment Committee members, a successor to any such independent Investment Committee member shall be appointed in the same manner as provided in the preceding paragraph following three (3) weeks' notice to the Board of the individuals appointed, in accordance with such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with either the Governance Term Sheet or the Plan of Adjustment).

Successor Investment Committee members shall have the powers and duties conferred on Investment Committee members herein.

#### **Sec 1.24. Investment Committee; Operation; Meetings; Quorum; Voting**

The Investment Committee members shall select from among the independent members a chair and a vice chair. The Investment Committee members shall select from among themselves a secretary. The Investment Committee shall hold regular meetings, not less frequently than once every other month, and shall hold special meetings as necessary. The Investment Committee shall designate the time and place thereof in advance. The secretary or his or her designee shall be responsible for providing meeting notices to the other Investment Committee members. The Investment Committee shall adopt its own rules of procedure and shall keep a record of proceedings. Notice and conduct of all Investment Committee meetings, both regular and special, shall be subject to the *Michigan Open Meetings Act, MCL 15.261 et seq.* All Investment Committee meetings shall be held within the City of Detroit.

Five Investment Committee members shall constitute a quorum at any meeting, as long as at least three of the independent Investment Committee members are in attendance. Each independent Investment Committee member shall be entitled to one vote on each question before the Investment Committee. Each Retiree and Employee member shall be entitled to one-half vote on each question before the Investment Committee. Except as otherwise provided in the Governance Term Sheet, at least four concurring votes shall be necessary for a decision by the Investment Committee and each Investment Committee member shall be entitled to one vote on each question before the Investment Committee.

An Investment Committee member may have his or her voting privileges temporarily suspended by a 70% or higher vote of the other members if the member is indicted or sued by a state or federal government for an alleged violation of the law that relates to his or her service on the Investment Committee, or for other alleged financial crimes, including fraud.



### **Sec 1.25. Investment Committee; Compensation; Expenses; Employment of Advisors**

Investment Committee members shall not receive any compensation from the Retirement System for their services; Investment Committee members shall, however, be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to the administration of the Investment Committee, including but not limited to the purchase of insurance, shall be payable out of the assets of the Retirement System. The Investment Committee may retain actuarial, legal counsel, audit or other professional or support personnel to provide advice to the Investment Committee as it deems reasonably necessary to perform its functions, and such parties or persons may be reasonably compensated from the assets of the Retirement System. Such engagements shall not be subject to approval of the Board.

### **Sec 1.26. Investment Committee; Special Reporting Obligation**

- (1) Beginning in calendar year 2015, pursuant to Section 6 of the State Contribution Agreement, the Investment Committee shall provide compliance reports to the Treasurer on a semi-annual basis and at such other times as the Treasurer reasonably may request (each, a “Compliance Report”) that certifies that the Investment Committee is not aware of any defaults under the State Contribution Agreement, or, if the Investment Committee is aware of a default under the State Contribution Agreement, specifically identifying the facts of such default.
- (2) In the event the Retirement System receives a written notice from the Treasurer declaring and specifically identifying the facts of an alleged default under the State Contribution Agreement (“Default Notice”), and such default is cured as provided in the State Contribution Agreement, the Investment Committee must provide to the Treasurer a written certification that (i) the default has been cured, and (ii) no material damages have been caused by the default that have not otherwise been remedied (the “Cure Certification”).
- (3) Beginning in calendar year 2015, the Investment Committee shall provide to the City not later than December 31 of each year evidence reasonably necessary to show that the internal controls governing the investment of Retirement System assets are in compliance with the applicable provisions of the Plan of Adjustment.
- (4) Beginning in calendar year 2015 and for each calendar year thereafter, as of a date which is not later than December 31 of each such calendar year the Investment Committee shall provide to the Foundation the following information:
  - (a) a copy of the audited annual financial statement and the corresponding management letter for the Retirement System for the Fiscal Year ending June 30 of such calendar year, containing a non-qualified opinion of an independent external auditor to the Retirement System;
  - (b) a certification from the Chair of the Investment Committee on behalf of the Investment Committee (“Pension Certificate”) in a form reasonably acceptable to



the Foundation that, as of the date of the annual report (“Annual Report”) required to be provided by the City to the Foundation:

- (i) the City is current in its obligation to contribute to Component II of the Combined Plan determined in accordance with the Plan of Adjustment;
  - (ii) the Investment Committee has been operated in accordance with the terms set forth in this Component I of the Combined Plan document; and
  - (iii) the City continues to maintain the pension governance terms reflected in this Component I of the Combined Plan as of the effective date of the Plan of Adjustment, without modification or amendment during the twenty (20) year period following the effective date of the Plan of Adjustment, except as required to comply with applicable federal law, including without limitation to maintain the tax qualified status of the Retirement System under the Internal Revenue Code, or to comply with the Plan of Adjustment;
- (c) a copy of (i) the Compliance Report covering the calendar year for which the Annual Report is made; (ii) any additional Compliance Reports provided during the calendar year for which the Annual Report is made as requested by the Treasurer; (iii) either the certificate of compliance or the Default Notice, within the meaning of Section 6 of the State Contribution Agreement, as applicable, that was provided to the Investment Committee by the Treasurer; and (iv) in the event that the Treasurer issued a Default Notice, the Cure Certification, within the meaning of Section 6 of the State Contribution Agreement, provided by the Investment Committee. Notwithstanding anything in this paragraph (c) to the contrary, if the parties to the State Contribution Agreement agree to revise the requirements of Section 6 of the State Contribution Agreement or the information required in the Compliance Report, in order to meet the obligations of this paragraph (c), the Investment Committee shall be required only to provide documentation to the Foundation that meets such revised requirements; and
- (d) any additional information that may be reasonably requested by the Foundation from time to time.
- (e) Beginning in calendar year 2016, before May 15<sup>th</sup> of each calendar year, the Investment Committee shall provide to the Chief Financial Officer of the City confirmation that, as of the date of the City’s report to the Foundation, there has been no impairment or modification of the information contained in the most recent Pension Certificate since the date of such Pension Certificate.

## ARTICLE 2. DEFINITIONS

### Sec 2.1. Definitions

Unless a different definition is contained within this Combined Plan Document, or a different meaning is plainly required by context, for purposes of this Combined Plan Document the following words and phrases have the meanings respectively ascribed to them by this section:

- (1) *Accumulated Mandatory Employee Contributions* means the sum of all amounts deducted from the Compensation of a Member and credited to the Accumulated Mandatory Employee Contribution Fund for periods on and after July 1, 2014.
- (2) *Accumulated Voluntary Employee Contributions* means the total balance in a Member's individual account under Component I of the Retirement System.
- (3) *Actuarial Equivalent or Actuarially Equivalent* means a Retirement Allowance or benefit amount having the same Actuarial Equivalent Value as another applicable benefit. The rates of interest adopted by the Board from time to time shall not violate the terms of the Plan of Adjustment.
- (4) *Actuarial Equivalent Value* means the value of an applicable Retirement Allowance or benefit amount, where values are calculated under generally accepted actuarial methods and using the applicable tables, interest rates and other factors established by the Board upon recommendation of the Investment Committee.
- (5) *Administrative Rules and Regulations* means rules and regulations promulgated by the Board of Trustees for the administration of the Retirement System and for the transaction of its business.
- (6) *Age, Attainment of* means the age an individual reaches on the day of his or her birthday.
- (7) *Average Final Compensation* means the average Compensation received by a Member during the five consecutive years of Credited Service which immediately precede the date of the Member's last termination of City employment as an employee of the Police Department or the Fire Department. If a Member has less than five years of Credited Service, the Average Final Compensation shall be the average of the annual Compensation received by the Member during the Member's total years of Credited Service.
- (8) *Beneficiary* means any person or persons (designated by a Member pursuant to procedures established by the Board) who are entitled to receive a Retirement Allowance or Pension payable from funds of the Retirement System due to the participation of a Member.
- (9) *Board of Trustees or Board or Retirement Board* means the Board of Trustees of the Police and Fire Retirement System of the City of Detroit.
- (10) *City* means the City of Detroit, Michigan, a municipal corporation.

- (11) *City Council or Council* means the legislative body of the City.
- (12) *Combined Plan* means the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan, effective July 1, 2014, and as amended thereafter.
- (13) *Compensation* means a Member's base salary or wages actually paid to the Member for personal services rendered to the Employer, excluding bonuses, overtime pay, payment of unused accrued sick leave, longevity pay, payment for unused accrued vacation, the cost or value of fringe benefits provided to the Member, termination or severance pay, reimbursement of expenses, or other extra payment of any kind. Compensation will include any amount which is contributed by the City to a plan or program pursuant to a salary reduction agreement and which is not includable in the income of the Member under Sections 125, 402(e)(3), 402(h) or 403(b) of the Internal Revenue Code or which is contributed by the City on behalf of a Member as provided in Section 9.3(3) and 9.5 pursuant to a qualified "pick-up program".

For periods of time prior to July 1, 2014, the City shall provide to the Retirement System actual base salary or wages paid to Members using the best and most reliable sources of information available to the City. In the event the City is unable to provide actual base wages to the Retirement System, the City shall make reasonable estimates of each Member's base salary or wages for purposes of determining a Member's Compensation for periods prior to July 1, 2014.

Notwithstanding the foregoing, for purposes of determining a Member's Voluntary Employee Contributions, Compensation shall mean the gross salary or wages paid to the Member for personal services rendered to the City.

The annual Compensation of each Member taken into account for the purposes of determining all benefits provided under the Retirement System for any determination period shall not exceed the limitation set forth in Code Section 401(a)(17) (\$260,000 for the Plan Year commencing July 1, 2014). Such limitation shall be adjusted for the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year. If Compensation for any prior determination period is taken into account in determining a Member's benefits for the current determination period, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that determination period. If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

- (14) *Component I* means the portion of the Retirement System described in this Combined Plan and which consists of:
  - (a) the 2014 Defined Benefit Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code; and

- (b) the 2014 Defined Contribution Plan which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code.
- (15) *Component II* means the portion of the Retirement System described in this Combined Plan and which consists of:
  - (a) the Defined Benefit Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code; and
  - (b) the Defined Contribution Plan, which is a qualified plan and trust pursuant to applicable sections of the Internal Revenue Code.
- (16) *Credited Service* means service credited to a Member to the extent provided in Article 4 of Component I of this Combined Plan Document.
- (17) *Disability or Disabled*: see Total Disability or Totally Disabled.
- (18) *DFFA* means the Detroit Fire Fighters Association.
- (19) *DPCOA* means the Detroit Police Command Officers Association.
- (20) *DPLSA* means the Detroit Police Lieutenants and Sergeants Association.
- (21) *DPOA* means the Detroit Police Officers Association.
- (22) *DROP Account* means the account established by the Board for a Member who is eligible for and who elects to participate in the DROP Program.
- (23) *DROP Program* means a program established for eligible Members pursuant to Article 12.
- (24) *Employee* means an employee of the City's Police Department who has taken an oath of office or a Fire Fighter providing services to the City, but does not include:
  - (a) individuals whose City services are compensated on a contractual or fee basis;
  - (b) any person during any period when such person is classified by the City as a non-common-law employee or an independent contractor for federal income tax and withholding purposes whose compensation for services is reported on a form other than Form W-2 or any successor form for reporting wages paid to and taxes withheld from employees, even if a court or administrative agency determines that such person is a common-law employee of the City;
  - (c) the Medical Director of the Retirement System.

If a person described in (b) above is reclassified by the City as a common-law employee of the City and otherwise meets the definition of an Employee, the person will be eligible to participate in the Retirement System prospectively as of the actual date of such

reclassification only (and only to the extent such individual otherwise qualifies as an Employee).

- (25) *Employer* means the City.
- (26) *Final Compensation* means the annual compensation of a Member at the time of his or her termination of employment.
- (27) *Fire Fighter* means the rank in the Fire Department currently or formerly classified by the civil service commission as Fire Fighter.
- (28) *Fire Member* means an employee of the Fire Department of the City of Detroit who is a participant in the Retirement System.
- (29) *Fiscal Year* means the twelve month period commencing each July 1 and ending on the following June 30.
- (30) *Hour of Service* means (i) each hour for which a Member is paid or entitled to payment by the City for the performance of duties, and (ii) each hour for which a Member is directly paid or entitled to payment by the City for reasons other than the performance of duties (such as vacation, holiday, illness or approved leave of absence).
- (31) *Internal Revenue Code or Code* means the United States Internal Revenue Code of 1986, as amended.
- (32) *Investment Committee* means the committee established pursuant to Section 1.22 which shall have the powers and duties described herein.
- (33) *Mandatory Employee Contributions* mean the contributions made by a Member to the Retirement System pursuant to Section 9.3(3).
- (34) *Medical Beneficiary* means a Member who has retired from employment with the Employers and the spouses and dependents of such Member who are receiving post-retirement benefits in accordance with the terms of a retiree medical plan sponsored or maintained by an Employer.
- (35) *Medical Benefits* mean the provision of payments for certain sickness, accident, hospitalization and medical benefits within the meaning of Treasury Regulation section 1.401-14(a), including dental, vision and mental health benefits, as designated by the City.
- (36) *Medical Benefits Account* means the bookkeeping account established under Section 17.1 to provide for the payment of Medical Benefits on behalf of Medical Beneficiaries.
- (37) *Medical Director* means the physician appointed by the Board pursuant to Section 1.16.
- (38) *Member* means any Police Member or Fire Member who has not retired or died.

- (39) *Normal Retirement Age* means for any Member Age fifty with twenty-five years of Credited Service, with the following transition period regarding payment of Component I benefits only:

<u>Fiscal Year</u>	<u>Age and Service</u>
2015	Age 43 and 20 years
2016	Age 43 and 20 years
2017	Age 44 and 21 years
2018	Age 45 and 22 years
2019	Age 46 and 23 years
2020	Age 47 and 24 years
2021 and thereafter	Age 50 and 25 years

Pursuant to Code Section 411(e), as in effect in 1974, a Member shall be 100% vested in his accrued benefit under the Retirement System upon Attainment of Normal Retirement Age while in Service.

- (40) *Notice to Members, Beneficiaries, and Retirees* means a mailing using First Class United States Mail to the Members, Beneficiaries, and Retirees at their last known addresses.
- (41) *Patrolman* means the rank in the Police Department currently or formerly known as patrolman.
- (42) *Pension Reserve* means the present value of all payments to be made on account of any Retirement Allowance. Such Pension Reserve shall be computed upon the basis of such mortality and other tables of experience, and interest, as provided herein until June 30, 2023 and, thereafter, as shall be adopted by the Board upon the recommendation of the Investment Committee.
- (43) *Plan Actuary or Actuary* means the enrolled actuary or actuarial firm appointed as provided in Section 1.17 to serve as technical advisor to the Investment Committee and the Board on matters regarding the funding and operation of the Retirement System and to perform such other duties as the Investment Committee or the Board may direct.
- (44) *Plan Document or Combined Plan Document* means this instrument, effective as of July 1, 2014, with all amendments hereafter adopted.
- (45) *Plan of Adjustment* means the Plan for the Adjustment of Debts of the City of Detroit, which has been approved by the United States Bankruptcy Court in *In re City of Detroit, Michigan*, Case No. 13-53846.
- (46) *Plan Year* means the twelve month period commencing on July 1 and ending on June 30.
- (47) *Police and Fire Retirement System of the City of Detroit or Retirement System* means the Police and Fire Retirement System of the City of Detroit created and, prior to July 1, 2014, memorialized in Title IX, Chapter VI, of the 1918 Detroit City Charter, as amended, continued in effect through the 1974, 1997 and 2012 Detroit City Charters, Article 47 of the Detroit City Code, Article 54 of the Detroit City Code of 1964, and



collective bargaining agreements and, on and after July 1, 2014, pursuant to Section 47-1-2 of the Detroit City Code, memorialized in this Combined Plan Document, as amended from time to time.

The Retirement System consists of:

- (a) The 2014 Defined Benefit Plan, which is described in Component I hereof;
- (b) the Defined Contribution Plan, consisting of the Voluntary Employee Contribution Account, which are described in Component I hereof;
- (c) the Frozen Defined Benefit Plan, which is described in Component II hereof; and
- (d) the Frozen Defined Contribution Plan, which is described in Component II hereof.

References to the words Retirement System in Component I of the Plan Document shall mean the provisions of the Defined Benefit Plan and Defined Contribution Plan described in Component I, unless a different meaning is plainly required by context.

- (48) *Police Member* means a Police Officer who has taken the oath of office as prescribed in the Detroit City Charter, excluding patrolmen of other City departments, privately employed patrolmen and special patrolmen, who is a participant in the Retirement System.
- (49) *Police Officer* means the rank in the Police Department currently or formerly known as Police Officer.
- (50) *Prior Service* means the service credit awarded to a Member before July 1, 2014 under the terms of the Retirement System as in effect on June 30, 2014, as certified by the Board of Trustees.
- (51) *Retiree* means a former Member who is receiving a Retirement Allowance from the Retirement System.
- (52) *Retirement* means a Member's withdrawal from the employ of the City with a Retirement Allowance paid by the Retirement System.
- (53) *Retirement Allowance* means an annual amount payable in monthly installments by the Retirement System, whether payable for a temporary period or throughout the future life of a Retiree or Beneficiary.
- (54) *Service* means personal services rendered to the City by an employee of the Police Department or Fire Department, provided such person is compensated by the City for such personal services.
- (55) *Spouse* means the person to whom a Member is legally married under applicable law at the time a determination is made.



- (56) *Straight Life Retirement Allowance* means payment of a Member's Retirement Allowance over the Member's lifetime.
- (57) *Total Disability or Totally Disabled* means:
- (a) during the first twenty-four (24) months that a Member receives benefits from the Retirement System due to injury, illness or disease, that the Member is unable to perform, for wage or profit, the material and substantial duties of the Member's occupation; and
  - (b) during all subsequent months that a Member receives benefits from the Retirement System due to illness, injury or disease, that the Member is unable to perform, for wage or profit, the material and substantial duties of any occupation for which the Member is suited, based on education, training and experience.
- (58) *Vesting Service* means service credited to a Member to the extent provided in Section 4 of Component I of this Combined Plan Document.
- (59) *Voluntary Employee Contributions* mean the after-tax contributions made by an eligible Member to the Retirement System pursuant to Section 10.1.
- (60) *Voluntary Employee Contributions Account* means the account established pursuant to Section 10.3 for an eligible Member who elects to make Voluntary Employee Contributions.

The following terms shall have the meanings given to them in the Sections of this Combined Plan Document set forth opposite such term:

Accumulated Mandatory Employee Contribution Fund	Section 9.2(1)
Accumulated Voluntary Employee Contribution Fund	Section 9.2(2)
Annual Addition	Section 13.2(2)
Annual Report	Section 1.26(4)(b)
Authority	Section 1.26(1)
compensation	Section 13.1(12)
Compliance Report	Section 1.26(1)
Cure Certification	Section 1.26(2)
current active	Section 9.3(3)
Default Notice	Section 1.26(2)
Deferred Retirement Option Plan Fund	Section 9.2(3)
Deferred Retirement Option Plan Program (DROP)	Section 12.1
Differential Wage Payment	Section 4.4
Direct rollover	Section 18.8(1)(b)
Distributee	Section 18.8(1)(c)
Dollar Limit	Section 13.1(3)(b)
DRRB	Section 5.6
Eligible retirement plan	Section 18.8(1)(d)
Eligible rollover distribution	Section 18.8(1)(e)
Expense Fund	Section 9.2(7)

Foundation	Section 1.22
funding level	Section 9.5(3)
Governance Term Sheet	Section 1.17
Income Fund	Section 9.2(8)
ING	Section 12.3(1)
investment management decision or investment management matter	Section 16.2
limitation year	Section 13.1(2)
Medical Benefits Account Fund	Section 9.2(4)
Medical Plans	Section 17.1
new employee	Section 9.3(3)
Option “A”. Joint and Seventy-Five Percent Survivor Allowance	Section 8.1(1)(c)
Option “B”. Joint and Twenty-Five Percent Survivor Allowance	Section 8.1(1)(e)
Option One. Cash Refund Annuity	Section 8.1(1)(a)
Option Three. Joint and Fifty Percent Survivor Allowance	Section 8.1(1)(d)
Option Two. Joint and One Hundred Percent Survivor Allowance	Section 8.1(1)(b)
Pension Accumulation Fund	Section 9.2(5)
Pension Certificate	Section 1.26(4)(b)
Pension Improvement Factor (Escalator)	Section 6.2
Plan of Adjustment	Section 1.3
Police and Fire Retirement System of the City of Detroit	Section 1.1
Pop-up Form	Section 8.1(2)(b)
Rate Stabilization Fund	Section 9.2(6)
Standard Form	Section 8.1(2)(a)
State Contribution Agreement	Section 1.17
Straight Life Retirement Allowance	Section 8.1(1)
Treasurer	Section 1.23

## **ARTICLE 3. MEMBERSHIP**

### **Sec 3.1. Eligible Employees**

- (1) Except as provided in Section 3.2, the membership of the Retirement System shall consist of all persons who are employed with the Police and Fire Departments of the City and who are employed as Police Officers or Fire Fighters according to the rules and regulations of the respective Departments. An eligible Employee's membership in the Retirement System shall be automatic; no eligible Employee shall have the option to elect to become a Member of the Retirement System.
- (2) Any appointive official of the Police Department or Fire Department appointed from the membership thereof shall be permitted to remain a Member, paying contributions and entitled to benefits as though he had remained in the rank, grade or position held at the date of his appointment.
- (3) Any Police Officer or Fire Fighter who, prior to being confirmed, shall be killed or Totally Disabled as the result of the performance of active duty, shall be deemed to have been a Member as of his or her date of death.
- (4) Any Member who shall be transferred to a civilian position in his Department shall continue as a Member, subject to all the obligations of a Member.

### **Sec 3.2. Cessation of Membership; Re-Employment**

- (1) If a Member dies, or is separated from service with the City by resignation, dismissal, retirement or disability, he shall cease to be a Member. A Member who elects to participate in the DROP Program under Component I, Component II or both shall be considered to have separated from service with the City by reason of retirement and shall neither accrue a benefit under the Retirement System nor be required to make Mandatory Employee Contributions to the Retirement System pursuant to Section 9.3(3) or 9.5 or permitted to make Voluntary Employee Contributions pursuant to Section 10.1.
- (2) If a Member ceases to be a Member under paragraph (1) other than by reason of participation in the DROP Program and later becomes a Police Officer or Fire Fighter other than in the position of Police Assistant, he shall again become a Member, subject to the obligations of a Member.
- (3) If a Member ceases to be a Member under paragraph (1) and later becomes employed as a Police Assistant, such Member shall not become a Member upon reemployment. If such Member was receiving a Retirement Allowance from the Retirement System prior to his or her date of rehire, such Retirement Allowance shall not be suspended during the period of the Member's reemployment as a Police Assistant.
- (4) Retirement benefits for a Retiree who returns to active full time employment other than as a Police Assistant shall be subject to the following:

- (a) A Retiree who returns to work will have his Retirement Allowance suspended upon re-employment. The variable Pension Improvement Factor (Escalator) shall not be added to the amount of the original Retirement Allowance during the Retiree's re-employment period.
- (b) A Retiree who returns to work will be entitled to receive a second Retirement Allowance in accordance with the provisions of the Retirement System in effect during his re-employment period.
- (c) A Retiree's Average Final Compensation and Credited Service for purposes of determining the Retiree's second Retirement Allowance will be based upon the Compensation and Credited Service earned by the Retiree after he returns to work.
- (d) An individual who retires for a second time will not be allowed to change the payment option selected by the Member with respect to the original Retirement Allowance. However, the individual may select a separate payment option with respect to his second Retirement Allowance.

### **Sec 3.3. Report From City**

It shall be the duty of the City to submit to the Board of Trustees a statement showing the name, title, compensation, duties, date of birth, date of hire, and length of service of each Member, and such other information as the Board of Trustees may require or reasonably request for proper administration of the Retirement System.

## **ARTICLE 4. SERVICE CREDIT**

### **Sec 4.1. Credited Service**

- (1) The Board shall keep an accurate record of each Member's accumulated Service credit from the date of commencement of employment with the City to the date of termination of employment with the City.
- (2) A Member shall be credited with one month of Credited Service for each calendar month during which he performs one hundred forty (140) or more Hours of Service for the City as a Police Officer or Fire Fighter beginning on the later of (i) July 1, 2014 or (ii) his date of hire with the City as a Police Officer or Fire Fighter and ending on the date his employment with the City as a Police Officer or Fire Fighter is terminated. Service shall be credited in years and twelfths (1/12<sup>th</sup>) of a year. Not more than one-twelfth (1/12<sup>th</sup>) of a year of Credited Service shall be credited to a Member on account of all Service rendered to the City in a calendar month. Not more than one year of Credited Service shall be credited to a Member on account of all Service rendered to the City in any period of 12 consecutive months.
- (3) Not more than one month of Credited Service shall be granted for any period of more than one month during which the Member is absent without pay; notwithstanding the foregoing, any Member who shall be suspended from duty and subsequently reinstated to duty without further disciplinary action shall receive credit for the time of such period of suspension.
- (4) Solely for purposes of determining eligibility for a retirement benefit under Sections 5.1 and 5.4, a Member shall be credited with the sum of his Prior Service as determined by the Board and his Credited Service on and after July 1, 2014 determined under Section 4.1(2). The period of time during which a Member is on layoff from the service of the City shall be included in the Member's Credited Service solely for the purposes of determining whether the Member has attained his Normal Retirement Age for purposes of Section 5.1.

### **Sec 4.2. Vesting Service**

- (1) A Member shall be credited with a year of Vesting Service for each Plan Year commencing on or after July 1, 2014 during which the Member performs 1,000 or more Hours of Service for the City.
- (2) A Member's total Vesting Service shall be the sum of his Prior Service and his Service determined under Section 4.2(1).

### **Sec 4.3. Service Credit; Military Service**

A Member who enters the military service of the United States while employed with the City shall have the period of such military service credited as City Service in the same manner as if the Member had served the City without interruption, provided that (1) the Member's entry into such military service and re-employment thereafter shall be in accordance with applicable

laws, ordinances, and regulations of the State of Michigan and the City, (2) he or she is re-employed by the City upon completion of such military service, and (3) the Member contributes to the Retirement System the Mandatory Employee Contributions that would have been made by the Member but for the Member's military service. The Member shall be permitted to make such contributions in accordance with Code Section 414(u) and regulations thereunder. During the period of military service and until return to City employment, the Member's Mandatory Employee Contributions to the Retirement System shall be suspended.

#### **Sec 4.4. Service Credit; Qualified Military Service**

Notwithstanding any provision of this Combined Plan Document to the contrary, contributions, benefits, and service credit with respect to qualified military service under Component I, shall be provided in accordance with Code Section 414(u). Notwithstanding anything to the contrary herein, if a Member dies while performing qualified military service (as defined in Code Section 414(u)), to the extent required by Code Section 401(a)(37), the survivors of the Member are entitled to any additional benefits (if any, and other than benefit accruals relating to the period of qualified military service) provided under the Retirement System as if the Member had resumed and then terminated employment on account of death.

Notwithstanding anything to the contrary herein, if the City decides to provide Differential Wage Payments to individuals who are performing service in the uniformed services (as defined in Chapter 43 of Title 238, United States Code) while on active duty for a period of more than thirty days, such Differential Wage Payment will be treated as compensation under the Code Section 415(c)(3) limits, but not for purposes of benefit accruals under the Retirement System. For these purposes the term "Differential Wage Payment" means a payment defined in Code Section 3401(h)(2) that is made by the City to an individual who is performing service in the uniformed services while on active duty for a period of more than thirty days.

## **ARTICLE 5. ELIGIBILITY FOR RETIREMENT**

### **Sec 5.1. Eligibility for Unreduced Normal Retirement Benefit**

Any Member who attains his Normal Retirement Age while employed by the City may retire upon written application filed with the Board setting forth the date on which the Member desires to be retired. The date of retirement shall be effective as of the first day following the later of (i) the Member's last day on the City payroll, or (ii) the date the Member executes and files an application for retirement, notwithstanding that the Member may have separated from Service during the notification period. Such a Member shall be entitled to receive an unreduced Retirement Allowance calculated as provided in Section 6.1 and payable in a form of payment selected by the Member pursuant to Section 8.1.

### **Sec 5.2. Eligibility for Deferred Vested Retirement Benefit**

Any Member who terminates employment with the City prior to satisfying the requirements for receipt of a retirement benefit under Section 5.1 and who is credited with ten (10) or more years of Vesting Service upon his or her termination of employment (regardless of Age) shall be entitled to receive an unreduced Retirement Allowance commencing at any time following his Attainment of Age sixty-two. At a Member's election, the Member may begin receiving a Retirement Allowance following his Attainment of Age fifty-five, actuarially reduced for early commencement, in lieu of an unreduced Retirement Allowance beginning at age sixty-two. Deferred vested retirement benefits shall be payable in accordance with a form of payment selected by the Member pursuant to Section 8.1.

### **Sec 5.3. Eligibility for Disability Retirement Benefit – Duty Disability**

- (1) If, prior to attainment of his Normal Retirement Date, a Member shall become Totally Disabled for duty by reason of injury, illness or disease resulting from performance of duty and if, pursuant to Section 5.6, the Board shall find such injury, illness or disease to have resulted from the performance of duty, on written application to the Board by or on behalf of such Member or by the head of his Department such Member shall be retired; notwithstanding that during such period of notification he or she may have separated from service and provided further that the Medical Director, after examination of such Member shall certify to the Board the Member's Total Disability. A Member who retires as a result of duty disability shall receive for a period of twenty-four months the sum of:
  - (a) a basic benefit equal to fifty percent (50%) of his Final Compensation at the time his duty disability retirement begins, and
  - (b) a supplemental benefit equal to sixteen and two-thirds percent (16-2/3%) of his Final Compensation at the time his duty disability retirement begins.

Subject to Section 9.5, on the first day of each Plan Year, a Member's duty disability benefit will be increased as provided in Section 6.2.

- (2) After a Member receives benefits hereunder for a period of twenty-four months, the Board will determine whether the Member is disabled from any occupation. If the



Member is disabled from any occupation, the Member shall continue to receive the benefit provided in paragraphs (1)(a) and (1)(b) until such time as the Member would have attained twenty-five years of Credited Service had he continued in active Service with the City. At that time, the Member shall continue to receive the benefit described in paragraph 1(a) above; however, benefits described in paragraph (1)(b) above will cease. If the Member is not disabled from any occupation, he shall continue to receive the benefit described in paragraph (1)(a) above; benefits described in paragraph 1(b) will cease.

- (3) In the event a Member receiving duty disability benefits has attained twenty-five years of Credited Service, duty disability benefits shall continue to be paid to the Member until the earlier of (i) the Member's Attainment of Age sixty-five, or (ii) the date the Member ceases to be Totally Disabled as determined by the Board. Upon termination of disability or Attainment of Age sixty-five, a Member with twenty-five years of Credited Service shall be eligible to receive a Retirement Allowance as provided in Section 6.1. The amount of such Retirement Allowance shall be equal to the amount which would have been payable to the Member if the Member's conversion from duty disability retirement to a Retirement Allowance had occurred on the date the Member attained twenty-five years of Credited Service.
- (4) If a Member on duty disability retirement returns to active Service with the City and shall re-qualify for duty disability retirement for the same or related reasons within twenty-four months of his return to active Service, then the disability shall be deemed a continuation of the prior Total Disability and the period of the Member's active Service following the return to work will not qualify the Member to be entitled to a new initial determination of disability for purposes of determining the benefit payable to the Member. Instead, such Member will return to duty disability retirement benefits based on the number of months of disability with which the Member was credited at the time of his return to active Service, as if there had not been a break in his period of duty disability retirement.
- (5) During the period a Member is eligible to receive duty disability benefits under this Section 5.3, the Member shall continue to be credited with Credited Service until the Member accrues twenty-five years of Credited Service, at which time accrual of Credited Service shall cease.
- (6) In the event that a recipient of a duty disability retirement benefit receives earned income from gainful employment during a calendar year, the amount of the Member's disability benefit payable during the next subsequent Plan Year will be adjusted so it does not exceed the difference between (i) the Member's base salary at the date of duty disability, increased by the variable Pension Improvement Factor (Escalator) (if any) applicable to such benefit pursuant to Section 6.2 multiplied by the number of full Plan Years from the date of the Member's duty disability to the year in which the earnings offset is applied, and (ii) the amount of the Member's remuneration from gainful employment during the prior calendar year. The amount of income received by a Member shall be determined by the Board based upon information received from the Member or based upon information secured from other reliable sources. Furnishing such information to the Board at such

times as the Board shall require shall be a condition for the Member's continued eligibility for duty disability benefits.

#### **Sec 5.4. Eligibility for Disability Retirement Benefit – Non-Duty Disability**

- (1) Upon the application of a Member or the Member's Department head, a Member who becomes totally and permanently disabled prior to his or her Normal Retirement Date in the employ of the City not resulting from the performance of duty shall be retired by the Board; provided that the Medical Director shall certify to the Board after a medical examination, that such Member is mentally or physically totally and permanently disabled for the further performance of duty to the City. Such a Member shall receive the following applicable benefits:
  - (a) If such Member has less than five years of Credited Service at the time of his disability retirement, his Accumulated Mandatory Employee Contributions standing to his credit in the Accumulated Mandatory Employee Contributions Fund shall be returned to him, or at his option he shall receive a cash refund annuity which shall be the actuarial equivalent of his Accumulated Mandatory Employee Contributions.
  - (b) If such Member has five or more years of Credited Service at the time of his disability retirement, he shall receive a disability Retirement Allowance computed in accordance with the provisions of Section 6.1 payable in any of the optional forms provided in Section 8.1 hereof. His annual Straight Life Retirement Allowance shall not be less than twenty per cent (20%) of his Average Final Compensation.
- (2) If a Member receiving non-duty disability retirement benefits is or becomes engaged in a gainful occupation, business, or employment paying more than the difference between the disabled Member's Retirement Allowance and Average Final Compensation, the Member's Retirement Allowance shall be reduced by the amount of such difference. If the amount of the Retiree's earnings changes, the Retirement Allowance may be adjusted accordingly. The amount of income received by a Member shall be determined by the Board based upon information received from the Member or based upon information secured from other reliable sources. Furnishing such information to the Board at such times as the Board shall require shall be a condition for the Member's continued eligibility for non-duty disability benefits.

#### **Sec 5.5. Disability Retirees; Reexamination**

- (1) At least once each year during each year following the retirement of a Member under Section 5.3 or Section 5.4, the Board shall require that such disability Retiree who has not attained his Normal Retirement Age undergo a medical examination, to be made by, or under the direction of the Medical Director; provided, however, that medical examinations shall not be required if the Medical Director determines that the Retiree's condition is permanent and there is no need for further reexamination. Retirees shall be reimbursed for reasonable costs actually incurred by the Retirees in connection with such

examinations. Should any such Retiree who has not attained Normal Retirement Age fail to submit to a required medical examination, the Retiree's Retirement Allowance may be suspended by the Board until the examination is completed. Should such failure continue for one year, all of the disability Retiree's rights in and to the duty or non-duty disability Retirement Allowance may be revoked by the Board. If upon such examination of a Retiree, the examiner reports that the Retiree is no longer Totally Disabled, and such report is concurred in by the Board, the Retiree shall be restored to active service with the City and the Retirement Allowance paid pursuant to Section 5.3 or Section 5.4 shall be suspended until the Retiree terminates active Service with the City.

- (2) A disabled Retiree who has been, or shall be, reinstated to active Service in the employ of the City shall again become a Member. All Credited Service at the time of the disability retirement shall be restored to the Member.

#### **Sec 5.6. Disability Benefits; Procedures for Determination of Disability**

- (1) The Board shall establish procedures for determining whether a Member is Totally Disabled. Such procedures shall be consistent with any collective bargaining agreements between the City and the unions covering Police Employees and Fire Employees.
- (2) If a Member is determined to be Totally Disabled under Section 5.3(1) or 5.4(1), the Board or its designee will examine the pension file, including the submissions of the Member and the Police or Fire Department, to determine if there is any dispute as to whether the disability "resulted from the performance of duty" within the meaning of the Combined Plan. If it is undisputed that the disability did result from the performance of duty, the Board will grant duty disability retirement benefits. If it is undisputed that the disability did not result from the performance of duty, the Board will grant non-duty disability retirement benefits, provided the Member meets the other conditions of eligibility. If the performance of duty issue is in dispute, the Board will refer the matter to arbitration by a member of the Disability Retirement Review Board ("DRRB"). The decision of the DRRB member as to whether the disability resulted from the performance of duty shall be final and binding upon the Member, the Department and the Board. The DRRB shall consist of three qualified arbitrators who will be individually assigned in rotating order to decide the matters referred to arbitration by the Board. The three members of the DRRB shall be disinterested persons qualified as labor arbitrators and shall be selected in accordance with agreements between the City and the unions representing Members. The procedure for the termination of DRRB members and the selection of new DRRB members also shall be carried out in accordance with the agreements between the City and the unions representing Members.
- (3) The hearing before a member of the DRRB will be conducted in accordance with the following procedures:
  - (a) The Member and the City will have the right to appear in person or otherwise may be represented by counsel if they wish and will be afforded an equal opportunity to present evidence relevant to the issues;

- (b) A court reporter will be present and make a stenographic record of the proceedings;
  - (c) The hearing will be closed to the public, except that the Member may select one person to be with him or her in the hearing room; provided, however, that person may not testify;
  - (d) The witnesses will be sequestered;
  - (e) The witnesses will be sworn by the court reporter and testify under oath;
  - (f) The Member may not be called by the City as an adverse witness;
  - (g) The DRRB member will apply the rules of evidence and follow the procedures which are customarily applied and followed in labor arbitration cases;
  - (h) If the Member wishes to have an employee of the City released from duty to appear as a witness on his or her behalf, the Member may so inform the Board in writing which, in turn, will submit a written request to the appropriate Department executive for the release of the employee for the purpose of so testifying;
  - (i) The DRRB member will afford the parties an opportunity for the presentation of oral argument and/or the submission of briefs;
  - (j) The DRRB member will issue a written decision containing credibility resolutions as necessary, findings of fact and conclusions with respect to all relevant issues in dispute;
  - (k) The authority of the DRRB member is limited to deciding whether or not the Member's disability "resulted from the performance of duty" within the meaning of the Combined Plan. The DRRB member shall have no authority to add to, subtract from, modify or disregard the terms of the Combined Plan: and
  - (l) The costs associated with the hearing, including the arbitrator's fees and expenses and the court reporter's fees and expenses, will be paid by the Retirement System.
- (4) If a disability Retiree is determined by the Board to no longer be Totally Disabled, he or she may appeal that determination within seven (7) days thereof by filing a written request with the Board for a re-examination. The Board shall promptly arrange for such re-examination. The Member's disability benefits will be continued pending that final and binding medical finding, and if the finding is that the Member is no longer Totally Disabled, his or her disability benefits will be further continued while the Police or Fire Department conducts such examinations and/or investigations as necessary to determine whether the Member is qualified for reappointment to active duty. In the event that the examinations and/or investigations conducted by the Police Department result in a determination that a Member represented by DPLSA is not qualified, for medical reasons, for reappointment to active duty, disability benefits will be continued.

- (5) The Board shall not act upon or grant the application filed by a Member who, although he or she is not capable of performing the full duties of a Police Employee or Fire Employee, has not suffered any diminishment of his or her base wages or benefits because he or she is either:
  - (a) regularly assigned to a position, the full duties of which he or she is capable of performing; or
  - (b) assigned to a restricted duty position, unless the Member's Department advises that it intends to seek a disability retirement for the Member in the foreseeable future.
- (6) The provisions in paragraph (5) above are not intended to and will not:
  - (a) affect the right of a Member to seek a disability retirement when no restricted duty position is available; or
  - (b) restrict in any way the existing authority of the Chief of Police or the Fire Commissioner to seek a duty or non-duty disability retirement for a Member for that Member at that time to request a duty or non-duty disability retirement.

#### **Sec 5.7. Return of Accumulated Mandatory Contributions to Non-Vested Member**

If a Member ceases employment with the City before becoming eligible for a Retirement Allowance under Section 5.1 or 5.2 or a disability Retirement Allowance pursuant to Section 5.3 or 5.4, the Member may elect to receive distribution of the Accumulated Mandatory Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Mandatory Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.

#### **Sec 5.8. Benefits Offset by Compensation Benefits; Subrogation**

- (1) Any amounts which may be paid or payable to a Member, Retiree, or Beneficiary on account of disability or death under the provisions of any Workers' Compensation, pension, or similar law, except federal Social Security old-age and survivors' and disability insurance benefits, shall be an offset against any amounts payable from funds of the Retirement System (Component I and Component II combined) on account of the same disability or death. If the present value of the benefits payable under said Workers' Compensation, pension, or similar law, is less than the Pension Reserve for the Retirement Allowance payable by the Retirement System (under both Component I and Component II), the present value of the said Workers' Compensation, pension, or similar legal benefit shall be deducted from the amounts payable by the Retirement System (under both Component I and Component II), and such amounts as may be provided by the Retirement System, so reduced, shall be payable as provided in this Combined Plan Document.

- (2) In the event a person becomes entitled to a pension payable by the Retirement System because of an accident or injury caused by the act of a third party, the Retirement System shall be subrogated to the rights of said person against such third party to the extent of the benefit which the Retirement System pays or becomes liable to pay.

## **ARTICLE 6. RETIREMENT ALLOWANCE; VARIABLE PENSION IMPROVEMENT FACTOR (ESCALATOR)**

### **Sec 6.1. Retirement Allowance**

The Retirement Allowance payable to a Member commencing at the later of his Normal Retirement Age or his actual retirement from employment with the City in the form of a Straight Life Retirement Allowance shall be equal to two percent (2%) of the Member's Average Final Compensation multiplied by the Member's years (computed to the nearest one-twelfth ( $1/12^{\text{th}}$ ) year) of Credited Service earned after June 30, 2014.

### **Sec 6.2. Variable Pension Improvement Factor (Escalator)**

Except as provided in Section 9.5, beginning July 1, 2015 and effective the first day of each Plan Year thereafter, the Board may determine that the annual Retirement Allowance of a Member shall be increased by a factor of one percent (1.0%), computed each year on the basis of the amount of the original Retirement Allowance received at the time of Retirement ("Pension Improvement Factor (Escalator)"); provided, that the recipient of said Retirement Allowance shall have been receiving a Retirement Allowance for a period of not less than twelve months prior to the first day of such Plan Year. The Pension Improvement Factor (Escalator) shall be compounded.



## ARTICLE 7. DEATH BENEFITS

### Sec 7.1. Accidental Death Benefit; Performance of Duty

- (1) If a Member is killed in the performance of duty in the service of the City, or dies as the result of illness contracted or injuries received while in the performance of duty in the service of the City, and such death, illness, or injury resulting in death, is found by the Board to have resulted from the actual performance of duty in the service of the City, the following benefits shall be paid:
  - (a) the Accumulated Mandatory Employee Contributions standing to his or her credit in the Accumulated Mandatory Employee Contributions Fund at the time of his or her death shall be paid to such person or persons as the Member shall have nominated by written designation duly executed and filed with the Board. If no such designated person survives the Member, the said Accumulated Mandatory Employee Contributions shall be paid to the Member's legal representative, subject to paragraph (e) of this Section 7.1(1).
  - (b) the surviving spouse shall receive a pension of five-elevenths of the Member's Final Compensation payable for the spouse's lifetime. If the Member's child or children under age eighteen years also survive the deceased Member, each such child shall receive a pension of one-tenth of such Final Compensation; provided, that if there are more than two such surviving children under age eighteen years, each such child's pension shall be an equal share of seven thirty-thirds of such Final Compensation. Upon the death, marriage, adoption, or Attainment of Age eighteen years of any such child, his or her pension shall terminate and there shall be a redistribution of the benefit by the Board to the deceased Member's remaining eligible children, if any; provided, that in no case shall any such child's pension exceed one-tenth of the Member's Final Compensation. In no case shall the total of the benefits provided for in this paragraph (b), payable on account of the death of a Member exceed two-thirds of the Member's Final Compensation.
  - (c) if no surviving spouse survives the deceased Member or if the Member's surviving spouse dies before his youngest unmarried surviving child attains Age eighteen years, his unmarried child or children under Age eighteen years shall each receive a pension of one-fourth of the Member's Final Compensation; provided that if there are more than two such surviving children under age eighteen years, each such child's pension shall be an equal share of one-half of such Final Compensation. Upon the death, marriage, adoption, or Attainment of Age eighteen years of any such child, his or her pension shall terminate and there shall be a redistribution by the Board to the deceased Member's remaining eligible children, if any; provided, that in no case shall any such child's pension exceed one-fourth of the Member's Final Compensation.
  - (d) if the Member has no surviving spouse or surviving children under Age eighteen years and if the Member leaves surviving either a father or mother or both, whom the Board shall find to be actually dependent upon such Member for financial

support, such dependent father and mother shall each receive a pension of one-sixth of the Member's Final Compensation.

- (e) If a Member dies intestate, without having designated a person or persons, as provided in paragraph (a) of this Section 7.1(1), and without heirs, the amount of his Accumulated Mandatory Employee Contributions in the Accumulated Mandatory Employee Contribution Fund, not to exceed a reasonable sum, to be determined by the Board, shall be used to pay his burial expenses, provided the Member leaves no other estate sufficient for such purpose. Any balance credited to such Member in the Accumulated Mandatory Employee Contribution Fund, and not used for burial expenses shall remain a part of the funds of the Retirement System and shall be transferred to the Pension Accumulation Fund.

## **Sec 7.2. Non-Duty Death Benefits**

The surviving spouse of any Member who dies while in the employ of the City (other than in the performance of duty) after the date such Member has earned ten or more years of Credited Service, shall receive a Retirement Allowance computed in the same manner in all respects as if said Member had (i) retired effective on the day preceding the Member's death, notwithstanding that the Member had not attained Normal Retirement Age, (ii) elected a Joint and One Hundred Percent Survivor Allowance as described in Section 8.1, and (iii) nominated the surviving spouse as Beneficiary.

## **Sec 7.3. Refund of Accumulated Mandatory Contributions Upon Death of Member**

If a Member who is not covered by Section 7.1 dies while employed by the City or following termination of employment but prior to commencement of a Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions to the Retirement System at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Mandatory Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Mandatory Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.

## ARTICLE 8. FORMS OF PAYMENT

### Sec 8.1. Retirement Allowance Options

- (1) Until the date the first Retirement Allowance payment check is issued, any Member may elect to receive a Straight Life Retirement Allowance payable throughout life, or the Member may elect to receive the Actuarial Equivalent of the Straight Life Retirement Allowance computed as of the effective date of retirement, in a reduced Retirement Allowance payable throughout life, and nominate a Beneficiary, in accordance with the options set forth below:
- (a) *Option One. Cash Refund Annuity.* A Retiree will receive a reduced Retirement Allowance for as long as he or she lives, provided that if the Retiree dies before payment of the Accumulated Mandatory Employee Contributions made to the Retirement System on and after July 1, 2014 has been received in an aggregate amount equal to, but not exceeding the Retiree's Accumulated Mandatory Employee Contributions at the time of retirement, the difference between said Accumulated Mandatory Employee Contributions and the aggregate amount of annuity payments already received, shall be paid in a single lump sum to a Beneficiary nominated by written designation duly executed by the Member and filed with the Board. If there are no such designated Beneficiaries surviving said Retiree, any such difference shall be paid to the Retiree's estate.
  - (b) *Option Two. Joint and One Hundred Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and One Hundred Percent Survivor Allowance, one hundred percent of the Member's reduced Retirement Allowance shall be paid to and continued throughout the life of the Beneficiary nominated by written designation duly executed and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (c) *Option "A". Joint and Seventy-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and Seventy-Five Percent Survivor Allowance, seventy-five percent of the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (d) *Option Three. Joint and Fifty Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and Fifty Percent Survivor Allowance, fifty percent of the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.
  - (e) *Option "B". Joint and Twenty-Five Percent Survivor Allowance.* Upon the death of a Retiree who elected a Joint and Twenty-Five Percent Survivor Allowance, twenty-five percent of the Member's reduced Retirement Allowance shall be

continued throughout the life of and paid to the Beneficiary nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the Retirement Allowance becomes due.

- (2) *Joint and Survivor Optional Forms of Payment.* The Joint and Survivor Optional Forms of Payment provided under the Retirement System shall be made available in either the standard form or the pop-up form, as follows:
- (a) *Standard Form.* Under the Standard Form, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree.
  - (b) *Pop-up Form.* Under the Pop-up Form, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree and the designated Beneficiary. In the event of the death of the designated Beneficiary during the lifetime of the Retiree, the amount of the Retirement Allowance payable to the Retiree shall be changed to the amount that would have been payable had the Retiree elected the Straight Life Retirement Allowance Form of Payment.

## **Sec 8.2. Disposition of Surplus Benefits upon Death of Retiree and Beneficiary**

If under a Joint and One Hundred Percent Survivor allowance, a Joint and Seventy-Five Percent Survivor allowance, a Joint and Fifty Percent Survivor allowance or a Joint and Twenty-Five Percent Survivor allowance as provided for under Section 8.1, both a Retiree and Beneficiary die before they have received in Retirement Allowance payments an aggregate amount equal to the Retiree's Accumulated Mandatory Employee Contributions (and if the Retiree makes an election pursuant to Section 10.4(2), his Accumulated Voluntary Employee Contributions) at the time of retirement, the difference between the said Accumulated Mandatory Employee Contributions (and Accumulated Voluntary Employee Contributions, if applicable) and the aggregate amount of Retirement Allowances paid to the Retiree and Beneficiary, shall be paid in a single lump sum to such person or persons nominated by written designation of the Retiree duly executed and filed with the Board. If there is no such person or persons surviving the Retiree and the Beneficiary, any such difference shall be paid to the estate of the Retiree or the Beneficiary, whichever is the last to die.

## **ARTICLE 9. FUNDING AND RESERVES**

### **Sec 9.1. Funding Objective of the Retirement System**

The funding objective of Component I of the Retirement System is to establish and receive City and Member contributions during each Plan Year that are sufficient to fully cover the actuarial cost of benefits anticipated to be paid on account of Credited Service rendered by Members during the Plan Year (the normal cost requirements of the Retirement System), and to amortize the unfunded actuarial costs of benefits likely to be paid on account of Credited Service rendered on or after July 1, 2014 and before the first day of the Plan Year (the unfunded actuarial accrued liability of the Retirement System).

### **Sec 9.2. Funds**

Component I of the Retirement System shall consist of the Accumulated Mandatory Employee Contribution Fund, the Accumulated Voluntary Contribution Fund, the Deferred Retirement Option Program Fund (if applicable), the Medical Benefits Account Fund, the Pension Accumulation Fund, the Rate Stabilization Fund, the Expense Fund and the Income Fund, as follows:

- (1) The Accumulated Mandatory Employee Contribution Fund shall be the Fund in which shall be accumulated the contributions of Members to provide their Retirement Allowances. Upon the retirement, termination, disability or death of a Member with a Retirement Allowance, the Member's Accumulated Mandatory Employee Contributions shall be deemed to be part of the Pension Reserve which shall be used to pay the Member's or Beneficiary's Retirement Allowance.
- (2) The Accumulated Voluntary Employee Contribution Fund shall be the Fund in which shall be accumulated the voluntary after-tax contributions of Members, together with earnings thereon.
- (3) The Deferred Retirement Option Plan Fund shall be the fund in which shall be accumulated the amounts credited to the DROP Accounts of Members who have elected to participate in the DROP Program pursuant to Article 12, together with earnings thereon, provided that the DROP Accounts are held and invested within the Retirement System.
- (4) The Medical Benefits Account Fund shall be the fund in which shall be accumulated the amounts contributed to the Retirement System for the purposes of paying Medical Benefits.
- (5) The Pension Accumulation Fund shall be the fund in which shall be accumulated reserves for the Retirement Allowances and other benefits payable from that portion of the City's annual contribution that is not credited to the Rate Stabilization Fund and amounts transferred to Component I as provided in Section G-2(f) of Component II and from which shall be paid Retirement Allowances and other benefits on account of Members.

- (6) The Rate Stabilization Fund shall be the Fund to which shall be credited City contributions in excess of the amount of the City's contribution which is credited to the Pension Accumulation Fund and amounts transferred to Component I as provided in Section G-2(f) of Component II.
- (7) The Expense Fund shall be the fund to which shall be credited any money provided by the City, if any, to pay the administrative expenses of the Retirement System, and from which shall be paid certain expenses incurred in connection with the administration and operation of the Retirement System.
- (8) The Income Fund shall be the Fund to which shall be credited all interest, dividends, and other income derived from the investments of the assets of Component I of the Retirement System, all gifts and bequests received by Component I of the Retirement System, and all other moneys credited to Component I of the Retirement System, the disposition of which is not specifically provided for in this Article 9. There shall be paid or transferred from the Income Fund, all amounts required to credit earnings and losses to the various Funds of the Retirement System in accordance with the provisions of Component I of this Combined Plan Document. Amounts credited to the Income Fund in excess of amounts needed to credit earnings and losses of the Retirement System as provided in this Component I for any Plan Year shall be transferred to the Pension Accumulation Fund and used to pay Retirement Allowances and other benefits on account of Members.

### **Sec 9.3. Method of Financing Retirement System Benefits**

- (1) The pension liabilities for Members under this Component I shall be determined by the Plan's Actuary using the entry-age normal cost method of actuarial valuation.
- (2) The City's annual contribution to finance the prospective pension liabilities during the nine Plan Year period commencing July 1, 2014 and ending June 30, 2023 shall be (a) eleven and two-tenths percent (11.2%) of the base Compensation of active employees who are members of the DFFA (for pay periods ending on or before the effective date of the 2014-2019 collective bargaining agreement between the City and DFFA) and members of DPOA (for pay periods ending on or before October 3, 2014) and (b) twelve and one-quarter percent (12.25%) of the base Compensation of active employees who are members of the DPCOA, the DPLSA, the DPOA (for pay periods beginning on or after October 3, 2014) and the DFFA (for pay periods beginning on or after the effective date of the 2014-2019 collective bargaining agreement between the City and DFFA). A portion of the City's annual contribution for each Plan Year shall be credited to the Rate Stabilization Fund. The remainder of the City's annual contribution shall be allocated to the Pension Accumulation Fund.
- (3) Except as provided in Section 9.5, for each Plan Year, a Member who was an active employee as of June 30, 2014 ("current active") shall contribute to the Retirement System an amount equal to six percent (6%) of his or her base Compensation for such Plan Year and a Member who is hired or rehired by the City on or after July 1, 2014 ("new employee") shall contribute to the Retirement System an amount equal to eight percent



(8%) of his or her base Compensation for such Plan Year. A Member's Mandatory Employee Contributions for the Plan Year beginning July 1, 2014 and ending June 30, 2015 shall commence as of the Member's first payroll date occurring in August 2014. The officer or officers responsible for processing the payroll shall cause a Member's Mandatory Employee Contributions to be deducted from the Member's Compensation on each and every payroll, for each and every payroll period, from the later of (i) the Member's first payroll date occurring in August 2014 and (ii) the Member's date of hire, to the date he ceases to be a Member. The contribution shall be deducted from the Members' Compensation, notwithstanding that the minimum compensation provided by law for any Member shall be reduced thereby. Payment of compensation, less said Mandatory Employee Contributions, shall be a complete discharge of all claims and demands whatsoever for the services rendered by the said Member during the period covered by such payment. Member Mandatory Employee Contributions will be used for the purpose of funding the normal cost of the Retirement System.

#### **Sec 9.4. Member Contributions Picked-Up**

- (1) The City shall pick up Member Mandatory Employee Contributions required pursuant to Sections 9.3(3) and 9.5 in accordance with Code Section 414(h).
- (2) The picked-up contributions, although designated as employee contributions shall be treated as City contributions for the purpose of determining a Member's tax treatment under the Internal Revenue Code. The City shall pay the contributions picked-up on behalf of a Member from the same source of funds that are used for paying compensation to the Member.
- (3) The City shall pick up Member Mandatory Employee Contributions by a reduction in the Member's cash salary or an offset against a future salary increase, or both. The City shall designate the Mandatory Employee Contributions that are picked-up and paid to the Retirement System as employer contributions and not as employee contributions. No Member who participates in the Retirement System shall have the option of choosing to receive the contributed amounts directly instead of having those amounts paid by the City to the Retirement System.

#### **Sec 9.5. Fiscal Responsibility: Benefit Reductions and Increased Funding Obligations**

- (1) To safeguard the long-term actuarial and financial integrity of the Retirement System, in the event the funding level of Component I of the Retirement System projected over a five year period falls below ninety percent (90%), the Trustee may not award the variable Pension Improvement Factor (Escalator) described in Section 6.2 to any individual beginning with the Plan Year following the Plan Year in which such determination is made and continuing until the funding level is restored to not less than ninety percent (90%).
- (2) In the event the funding level of the Retirement System projected over a five year period falls below ninety percent (90%), the following remedial action shall be required in the order set forth below, beginning with the Plan Year following the Plan Year in which



such determination is made and continuing until the funding level is projected to be one hundred percent (100%) on a market value basis within the next five years:

- (a) the remedial action required in Section 9.5(1) shall be implemented or continued;
  - (b) all amounts credited to the Rate Stabilization Fund shall be transferred to the Pension Accumulation Fund for the purposes of funding benefits payable under the Retirement System;
  - (c) Mandatory Employee Contributions for active and new employees shall be increased by one percent (1%) for up to the next following five Plan Years;
  - (d) Mandatory Employee Contributions for active and new employees shall be increased by an additional one percent (1%) per year;
  - (e) Mandatory Employee Contributions for active and new employees shall be increased by an additional one percent (1%) per year;
  - (f) the Retirement Allowance payable to a Retiree shall not include the variable Pension Improvement Factor (Escalator) that was most recently paid to the Retiree on the date the funding level is projected to fall below ninety percent (90%);
  - (g) the Retirement Allowance payable to a Retiree shall not include the variable Pension Improvement Factor (Escalator) that was most recently added to the Member's Retirement Allowance for the Plan Year preceding the Plan Year referenced in paragraph (f) above;
  - (h) Mandatory Employee Contributions for active and new employees shall be increased by an additional one percent (1%) per year; and
  - (i) contributions made to the Retirement System by the City shall be increased, consistent with applicable actuarial principles and the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.*
- (3) For purposes of this Section 9.5, the "funding level" shall mean the ratio of the market value of the assets of Component I of the Retirement System to the actuarial accrued liability of Component I of the Retirement System. The actuarial accrued liability shall be calculated by the Plan's Actuary utilizing an interest rate assumption of six and three-quarters percent (6.75%) and other reasonable assumptions as directed by the Board upon the recommendation of the Investment Committee. The market value of assets shall be determined on the basis of a three-year look back period of smoothed investment returns.

## **ARTICLE 10. VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec 10.1. Voluntary Employee Contributions; Amount; Vesting**

Subject to procedures established by the Board, a Member who is covered by a collective bargaining agreement with the City that permits the Member to make Voluntary Employee Contributions to Component I of the Retirement System may elect to reduce his Compensation for any Plan Year by a whole percentage not less than one percent (1%) nor more than ten percent (10%) and have such amount contributed by the City to a Voluntary Employee Contribution Account maintained on his behalf under Component I of the Retirement System. A Member represented by the DPOA may elect to reduce the amount paid to him or her by the City for accumulated sick leave in excess of 400 hours by a whole percentage not less than one percent (1%) nor more than one hundred percent (100%) of such amount and have such amount contributed by the City to a Voluntary Employee Contribution Account maintained on his behalf under Component I of the Retirement System. Voluntary Employee Contributions shall be made to the Retirement System on an after-tax basis. Amounts credited to a Member's Voluntary Employee Contribution Account shall be one hundred percent (100%) vested at all times.

### **Sec 10.2. Changing an Election to Contribute**

A Member may change or revoke an election to make Voluntary Employee Contributions to the Retirement System pursuant to this Article 10 in such manner and with such advance notice as the City shall determine. Notwithstanding the foregoing, a Member shall be permitted to change such election not less frequently than annually.

### **Sec 10.3. Individual Member Accounting; Crediting of Earnings**

The Board shall maintain a Voluntary Employee Contribution Account on behalf of each Member who elects to make Voluntary Employee Contributions to the Retirement System. Each Plan Year, a Member's Voluntary Employee Contribution Account shall be credited with earnings at a rate equal to the actual net investment rate of return on the assets of the Retirement System for the second Fiscal Year immediately preceding the Fiscal Year in which the earnings are credited; in no event, however, shall the earnings rate credited to a Member's Voluntary Employee Contribution Account for any Plan Year be less than zero percent (0%) nor greater than five and one-quarter percent (5.25%).

### **Sec 10.4. Distribution of Accumulated Voluntary Employee Contributions**

- (1) If a Member ceases employment with the City other than by reason of death, the Member may elect to receive distribution of the Accumulated Voluntary Employee Contributions made to the Retirement System by such Member. If a Member elects to receive his Accumulated Voluntary Employee Contributions, such amounts shall be paid to the Member in a lump sum payment or in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time.
- (2) In lieu of receiving distribution of his Accumulated Voluntary Employee Contributions as provided in Section 10.4(1), a Member may elect to have the Actuarial Equivalent

Value of his Accumulated Voluntary Employee Contributions added to his Retirement Allowance and paid in the form of an annuity described in Section 8.1.

- (3) If a Member dies while employed by the City or following termination of employment but prior to receiving distribution of the Member's Accumulated Voluntary Employee Contributions, the amounts credited to the Member's Voluntary Employee Contribution Account at the time of death shall be paid to the Beneficiary nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated Beneficiary surviving, the Member's Accumulated Voluntary Employee Contributions shall be paid to the Member's estate. If a Member who dies without a legal will has not nominated a Beneficiary, the Member's Accumulated Voluntary Employee Contributions at the time of death may be used to pay burial expenses if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.

## **ARTICLE 11. LOAN PROGRAM FOR VOLUNTARY EMPLOYEE CONTRIBUTIONS**

### **Sec 11.1. The Loan Program**

A loan program shall be available to Members who have amounts credited to a Voluntary Employee Contributions Account. The Board is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of the loan program. Copies of the rules shall be made available to eligible Members in the offices of the Retirement System. Any loans granted or renewed under the Retirement System shall be made and administered pursuant to and in compliance with Section 72(p) of the Internal Revenue Code and regulations thereunder.

### **Sec 11.2. Eligibility for Loan**

Subject to the rules and procedures established by the Board, loans may be made to eligible Members from such Member's Voluntary Employee Contribution Account. An eligible Member is any Member who has participated in the Retirement System for twelve (12) months or more. Former Members, spouses and Beneficiaries are not eligible to receive any loans from the Retirement System. No Member shall have more than two (2) outstanding loans from the Retirement System (Component I and/or Component II) at any time. A Member who has previously defaulted on a loan under either Component I or Component II of the Combined Plan shall not be eligible for a loan from the Retirement System.

### **Sec 11.3. Amount of Loan**

An eligible Member who has satisfied applicable rules and procedures established by the Board may borrow from his Voluntary Employee Contribution Account an amount, which does not exceed the lesser of (i) fifty percent (50%) of the Member's Voluntary Employee Contribution Account balance, and (ii) Fifteen Thousand Dollars (\$15,000.00), in each case reduced by the excess, if any, of: (1) the Member's highest outstanding loan balance under the Retirement System (both Component I and Component II) during the one (1) year period ending on the day before the date on which the loan is made, or (2) the outstanding loan balance under the Retirement System (both Component I and Component II) on the date on which the loan is made, whichever is less. The minimum loan amount shall be One Thousand Dollars (\$1,000.00).

### **Sec 11.4. Terms and Conditions**

In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:

- (a) Each loan application shall be made in writing.
- (b) All loans shall be memorialized by a collateral promissory note for the amount of the loan, including interest, payable to the order of the Retirement System and properly executed by the Member.
- (c) Each loan shall be repaid by substantially equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a

principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than Twenty Dollars (\$20.00) for any two-week pay period. A Member receiving a loan will be required to authorize payroll deductions from his compensation in an amount sufficient to repay the loan over its term.

- (d) An amount equal to the principal amount of the loan to a Member (but not more than one half of the Member's vested interest in the Defined Contribution Plans of the Retirement System) will be designated as collateral for guaranteeing the loan.
- (e) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among Members in its determination of interest rates on loans. However, loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the Retirement System's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the Retirement System of administering the loan. The loan interest rate shall be calculated in a manner that will not negatively affect either the City's costs with respect to the Retirement System or the investment return allocated to Members.
- (f) Loan repayments shall be suspended during a period of military service, as permitted by Section 414(u)(4) of the Internal Revenue Code. A Member who has an outstanding loan balance from the Retirement System who is absent from employment with the City, and who has satisfied the requirements of Section 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the Retirement System during said periods of absence.

#### **Sec 11.5. Loan Balance**

A Member's outstanding loan balance shall be considered a directed investment by the Member and interest payments shall be credited to the Member's Voluntary Employee Contribution Account (provided that the interest credited to the Member's Voluntary Employee Contribution Account shall be reduced appropriately to cover the administrative costs of the loan program and avoid negatively affecting the City's costs or the Retirement System's investment returns), and shall not be part of the Retirement System's net investment income or part of the Member's Voluntary Employee Contribution Account balance for the purpose of allocation of net investment income under the Retirement System.

#### **Sec 11.6. Default**

In the event a Member defaults on a loan before the loan is repaid in full, the unpaid balance thereof will become due and payable and, to the extent that the outstanding amount is not repaid by the end of the calendar quarter which follows the calendar quarter in which the last payment was received, such amount shall be deemed to have been distributed to the Member for tax purposes, consistent with Section 72(p) of the Internal Revenue Code.

### **Sec 11.7. Distribution**

No distribution shall be made to a Member, former Member, spouse or Beneficiary from the Retirement System until all outstanding loan balances and applicable accrued interest have been repaid or offset against amounts distributable to the Member from the Retirement System.

## **ARTICLE 12. DEFERRED RETIREMENT OPTION PLAN (“DROP”) PROGRAM**

### **Sec 12.1. General Provisions**

The following provisions are hereby established as the Deferred Retirement Option Plan (“DROP”) Program under Component I, which shall be available to Members who are covered by collective bargaining agreements with the City that permit such Members to participate in the DROP program and those non-union executives of the Police Department and the Fire Department.

- (1) In lieu of terminating employment and accepting a Retirement Allowance under the Component I, any Member of the Retirement System who is eligible for the DROP program and who is eligible to immediately retire and receive an unreduced Retirement Allowance under Section 5.1 may elect to participate in the DROP program and defer the receipt of his or her Retirement Allowance in accordance with the provisions of this Article 12. Any such election shall be irrevocable.
- (2) A Member shall be entitled to participate in the DROP program under Component I for a maximum of five years. At the end of such five year period of participation in the DROP program, the Member shall be retired from employment.

### **Sec 12.2. Conversion to Retirement Allowance**

Upon the effective date of a Member’s participation in the DROP program, the Member shall cease to accrue a Retirement Allowance pursuant to Section 6.1 and shall elect a form of payment for his Retirement Allowance pursuant to Section 8.1. Seventy-five percent (75%) of the monthly Retirement Allowance (including applicable variable Pension Improvement Factor (Escalator) increases) that would have been payable, had the Member elected to terminate employment with the City on the effective date of his or her DROP election and receive an immediate Retirement Allowance, shall be paid into a DROP Account established on behalf of the Member under the Retirement System or in an entity selected by the Board.

### **Sec 12.3. Investment of DROP Assets**

- (1) ING was previously selected by the Board as the DROP administration and investment entity for Members who elect to participate in the DROP program. ING shall continue to be the DROP administration and investment entity, unless and until such time as the Board terminates the agreement with ING as provided in paragraph (4) or determines that it is administratively feasible for the DROP program to be administered and invested under the Retirement System.
- (2) As soon as possible after July 1, 2014, the Board shall determine whether it is administratively feasible for the DROP program to be administered and the assets in DROP accounts invested under the Retirement System. If the Board determines that it is feasible to administer the DROP program under the Retirement System, the Board shall promptly take appropriate steps to implement such decision.



- (3) If amounts credited to a DROP Account are invested under the Retirement System, such amounts shall be comingled with the assets of the Retirement System for investment purposes and shall be invested by the Trustees. A Member's DROP Account shall be credited with annual earnings at a rate equal to seventy-five percent (75%) of the actual net earnings rate of the assets of the Retirement System; however, in no event shall the earnings rate applied to a Member's DROP Account for any Plan Year be less than zero percent (0%) nor greater than seven and three-quarters percent (7.75%).
- (4) The Board of Trustees entered into an administrative services agreement with ING. Such agreement shall remain in effect until such time as it is terminated by the Board as provided therein.
- (5) The Board of Trustees may replace ING with a trust type vehicle or the Board may determine that amounts subject to a DROP election will be invested with Retirement System assets as provided above.
- (6) Any fees associated with the maintenance of DROP Accounts outside of the Retirement System shall be paid by the Members by means of deduction from their DROP Accounts.

#### **Sec 12.4. Distribution of Amounts Credited to DROP Account**

A Member shall not receive a distribution of amounts credited to his DROP Account prior to his termination of employment with the City. Upon termination of employment, a Member who is a participant in the DROP program shall receive, at his or her option either a lump sum payment from the DROP Account equal to the amount then credited to the DROP Account or an annuity based upon the amount credited to his DROP Account. In addition, one hundred percent (100%) of the Member's monthly Retirement Allowance that otherwise would have been paid upon the Member's retirement had he or she not elected to participate in the DROP program (together with any applicable variable Pension Improvement Factor (Escalator) increases) shall commence to the Member in accordance with the form of payment selected by the Member at the commencement of his or her participation in the DROP program. Termination of employment includes termination of any kind, such as resignation, retirement, discharge or disability.

#### **Sec 12.5. Death of Member While Participating in the DROP Program**

If a Member dies while participating in the DROP program, a lump sum payment equal to the Member's DROP Account balance shall be paid to the Beneficiary named by the Member, or if no Beneficiary has been designated, to the Member's estate. In addition, one hundred percent (100%) of the Member's Retirement Allowance (together with any applicable variable Pension Improvement Factor (Escalator) increases) that would have been paid to the Member but for the Member's decision to participate in the DROP program will be restored. Survivor benefits, if any, shall be paid in accordance with the payment option elected by the deceased Member at the time the Member elected to participate in the DROP program.

#### **Sec 12.6. Disability of Member While Participating in the DROP Program**

If a Member becomes Totally Disabled while participating in the DROP program and while still an Employee and his employment with the City is terminated because he is Totally Disabled, such Member (a) shall be immediately retired and one hundred percent (100%) of the Retirement Allowance) that would have been paid to the Member but for the Member's decision to participate in the DROP program (together with any applicable variable Pension Improvement Factor (Escalator) increases) will commence in accordance with the payment option selected by the Member at the commencement of the Member's participation in the DROP program as provided in Section 12.1(2), and (b) shall be entitled to receive payment of the funds in his DROP Account (in the form of a lump sum or other form of payment described in Section 8.1). Such Member shall not be entitled to disability retirement benefits under Section 5.3 or Section 5.4 hereof.

#### **Sec 12.7. Cost Neutrality**

- (1) The DROP program shall be effective only for as long as it is cost-neutral to the City, provided however, that the DROP program shall continue during the pendency of proceedings, described in paragraph (2) below, designed to restore the Retirement System to cost neutrality.
- (2) If the City contends that the DROP program is not cost-neutral, including, but not limited to, making the City's annual contribution to the Retirement System higher than it would be if the DROP program was not in effect, the Board and the City, along with the Plan Actuary as well as an actuary appointed by the City (who will be an associate or a fellow of the Society of Actuaries and a member of the American Academy of Actuaries) shall meet and confer in good faith regarding the cost. If the Board and the City are unable to reach an agreement as to cost, the matter shall be submitted to a third, independent, actuary, chosen or agreed upon by the Plan Actuary and the City's actuary. This actuary, when rendering a decision, will be limited to ordering implementation of changes necessary to make the DROP program cost-neutral. Upon the implementation of changes necessary to make the DROP program cost-neutral, Members shall have thirty days to elect to either (a) retire from active employment with the City or (b) withdraw from the DROP program and resume active participation in Component I of the Retirement System. The Board shall notify DROP participants of these changes prior to implementation. Those DROP participants resuming participation in Component I of the Retirement System shall not accumulate Credited Service for any time that they were participating in the DROP program (under either Component I or Component II). Those not making either election shall remain participants in the DROP program.
- (3) In the event the DROP program cannot be changed to restore cost neutrality, it shall be discontinued and Members participating in the DROP program at that time shall have the option to either (i) retire or (ii) continue active employment with the City and resume active participation in Component I of the Retirement System. DROP participants resuming participation in Component I of the Retirement System shall not accumulate Credited Service for the time during which such DROP participants participated in the DROP program (under Component I or Component II).

## **ARTICLE 13. LIMITATION ON BENEFITS AND CONTRIBUTIONS**

### **Sec 13.1. Compliance With Code Section 415(b) And Regulations**

- (1) Notwithstanding any other provision of this Combined Plan Document, the defined benefit component of the Retirement System shall be administered in compliance with the provisions of Code Section 415(b) and regulations thereunder that are applicable to governmental plans.
- (2) The maximum annual benefit accrued by a Member during a “limitation year” (which shall be the Plan Year) and the maximum annual benefit payable under the Retirement System to a Member at any time within a Plan Year, when expressed as an annual benefit in the form of a straight life annuity (with no ancillary benefits), shall be equal to \$160,000 (as such amount is adjusted pursuant to Code Section 415(d) for such Plan Year).
- (3) Notwithstanding the foregoing:
  - (a) if the benefit under the Retirement System is payable in any form other than a straight life annuity, the determination as to whether the limitation described in Section 13.1(2) has been satisfied shall be made, in accordance with the regulations prescribed by the Secretary of the Treasury, by adjusting such benefit to the Actuarially Equivalent straight life annuity beginning at the same time, in accordance with Section 13.1(9) or (10);
  - (b) if the benefit under the Retirement System commences before Age sixty-two, the determination of whether the limitation set forth in Section 13.1(2) (the “Dollar Limit”) has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by reducing the Dollar Limit so that the Dollar Limit (as so reduced) is equal to an annual benefit payable in the form of a straight life annuity, commencing when such benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-two (adjusted for participation of fewer than 10 years, if applicable); provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-two and the age of benefit commencement, then the Dollar Limit (as so reduced) shall equal the lesser of (i) the amount determined under this Section 13.1(3)(b) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the straight life annuity under the Retirement System, commencing at Age sixty-two; and
  - (c) if the benefit under the Retirement System commences after Age sixty-five, the determination of whether the Dollar Limit has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by increasing the Dollar Limit so that the Dollar Limit (as so increased) is equal to an

annual benefit payable in the form of a straight life annuity, commencing when the benefit under the Retirement System commences, which is Actuarially Equivalent to a benefit in the amount of the Dollar Limit commencing at Age sixty-five; provided, however, if the Retirement System has an immediately commencing straight life annuity commencing both at Age sixty-five and the Age of benefit commencement, the Dollar Limit (as so increased) shall equal the lesser of (i) the amount determined under this Section 13.1(3)(c) without regard to this proviso, or (ii) the Dollar Limit multiplied by a fraction the numerator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System and the denominator of which is the annual amount of the immediately commencing straight life annuity under the Retirement System, commencing at Age sixty-five.

- (4) The adjustments in Sections 13.1(3)(b) shall not apply to a Member with at least 15 years of Credited Service as a Police Member or a Fire Member within the meaning of Code Section 415(b)(2)(H). In addition, the adjustments in Sections 13.1(3)(b) and 13.1(6) shall not apply to benefits payable on account of the disability or the death of a Member.
- (5) Notwithstanding the foregoing provisions of this Section 13.1, except as provided in Section 13.1(6), the maximum annual benefit specified in Section 13.1(2) above shall not apply to a particular Retirement System benefit if (a) the annual amount of such Retirement System benefit, together with the aggregate annual amount of any other pensions payable with respect to such Member under all other defined benefit plans maintained by the City, does not exceed \$10,000 for the Plan Year or any prior Plan Year, and (b) the Member was not at any time a participant in a Defined Contribution Plan maintained by the City.
- (6) In the case of a Member who has less than ten years of participation in the Retirement System, the limitation set forth in Section 13.1(2) shall be such limitation (without regard to this Section 13.1(6)), multiplied by a fraction, the numerator of which is the number of years of participation in the Retirement System (or parts thereof) credited to the Member and the denominator of which is ten. In the case of a Member who has less than ten years of Vesting Service, the limitations set forth in Paragraph (b) of Section 13.1(2) and in Section 13.1(5) shall be such limitations (determined without regard to this Section 13.1(6)) multiplied by a fraction, the numerator of which is the number of years of Vesting Service, or parts thereof, credited to the Member and the denominator of which is ten. The adjustment in this Section 13.1(6) shall not apply to benefits paid on account of the disability or death of a Member.
- (7) Notwithstanding anything in this Section 13.1 to the contrary, if the annual benefit of a Member who has terminated employment with the City is limited pursuant to the limitations set forth in Section 13.1(2), such annual benefit shall be increased in accordance with the cost-of-living adjustments of Code Section 415(d).
- (8) For purposes of determining actuarial equivalence under Paragraph (b) or (c) of Section 13.1(3), the interest rate assumption shall be five percent (5%) and the mortality table used shall be the applicable mortality table specified by the Board.

- (9) The Actuarially Equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) does not apply, as required by Paragraph (a) of Section 13.1(3), is equal to the greater of (a) the annual amount of the straight life annuity payable under the Retirement System commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the interest rate and mortality assumptions set forth in Section 13.1(8).
- (10) The Actuarially Equivalent straight life annuity for purposes of adjusting any benefit payable in a form to which Code Section 417(e)(3) applies, as required by Paragraph (a) of Section 13.1(3), is equal to the greatest of (a) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same Actuarial Equivalent present value as the form of benefit payable to the Member, (b) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table specified by the Board, or (c) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using the applicable interest rate and the applicable mortality table, both as specified by the Board, divided by 1.05.
- (11) For purposes of applying the limitations set forth in this Section 13.1, all qualified defined benefit plans (whether or not terminated) ever maintained by the City shall be treated as one defined benefit plan.
- (12) For purposes of this Section 13.1, the term “compensation” shall include those items of remuneration specified in Treasury Regulation § 1.415(c)-2(b) and shall exclude those items of remuneration specified in Treasury Regulation § 1.415(c)-2(c), taking into account the timing rules specified in Treasury Regulation § 1.415(c)-2(e), but shall not include any amount in excess of the limitation under Code Section 401(a)(17) in effect for the year. The term “compensation” as defined in the preceding sentence shall include any payments made to a Member by the later of (a) two and one-half months after the date of the Member’s severance from employment with the City or (b) the end of the limitation year that includes the date of the Member’s severance from employment with the City, provided that, absent a severance from employment, such payments would have been paid to the Member while the Member continued in employment with the City and are regular compensation for services performed during the Member’s regular working hours, compensation for services outside the Member’s regular working hours (such as overtime or shift differential pay), commissions, bonuses or other similar compensation.
- (13) This Section 13.1 shall be administered in conformity with the regulations issued by the Secretary of the Treasury interpreting Code Section 415 including, but not limited to those interpreting Section 415(b)(2)(H), and any regulation providing for the “grandfathering” of any benefit accrued prior to the effective date of such regulations or statutory provision.

### **Sec 13.2. Compliance with Code Section 415(c) and Regulations**

- (1) The “Annual Addition” with respect to a Member for a limitation year shall in no event exceed the lesser of:
  - (a) \$40,000 (adjusted as provided in Code Section 415(d)); or
  - (b) One hundred percent (100%) of the Member’s compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder, for the limitation year.
- (2) The Annual Addition with respect to a Member for a limitation year means the sum of his Voluntary Employee Contributions made to the Retirement System, and the employer contributions, employee contributions and forfeitures allocated to his accounts under any other qualified Defined Contribution Plan (whether or not terminated) maintained by the City, and the amounts described in Code Sections 415(l)(2) and 419A(d)(2) allocated to his account.
- (3) In the event the Annual Addition to the Retirement System on behalf of a Member would otherwise exceed the amount that may be applied for his benefit under the limitation contained in this Section 13.2, the limitation shall be satisfied by reducing the Member’s Voluntary Employee Contributions to the extent necessary and distributing such amounts to the Member.



## **ARTICLE 14. RETIREMENT SYSTEM ADMINISTRATION**

### **Sec 14.1. Board of Trustees as Retirement System Administrator**

- (1) The Retirement Board shall have the power and authority to manage and administer the Retirement System in accordance with the provisions of this Combined Plan Document.
- (2) The Retirement Board shall provide procedures for the processing and review of benefit claims, corrections of errors, and similar matters, as further described in Section 14.2.
- (3) The Retirement Board and the Retirement System shall not make any payment to active or retired Members or Beneficiaries other than payments that are required by the Retirement System as established by this Combined Plan Document. This prohibition applies to all payments that are not authorized by this Combined Plan Document, whether such payments are those commonly referred to as a “thirteenth check” or payments by any other name.

### **Sec 14.2. Powers and Duties of Board**

- (1) The Board shall have the following powers and duties:
  - (a) exclusive authority regarding the administration, management and operation of the Retirement System, including, but not limited to, the right to contract for office space, computer hardware and software, and human resource services (any or all of which may be obtained from the City), and to make rules and regulations with respect to the operation of the Retirement System not inconsistent with the terms of the Combined Plan Document and applicable law, and to amend or rescind such rules and regulations;
  - (b) to determine questions of law or fact that may arise as to the rights of any person claiming rights under the Retirement System;
  - (c) to determine the contributions to the Retirement System required of the City and Members pursuant to the documents governing operation of the Retirement System, including the Plan of Adjustment;
  - (d) to construe and interpret the provisions of the Retirement System and to reconcile any inconsistencies;
  - (e) to perform ministerial functions, whether or not expressly authorized, which the Board may deem necessary or desirable in carrying out its duties under the Retirement System;
  - (f) except to the extent authority is vested in the Investment Committee, authority to employ, contract and pay for professional services including, but not limited to, actuarial, investment, legal, accounting, medical, and any other services that the Board considers necessary for the proper operation of the Retirement System;



- (g) except to the extent authority or responsibility is vested in the Investment Committee, to arrange for annual audits of the records and accounts of the Retirement System by a certified public accountant or by a firm of certified public accountants pursuant to generally accepted auditing standards;
- (h) to prepare an annual report for the Retirement System for each Fiscal Year in compliance with generally accepted accounting principles. The report shall contain information regarding the financial, actuarial, and other activities of the Retirement System during the Fiscal Year. The Board shall furnish a copy of the annual report to the Mayor and finance director of the City, to the chair of the City Council and the Investment Committee. The report shall also contain a review of the latest actuarial valuation of the Retirement System;
- (i) to maintain or cause to be maintained such separate funds and accounts as are required to be maintained under the provisions of Components I and II of the Combined Plan Document and such additional accounts as the Board deems necessary or expedient for the proper administration of the Retirement System and the administration and investment of the assets of the Retirement System. The Board shall maintain suitable records, data and information in connection with the performance of its functions, including, but not limited to, accurate and detailed accounts of all investments, receipts, disbursements, and other actions, including the proportionate interest therein and contributions of each Member who has made contributions to the Retirement System;
- (j) to correct any error in the records of the Retirement System that results in overpayment or underpayment of contributions to the Retirement System by the City or a Member, or overpayment or underpayment of benefits to a Member, former Member, or Beneficiary by the Retirement System. In the event of overpayment to a Member, former Member or Beneficiary, the Board may, as far as practicable, adjust future payments to such individual in such a manner that the Actuarial Equivalent of the benefit to which such individual was entitled shall be paid;
- (k) to the extent permissible under Michigan law (and consistent with the Retirement System's favorable tax qualified status under Code Section 401(a)), purchase one or more insurance policies to indemnify any person and such person's heirs and legal representatives who is made a party to (or threatened to be made a party to) any action, suit or proceeding whether brought by or in the right of the Board, the Investment Committee or the Retirement System or otherwise, by reason of the fact that such person is or was a Board member, Investment Committee member, director, officer, employee or agent of the Board (or an advisory body or committee of the Board) or the Retirement System. The insurance policies purchased by the Board shall not indemnify any person who is judicially determined to have incurred liability due to fraud, gross negligence or malfeasance in the performance of his duties; and

- (l) except to the extent authority or responsibility is vested in the Investment Committee, to perform any other function that is required for the proper administration of the Retirement System.

#### **Sec 14.3. Executive Director; Employees**

The Board shall employ on behalf of the Retirement System an executive director and any other employees for which the Board establishes positions. The executive director shall do all of the following:

- (a) manage and administer the Retirement System under the supervision and direction of the Board;
- (b) annually prepare and submit to the Board for review, amendment, and adoption an itemized budget projecting the amount required to pay the Retirement System's expenses for the following Fiscal Year; and
- (c) perform such other duties as the Board shall delegate to the executive director.

The executive director, unless such power is retained by the Board, shall determine the compensation of all employees of the Retirement System (except the executive director, whose compensation shall be determined by the Board and the chief investment officer, whose compensation shall be determined by the Investment Committee) and such compensation shall be payable from the Retirement System. Any person employed by the Retirement System may but need not be an employee of the City.

#### **Sec 14.4. Discretionary Authority**

The Board shall have sole and absolute discretion to:

- (a) interpret the provisions of the Retirement System;
- (b) make factual findings with respect to any and all issues arising under the Retirement System;
- (c) determine the rights and status of Members, Retirees, Beneficiaries and other persons under the Retirement System;
- (d) decide benefit claims and disputes arising under the Retirement System pursuant to such procedures as the Board shall adopt; and
- (e) make determinations and findings (including factual findings) with respect to the benefits payable hereunder and the persons entitled thereto as may be required for the purposes of the Retirement System.

#### **Sec 14.5. Administrator's Decision Binding**

The Board's decision on any matter arising in connection with administration and interpretation of the Retirement System shall be final and binding on Members, Retirees and Beneficiaries.

## **ARTICLE 15. MANAGEMENT OF FUNDS**

### **Sec 15.1. Board as Trustee of Retirement System Assets**

The Board of Trustees shall be the trustee of the funds held under the Retirement System, shall receive and accept all sums of money and other property paid or transferred to it by or at the direction of the City, and subject to the terms of Article 16, shall have the power to hold, invest, reinvest, manage, administer and distribute such money and other property subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws*, as amended.

### **Sec 15.2. Maintenance of Segregated Funds**

The Board of Trustees shall maintain separate funds as required for the proper administration of the Retirement System and shall not commingle the assets held under the Retirement System for the purpose of funding benefits accrued by Members prior to July 1, 2014, together with earnings and losses on such assets (or replacement assets), as more fully described in Component II of this Combined Plan document, with the assets of the Retirement System held for the purpose of paying benefits accrued by Members on and after July 1, 2014 as described in this Component I of the Combined Plan document. Notwithstanding the foregoing, the assets held under Components I and II of this Combined Plan document may be commingled for investment purposes and transferred as provided in Section G-2(f) of Component II.

### **Sec 15.3. Custodian of Funds**

The Board of Trustees shall appoint or employ custodians of the assets of the Retirement System. The custodians shall perform all duties necessary and incidental to the custodial responsibility and shall make disbursements as authorized by the Board.

### **Sec 15.4. Exclusive Purpose**

All money and other assets of the Retirement System shall be held by the Trustees and invested for the sole purpose of paying benefits to Members and Beneficiaries and shall be used for no other purpose. In exercising its discretionary authority with respect to the management of the money and other assets of the Retirement System, the Trustees shall exercise the care, skill, prudence and diligence under the circumstances then prevailing, that a person acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character with like aims.

### **Sec 15.5. Prohibited Conduct**

Members of the Board and employees of the Retirement System are prohibited from:

- (1) Having any beneficial interest, direct or indirect, in any investment of the Retirement System;

- (2) Being an obligor or providing surety for any money loaned to or borrowed from the Retirement System;
- (3) Except as provided in Article 11, borrowing any money or other assets of the Retirement System; and
- (4) Receiving any pay or other compensation from any person, other than compensation paid by the Retirement System, with respect to investments of the Retirement System.

## ARTICLE 16. INVESTMENT OF RETIREMENT SYSTEM ASSETS

### Sec 16.1. Investment Powers of the Board and the Investment Committee

Subject to the requirements set forth in this Article 16, the Board shall have the power and authority to manage, control, invest and reinvest money and other assets of the Retirement System subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems or plans by *Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws*, as amended. Notwithstanding anything in this Combined Plan Document to the contrary, for the twenty year period following the effective date of the Plan of Adjustment, the Investment Committee shall make recommendations to the Board with respect to investment management matters as provided in this Article 16.

All investment management decisions made by the Board, as more fully described in Section 16.2, shall require a recommendation by an affirmative vote of the Investment Committee as provided in this Combined Plan Document. The Board shall take no action with respect to any matter for which the Investment Committee has responsibility and authority, including the investment management matters described in Section 16.2, unless and until such action has been approved by affirmative vote of the Investment Committee. All actions and recommendations of the Investment Committee shall be forwarded to the Board for consideration and are subject to Board approval. If (a) the Board fails to approve or disapprove an investment management decision that has been recommended by an affirmative vote of the Investment Committee, and such failure continues for forty-five days after the date that the recommendation was made to the Board, or (b) the Board disapproves an investment management decision within such forty-five day period but fails to provide to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee and the chief investment officer are authorized to implement the decision.

If the Board disapproves an investment management decision within such forty-five day period and provides to the Investment Committee within such forty-five day period a detailed written response outlining the reasons for such disapproval, then the Investment Committee shall have forty-five days after the receipt of the Board response to either (a) withdraw the recommended investment management decision, or (b) request, in writing, a conference with the Board to be held within ten days, but not less than five business days, of the request by the Investment Committee to discuss the disapproval by the Board described in the written response. Any such conference shall be conducted with at least three independent Investment Committee members present in person or by phone. Within ten days of the commencement of the conference or twenty days following the Investment Committee's request for a conference if no conference is held, the Investment Committee shall either withdraw the recommended investment management decision or provide the Board with a written explanation of the Investment Committee's decision to proceed with the recommended investment management decision. After delivery of such written explanation by the Investment Committee, the Investment Committee and the chief investment officer are authorized to implement the decision. Any action taken by the Board or the Investment Committee in violation of the terms of this Article 16 shall constitute an *ultra vires* act and the Investment Committee or the Board is

granted the express right to seek to preliminarily enjoin such action without the need to show irreparable harm.

## **Sec 16.2. Investment Management**

- (1) For purposes of this Combined Plan, “investment management decisions” and “investment management matters” shall include:
  - (a) development of an investment policy statement with sound and consistent investment goals, objectives, and performance measurement standards which are consistent with the needs of the Retirement System;
  - (b) within 120 days after the effective date of the Plan of Adjustment, placement of all of the assets of the Retirement System not already under qualified management with qualified investment managers selected by the Investment Committee;
  - (c) evaluation, retention, termination and selection of qualified managers to invest and manage the Retirement System’s assets;
  - (d) review and affirmation or rejection of the correctness of any and all calculations, actuarial assumptions and/or assessments used by the Actuary including, but not limited to (i) those underlying the restoration of pension benefits, funding levels and amortization thereof, all in accordance with the pension restoration program attached to the Plan of Adjustment (as more fully described in Article K of Component II of this Combined Plan Document), (ii) those underlying the determination of annual funding levels and amortization thereof, and (iii) on or after Fiscal Year 2024, the recommended annual contributions to the Retirement System in accordance with applicable law;
  - (e) in accordance with approved actuarial work as provided in paragraph (d) above and based on the annual actuarial valuation reports and any other projections or reports as applicable from the Actuary or other professional advisors, the determination of the extent of restoration of pension benefits, including but not limited to the payment of lost COLA payments, all in conformance with the pension restoration program attached to the Plan of Adjustment;
  - (f) communication of the Retirement System’s investment goals, objectives, and standards to the investment managers, including any material changes that may subsequently occur;
  - (g) determination and approval of the Retirement System’s investment and asset allocation guidelines, taking into account the appropriate liquidity needs of the Retirement System;
  - (h) the taking of corrective action deemed prudent and appropriate when an investment manager fails to perform as expected;



- (i) interpretation of Retirement System governing documents, existing law, the Plan of Adjustment or other financial determination that could affect funding or benefit levels;
- (j) review and approval, prior to final issuance, of the annual audit and all financial reports prepared on behalf of the Retirement System and meet and confer with the Auditor or other professional advisors as necessary prior to approval of the annual audit or other financial reports;
- (k) determination of the funding status of the Retirement System and any remedial action to be taken pursuant to Section 9.5; and
- (l) causing an asset/liability valuation study to be performed for the Retirement System every three years or, more often, as requested by the Investment Committee or the Board.

All actions of the Investment Committee shall comply with the provisions of pertinent federal, state, and local laws and regulations, specifically *Public Act 314* and *Plan Investment Guidelines*.

### **Sec 16.3. Best Practices**

Prior to adopting investment guidelines and asset allocation policies, selecting investment managers or adopting investment return assumptions, the Investment Committee shall have an understanding of and shall give appropriate consideration to the following:

- (a) the fiduciary best practices and institutional standards for the investment of public employee retirement system plan assets;
- (b) the objective to obtain investment returns above the established actuarial investment return assumption to support the restoration of benefits under the pension restoration program described in the Plan of Adjustment and Component II of this Combined Plan Document, to the extent that it is prudent and consistent with the overall funding, liquidity needs and actuarial assumptions governing the Retirement System; and
- (c) the liquidity needs of the Retirement System.

### **Sec 16.4. Chief Investment Officer**

The Investment Committee shall have the exclusive power to select, retain and terminate the services of a chief investment officer for the Retirement System. The Investment Committee shall determine any and all compensation and other terms of employment of any chief investment officer hired by it. The chief investment officer shall report directly to the Investment Committee and the Executive Director of the Board. The chief investment officer shall be responsible for assisting the Investment Committee and the Board with respect to oversight of the Retirement System's investment portfolio. The chief investment officer shall

provide such periodic reports relating to the Retirement System's assets to the Investment Committee and the Board as it or they shall request.

#### **Sec 16.5. Investment Consultants**

The Board and/or Investment Committee may retain the services of one or more investment consultants who shall be responsible for assisting the Investment Committee and the Board with oversight of the Retirement System's investment portfolio. Any such investment consultant shall be a registered advisor with the United States Securities and Exchange Commission and shall be a nationally recognized institutional investment consultant with expertise in the investment of public pension plan assets. Any such investment consultant shall acknowledge in writing its role as investment fiduciary with respect to the Retirement System as defined in the *Public Employee Retirement System Investment Act, as amended, MCL 38.1132 et seq.* The Board or the Investment Committee, as appropriate, shall determine the compensation and other terms of employment of any investment consultant hired by it. The duties of an investment consultant may include, but shall not be limited to:

- (a) providing an asset/liability valuation study for the Retirement System;
- (b) reviewing the Retirement System's asset allocation based on current market assumptions;
- (c) identifying and recommending to the Investment Committee and the Board appropriate investment strategies based on the financial condition of the Retirement System;
- (d) implementing the approved investment strategies, such as recommending to the Investment Committee, for Board approval, an asset allocation strategy, building an investment structure for the Retirement System, and identifying qualified investment managers (through an organized search process) to execute and implement investment strategies;
- (e) monitoring and evaluating the ongoing progress of the investment managers toward stated investment goals and objectives;
- (f) recommending to the Investment Committee and the Board any necessary corrective actions, including adjustments to the investment structure or investment management organizations in the event of a deviation from expectations;
- (g) communicating the investment policies of the Retirement System to the investment managers;
- (h) reviewing the investment policies with the appropriate employees of the Retirement System;
- (i) aiding the Investment Committee in providing recommendations on issues relating to rebalancing and cash flow management, securities lending, transition management, cash equalization and other investment related topics;

- (j) attending Investment Committee and Board meetings in person, or telephonically, as needed or as requested;
- (k) meeting with the Investment Committee to provide detailed quarterly performance reports and executive summaries of performance;
- (l) meeting with the Investment Committee and the Board to review capital markets and inform the Board and Retirement System employees on the current investment environment; and
- (m) meeting with the Investment Committee and the Board to provide recommendations on asset allocation, investment structure, and manager selections.

#### **Sec 16.6. Consistency With Plan of Adjustment**

Nothing herein shall be interpreted as permitting the Investment Committee or the Board to alter or depart from the requirements set forth in the Plan of Adjustment.

## **ARTICLE 17. RETIREE MEDICAL ACCOUNT**

### **Sec 17.1. Establishment of Account**

A Medical Benefits Account shall be established and maintained under the Retirement System out of which the Board of Trustees shall pay the cost, which would otherwise be borne by the City, for certain medical and related benefits provided under the plans or programs maintained by the City to provide Medical Benefits (the "Medical Plans") for the benefit of the Medical Beneficiaries. The provisions of this Article 17 are intended to comply with Section 401(h) of the Code and shall be construed to comply therewith.

### **Sec 17.2. Effective Date**

Medical Benefits shall be paid from the Medical Benefits Account beginning October \_\_, 2014 or such other date recommended by an enrolled actuary (within the meaning of Section 7701(a)(35) of the Code) and approved by the Board and Investment Committee.

### **Sec 17.3. Funding of Benefits**

Subject to the right reserved to the City to amend or terminate the provision of Medical Benefits under its general power to amend the Combined Plan document under Section 18.5, the City expects and intends to make actuarially determined contributions under the Retirement System from time to time to fund the Medical Benefits Account. The assets of the Medical Benefits Account may be invested together with the other assets of the Retirement System, in which case earnings of the Retirement System shall be allocated to the Medical Benefits Account on a reasonable basis or such assets may be invested separately. In any event, no part of the Retirement System, other than the assets of the Medical Benefits Account, shall be available to pay for any part of the cost of Medical Benefits.

The amount determined by the City to be contributed for any Plan Year pursuant to the paragraph above shall be reasonable and ascertainable and shall not exceed the total cost for such Plan Year of providing Medical Benefits to the Medical Beneficiaries, determined in accordance with generally accepted actuarial methods and assumptions that are reasonable in view of the provisions and coverage of the medical and other welfare plans providing such benefits, the funding medium and any other applicable considerations. At the time the City makes a contribution to the Trustee, the City shall designate the portion thereof that is allocable to the Medical Benefits Account.

### **Sec 17.4. Limitation on Contributions**

At all times the aggregate of the contributions made by the City to provide Medical Benefits shall not exceed twenty-five percent (25%) of the sum of the aggregate contributions made by the City to the Plan under Sections 9.3 and 9.5, other than the contributions to fund past service credits, plus the aggregate contributions to the Medical Benefits Account. In the event that a contribution under Section 17.3 shall exceed the amount described in the preceding sentence, such contribution shall be reduced by the excess amount.

### **Sec 17.5. Impossibility of Diversion**

In no event, prior to the satisfaction of all liabilities to provide Medical Benefits shall the Medical Benefits Account be used for, or diverted to, any purpose other than the payment of such benefits and any necessary or appropriate expenses of administration associated therewith. Any amounts credited to the Medical Benefits Account following the satisfaction of all such liabilities shall be returned to the City.

#### **Sec 17.6. Administration**

The Medical Plans shall continue to be administered, and claims processed, under their respective terms. Notwithstanding, the interpretation and administration of the terms of this Article 17 shall be pursuant to the provisions of the Combined Plan document.

#### **Sec 17.7. Right to Amend or Terminate Medical Plans**

The City expressly reserves the exclusive right, retroactively to the extent permitted by law, to amend, modify, change, terminate or revoke any medical or other welfare plan or policy maintained by the City that provides medical or other welfare benefits, including but not limited to Medical Benefits, and to require Members, former Members, their eligible spouses and dependents to pay all or any portion of the cost of such medical benefits.

#### **Sec 17.8. Reversion**

At any time prior to the satisfaction of all liabilities under the Retirement System to provide Medical Benefits, no part of the Medical Benefits Account may be used for any purpose other than providing Medical Benefits, and any necessary or appropriate expenses attributable to the administration of the Medical Benefits Account. If any residual assets remain in the Medical Benefits Account after the satisfaction of all obligations of the City to provide Medical Benefits to the Medical Beneficiaries, such assets shall be returned to the City. In the event a Medical Beneficiary's interest in the Medical Benefits Account is forfeited prior to the termination of the Retirement System, an amount equal to such forfeiture shall be applied as soon as possible to reduce the City's contributions.

#### **Sec 17.9. Limitation of Rights**

A Medical Beneficiary shall have no right, title or claim in any specific asset of the Medical Benefits Account, but shall have the right only to the Medical Benefits provided from time to time under the Medical Benefits Account.

## **ARTICLE 18. MISCELLANEOUS**

### **Sec 18.1. Nonduplication of Benefits**

If any Member is a participant in another defined benefit pension plan, retirement system or annuity plan sponsored by the City (including Component II of this Retirement System) and the Member is or becomes entitled to accrue pension benefits under such plan or retirement system (including Component II of this Retirement System) with respect to any period of service for which he is entitled to accrue a benefit under Component I of this Retirement System, such Member shall not be eligible to accrue or receive payment of a benefit under Component I with respect to such period of service.

### **Sec 18.2. Assignments Prohibited**

The right of a person to a pension, annuity, the return of Accumulated Voluntary Employee Contributions and/or the return of Accumulated Mandatory Employee Contributions, the Retirement Allowance itself, to any optional form of benefit, to any other right accrued or accruing to any person under the provisions of this Retirement System, and the monies in the various funds of the Retirement System shall not be assignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, except as specifically provided in this Combined Plan Document or by an eligible domestic relations order of a lawful court.

### **Sec 18.3. Protection Against Fraud**

A person who, with intent to deceive, makes any statements or reports required under this Retirement System that are untrue, or who falsifies or permits to be falsified any record or records of this Retirement System, or who otherwise violates, with intent to deceive, any terms or provisions of the Retirement System, shall be subject to prosecution under applicable law.

### **Sec 18.4. Conviction of Felony; Forfeiture of Rights**

If a Member or Beneficiary shall be convicted by a court of competent jurisdiction of a felony or high misdemeanor involving moral turpitude committed during active Service, the Board shall have the power to order the forfeiture of all rights of the Member or Beneficiary to benefits hereunder, except the return of the Member's Accumulated Mandatory Employee Contributions and Accumulated Voluntary Employee Contributions.

### **Sec 18.5. Amendment; Termination; Exclusive Benefit**

The City reserves the right to amend the Combined Plan document created hereunder at any time; such amendments may include termination of the Retirement System; provided, however, that following the effective date of the Plan of Adjustment, no amendment other than amendments permitted under the terms of the Plan of Adjustment (including amendments contemplated in Section K-4(5) of Component II) may be made to the terms, conditions and rules of operation of the Combined Plan or any successors plan or trust that govern the calculation of pension benefits, nor may any amendment or termination deprive any Member, former Member or Beneficiary of any then vested benefit under the Retirement System, except as provided in the

Plan of Adjustment. Notwithstanding the foregoing, the City and the Board have the authority to amend the Combined Plan document as necessary to retain the tax qualified status of the Retirement System under the Internal Revenue Code. The City shall make no amendment or amendments to the Retirement System which causes any part of the assets of the Retirement System to be used for, or diverted to, any purpose other than the exclusive benefit of Members, former Members or their Beneficiaries; provided, that the City may make any amendment necessary, with or without retroactive effect, to comply with applicable federal law. Any amendment of the Retirement System by the City must be approved by the Council or a person standing in the stead of the Council.

Upon termination of the Retirement System or upon complete discontinuance of contributions to the Retirement System, the rights of all Members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

#### **Sec 18.6. Forfeitures Not to Increase Benefits**

Any forfeitures arising under the Retirement System due to a Member's termination of employment or death, or for any other reason, shall be used to pay expenses of the Retirement System and shall not be applied to increase the benefits any Member would otherwise receive under the Retirement System at any time prior to termination of the Retirement System.

#### **Sec 18.7. Required Distributions - Compliance with Code Section 401(a)(9) and Regulations**

The Retirement System will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the final regulations issued thereunder, notwithstanding any provision in the Combined Plan document to the contrary. Pursuant to Code Section 401(a)(9)(A)(ii), a Member's interest must begin to be distributed by the later of (i) the April 1 of the calendar year following the calendar year that he attains the Age of seventy and one-half (70-1/2), or (ii) April 1 of the calendar year following the year in which he retires. Distributions will be made in accordance with Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9. The provisions of this Section 18.7 and the regulations cited herein and incorporated by reference override any inconsistent plan distribution options.

#### **Sec 18.8. Direct Rollovers**

- (1) For purposes of compliance with Code Section 401(a)(31), a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
  - (a) For purposes of this Section 18.8, the following terms shall have the following meanings:
  - (b) "*Direct rollover*" means a payment by the Retirement System to an eligible retirement plan specified by a distributee.



- (c) “*Distributee*” means a Member or former Member. It also includes the Member’s or former Member’s surviving spouse, a spouse or former spouse who is the alternate payee under an eligible domestic relations order, or a nonspouse beneficiary who is a designated beneficiary as defined by Code Section 401(a)(9)(E). However, a nonspouse beneficiary may only make a direct rollover to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an “inherited” individual retirement account or annuity.
- (d) “*Eligible retirement plan*” means any of the following that accepts a distributee’s eligible rollover distribution:
  - (i) a qualified trust described in Code Section 401(a);
  - (ii) an annuity plan described in Code Section 403(a);
  - (iii) an annuity contract described in Code Section 403(b);
  - (iv) an individual retirement account described in Code Section 408(a);
  - (v) an individual retirement annuity described in Code Section 408(b);
  - (vi) a Roth IRA described in Code Section 408A; or
  - (vii) a plan eligible under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan from the Retirement System.
- (e) “*Eligible rollover distribution*” means any distribution of all or any portion of the balance to the credit of a distributee under the Retirement System, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or the life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income; and any other distribution which the Internal Revenue Service does not consider eligible for rollover treatment, such as any distribution that is reasonably expected to total less than \$200 during the year. Notwithstanding the foregoing, a portion of a distribution will not fail to be an “eligible rollover distribution” merely because the portion consists of after-tax contributions that are not includible in Member’s gross income upon distribution from the Retirement System. However, such portion may be transferred only (i) to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion

of the distribution that is includible in gross income and the portion of the distribution that is not so includible; (ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or (iii) to a Roth IRA described in Code Section 408A.

#### **Sec 18.9. Construction**

Words in the singular should be read and construed as though used in the plural, and words in the plural should be read and construed as though used in the singular, where appropriate. The words “hereof”, “herein”, and “hereunder” and other similar compounds of the word “here”, shall mean and refer to Component I of this Combined Plan document and not to any particular provision or section thereof. The table of contents, article and section headings are included for convenience of reference, and are not intended to add to, or subtract from, the terms of the Combined Plan document or the Retirement System created hereunder.

#### **Sec 18.10. Severability**

If any section or part of a section of this Combined Plan document or provision relating to the Retirement System is for any reason held to be invalid or unconstitutional, such holding shall not be construed as affecting the validity of the remaining sections of the Combined Plan document or Retirement System or of the Combined Plan document or Retirement System in its entirety.

EXHIBIT I.A.254.b

PRINCIPAL TERMS OF NEW PFRS ACTIVE PENSION PLAN

## NEW PFRS ACTIVE PENSION PLAN -- MATERIAL TERMS

1. Benefit Formula for all employees is Final Average Compensation (average base compensation over last 5 consecutive years of employment) x Years of Service earned after June 30, 2014 x 2.0%. Average base compensation means no overtime, no unused sick leave, no longevity or any other form of bonus – just employee's base salary.
2. Actual time for benefit accrual is actual time served. For vesting service, 1,000 hours in a 12 month period to earn a year of service.
3. Normal Retirement Age for all employees is age 50 with 25 years of service, with the following 7 year transition period:

<u>Fiscal Year</u>	<u>Age and Service</u>
2015	Age 43 and 20 years
2016	Age 43 and 20 years
2017	Age 44 and 21 years
2018	Age 45 and 22 years
2019	Age 46 and 23 years
2020	Age 47 and 24 years
2021 and thereafter	Age 50 and 25 years

4. 10 Years of Service for vesting.
5. Deferred vested pension -- 10 years of service and age 55 for reduced benefit; 10 years of service and age 62 for unreduced benefit.
6. Duty Disability - consistent with current PFRS
7. Non-Duty Disability – consistent with current PFRS
8. Non-Duty Death Benefit for Surviving Spouse – consistent with current PFRS
9. Duty Death Benefit for Surviving Spouse – consistent with current PFRS
10. COLA: 1% compounded, variable
11. DROP Accounts will be available for existing and future accrued benefits for employees who are eligible to retire under concurrent eligibility requirements. No more than 5 years of DROP participation (both for Old PFRS and New PFRS) for employees not already in DROP. DROP accounts will be managed by the PFRS instead of ING, if administratively and legally feasible. If managed by PFRS, interest will be credited to DROP accounts at a rate equal to 75% of the actual net investment return of PFRS, but in no event lower than 0% or higher than 7.75%.

12. Annuity Savings Fund – employees may make voluntary Annuity Savings Fund contributions up to 10% of total after-tax pay. Interest will be credited at the actual net investment rate of return for PFRS, but will in no event be lower than 0% or higher than 5.25%. No in-service withdrawals permitted. An employee represented by the Detroit Police Officers Association may elect to contribute up to 100% of the amount paid to him or her by the City for accumulated sick leave in excess of 400 hours.
13. Investment Return/Discount rate – 6.75%
14. City Contributions
  - a. Detroit Fire Fighters Association Employees
    - i. 11.2% of the base compensation of eligible employees for payroll periods beginning prior to the effective date of the collective bargaining agreement and 12.25% of the base compensation of eligible employees for payroll periods beginning after the effective date of the collective bargaining agreement. A portion of such contribution will be credited to a rate stabilization fund.
  - b. Detroit Police Command Officers Association Employees
    - i. 12.25% of the base compensation of eligible employees. A portion of such contribution will be credited to a rate stabilization fund.
  - c. Detroit Police Officers Association Employees
    - i. 11.2% of the base compensation of eligible employees for payroll periods beginning prior to the effective date of the collective bargaining agreement and 12.25% of the base compensation of eligible employees for payroll periods beginning after the effective date of the collective bargaining agreement. A portion of such contribution will be credited to a rate stabilization fund.
  - d. Detroit Police Lieutenants and Sergeants Association Employees
    - i. 12.25% of the base compensation of eligible employees. A portion of such contribution will be credited to a rate stabilization fund.
15. Employee Contributions – Employees hired before July 1, 2014 (current actives) will contribute 6% of base compensation (pre-risk shifting); employees hired on or after July 1, 2014 (new employees) will contribute 8% of base compensation (pre-risk shifting). Maximum employee contributions of 10% (current actives) and 12% (new employees).
16. Risk Shifting:
  - a. If the funding level is less than 90% (using the fair market value of assets), COLAs will be eliminated (to the extent applicable).

- b. If the funding level is 90% or lower (using the fair market value of assets and a 3-year look back period), the following corrective actions will be taken in the order listed below, until the actuary can state that by virtue of the use of corrective action, and a 6.75% discount rate and return assumption, the funding level is projected to be 100% on a market value basis within the next 5 years:
- i. eliminate COLAs (if applicable);
  - ii. use amounts credited to the rate stabilization fund to fund accrued benefits;
  - iii. increase employee contributions by 1% per year (6% to 7% for current actives and 8% to 9% for new employees) for up to 5 years;
  - iv. increase employee contributions (active and new employees) by an additional 1% per year;
  - v. increase employee contributions (active and new employees) by an additional 1% per year;
  - vi. implement a 1 year COLA fallback;
  - vii. implement a second 1 year COLA fallback;
  - viii. increase employee contributions by an additional 1% per year; and
  - ix. increase City contributions consistent with applicable actuarial principles and PERSIA.

**EXHIBIT I.A.280**

PRIOR GRS PENSION PLAN



**COMBINED PLAN  
FOR THE  
GENERAL RETIREMENT SYSTEM  
OF THE  
CITY OF DETROIT, MICHIGAN**

**Amendment and Restatement Effective July 1, 2014**

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## COMPONENT II

## **ARTICLE A. COMMON PROVISIONS OF THE GENERAL RETIREMENT SYSTEM**

### **Sec. A-1. Common Provisions**

Certain provisions of the Combined Plan for the General Retirement System of the City of Detroit, Michigan described below are common to both Component I and this Component II as in effect July 1, 2014. Those provisions are set forth in the following Sections of Component I:

(a) Article I (General Provisions);

(b) Article II (Definitions):

Actuarial Equivalent or Actuarially Equivalent

Actuarially Equivalent Value

Administrative Rules and Regulations

Age; Attainment of

Board of Trustees or Board or Retirement Board

City

City Council or Council

Combined Plan

Component I

Component II

Employer

Fiscal Year

General Retirement System or Retirement System

Internal Revenue Code or Code

Investment Committee

Member

Notice to Members, Beneficiaries and Retirees;

Plan Actuary or Actuary;

Plan Document or Combined Plan Document;

Plan of Adjustment;

Plan Year;

Spouse; and

Straight Life Retirement Allowance;

- (c) Article 12 (Limitation on Benefits and Contributions);
- (d) Article 13 (Retirement System Administration);
- (e) Article 14 (Management of Funds);
- (f) Article 15 (Investment of Retirement System Assets); and
- (g) Article 17 (Miscellaneous).

## **ARTICLE B. FREEZE OF GENERAL RETIREMENT SYSTEM AS OF JUNE 30, 2014**

### **Sec. B-1. Freeze of Eligibility and Benefits Under General Retirement System**

Notwithstanding anything in Articles I, II, III, or IV of Chapter 47 of the 1984 Detroit City Code or this Combined Plan for the General Retirement System of the City of Detroit, Michigan to the contrary, effective as of June 30, 2014 (the “Freeze Date”):

- (a) No new employee hired by an Employer on or after July 1, 2014 shall become a Member who is eligible to accrue a benefit under the terms of the General Retirement System in effect as of the Freeze Date;
- (b) No employee who is rehired by an Employer on or after July 1, 2014 shall become a Member who is eligible to accrue either a benefit or service credit for any purpose under the terms of the General Retirement System in effect as of the Freeze Date; provided, however, that a Member who is entitled to a Frozen Accrued Benefit as defined in subsection (c) of this Section B-1 and who is rehired by an Employer on or after July 1, 2014 but prior to the date the Member incurs a six-year break in service shall be eligible to accrue service credit following rehire solely for the purpose of determining the Member’s vesting in and eligibility for payment of his Frozen Accrued Benefit;
- (c) Benefit accruals for Members with respect to service rendered prior to July 1, 2014 will be frozen based on a Member’s years of service, Average Final Compensation, and the pension multiplier formulae in effect as of such Freeze Date under the terms of the General Retirement System (“Frozen Accrued Benefit”);
- (d) Except as otherwise provided in subsection (e) of this Section B-1, compensation of a Member shall be frozen effective as of the Freeze Date for purposes of determining the Member’s Frozen Accrued Benefit. No compensation of any type earned by a Member after the Freeze Date shall be taken into consideration for purposes of determining the Member’s Frozen Accrued Benefit under the General Retirement System;
- (e) Any Member who, as of June 30, 2014, would have been eligible to elect to use a portion of his unused accrued sick leave to increase his Average Final Compensation (“Sick Leave Rollover”) if the Member had been eligible to retire and had elected to retire as of June 30, 2014, shall have a one-time election (“Special Election”) to add the value of twenty-five percent (25%) of the Member’s unused sick leave accrued for purposes of the Sick Leave Rollover in accordance with the terms of the applicable collective bargaining agreement, City Employment Terms or Detroit Code of Ordinance to the earnings used in computing Average Final Compensation for purposes of determining the Member’s Frozen Accrued Benefit; provided, however, that at least twenty-five percent (25%) of the Member’s sick leave accrued for purposes of the Sick Leave Rollover in accordance with the terms of the applicable collective bargaining agreement, City Employment Terms or Detroit Code of Ordinance remains in the Member’s sick leave bank at the time the completed Special Election form is received by the Retirement System and, provided further that the completed Special Election form is received by the Retirement System no later than August 22, 2014 or, if later, the date set forth in a collective bargaining



agreement between the City and a union whose members are eligible to make a Special Election. A Member's Special Election shall be made in the manner set forth by the Board of Trustees and the Retirement System. A Member may revoke a Special Election, as long as such revocation occurs on or before the latest date upon which such Member is permitted to make a Special Election. Notwithstanding anything in this subsection (e) to the contrary, a Member's Special Election will be void and the determination of the Member's Average Final Compensation for purposes of calculating the Member's Frozen Accrued Benefit will not take into account any of the Member's unused sick leave, if (i) the electing Member would not have been eligible to receive an immediate service retirement if he retired as of June 30, 2014, and (ii) the electing Member's employment with an Employer is terminated before the electing Member becomes eligible for an immediate service retirement under the Retirement System;

- (f) Service earned after the Freeze Date shall be credited to a Member solely for purposes of determining the Member's vesting in and eligibility for payment of his or her Frozen Accrued Benefit. Service credit for all Members for benefit accrual purposes under the terms of the General Retirement System in effect as of the Freeze Date shall be frozen effective as of the Freeze Date and no Member shall earn service credit with respect to benefits payable under the terms of the General Retirement System in effect as of the Freeze Date (except for vesting and benefit payment eligibility purposes) after the Freeze Date; and
- (g) No Member shall make contributions to the Annuity Savings Fund under the General Retirement System in effect as of June 30, 2014 with respect to wages earned on or after the earliest date following June 30, 2014 that the City's payroll department can implement the freeze. All after tax contributions made on or after the date referenced in the preceding sentence shall be made to and in accordance with the terms of Component I of the Combined Plan.

The foregoing terms shall be referred to as the "Freeze" of the provisions of the General Retirement System as in effect on the Freeze Date and the provisions of Articles I, II, III, or IV of Chapter 47 of the 1984 Detroit City Code and this Component II of the Combined Plan shall be interpreted and construed by the Board of Trustees and the Retirement System to give full effect to the Freeze. To the extent that a conflict arises between this Section B-1, the provisions in Chapter 47, or any collective bargaining agreement or other document governing the terms of employment of any employee, the Board of Trustees and the Retirement System are directed to interpret any inconsistency or ambiguity to give full effect to the Freeze.

## ARTICLE C. DEFINITIONS

### Sec. C-1. Definitions

Unless a different meaning is plainly required by context, for purposes of this Component II the following words and phrases have the meanings respectively ascribed to them by this Section C-1:

- (1) *Accrued Service* means a Member's credited service for employment rendered before July 1, 2014.
- (2) *Accumulated Contributions* means the sum of all amounts deducted from the compensation of a Member and credited to the Member's individual account in the Annuity Savings Fund, together with regular interest thereon.
- (3) *Annuity* means the portion of the retirement allowance which is paid for by a Member's accumulated contributions.
- (4) *Annuity Reserve* means the present value of all payments to be made on account of any annuity or benefit in lieu of any annuity. Such annuity reserve shall be computed upon the basis of such mortality tables and regular interest as shall be adopted by the Board.
- (5) *Average Final Compensation* means:
  - a. On or before June 30, 1992. For those Members who retired or separated from active service with vested pension rights on or before June 30, 1992, the highest average compensation received by a Member during any period of five consecutive years of credited service selected by the Member from the ten years of credited service which immediately preceded the date of the Member's last termination of City employment. If a Member has less than five years of credited service, the Average Final Compensation shall be the average of the annual compensation received during the Member's total years of credited service.
  - b. On or after July 1, 1992 but before July 1, 1998. For those Members who retired or separated from active service with vested pension rights on or after July 1, 1992 but before July 1, 1998, the highest average compensation received by a Member during any period of four consecutive years of credited service during the ten years of credited service which immediately preceded the date of the Member's last termination of City employment. If a Member has less than four years of credited service, the Average Final Compensation shall be the average of the annual compensation received during the Member's total years of credited service.
  - c. On or after July 1, 1998. For those Members who retire or separate from active service with vested pension rights on or after July 1, 1998, the

highest average compensation received by a Member during any period of three consecutive years of credited service during ten years of credited service which immediately precede the date of the Member's last termination of City employment. If a Member has less than three years of credited service, the Average Final Compensation shall be the average of the annual compensation received during the Member's total years of credited service.

- d. Sick Leave Election. For those nonunion Members with a regular or early service retirement who retire on or after July 1, 1999, in computing the highest average compensation received by a Member, the Member shall have the option of adding the value of twenty-five percent (25%) of the Member's unused accrued sick leave at the time of retirement to the earnings used in computing the Average Final Compensation. Bargaining unit members who retire on or after July 1, 1999 and prior to July 1, 2014 shall have the Unused Sick Leave On Retirement benefit provided for in the applicable bargaining agreement. For any Member choosing to exercise this option, the lump sum payment the Member will receive will be the remaining value of the unused accrued sick leave bank as provided in the bargaining agreement.

(6) *Beneficiary* means any person or persons (designated by a Member pursuant to procedures established by the Board) who are entitled to receive a retirement allowance or pension payable from funds of the General Retirement System due to the participation of a Member.

(7) *Compensation* means:

- a. On or before June 30, 1992. For those Members retired or separated from active service with vested pension rights, on or before June 30, 1992, all remuneration, excluding longevity payments, paid to a Member because of personal services rendered by the Member to the Employer. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded.
- b. On or after July 1, 1992. For those Members who retire on or after July 1, 1992, all remuneration, including longevity payments, paid to a Member because of personal services rendered by the Member to the Employer. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded.

(8) *Conversion* means that date on which a Member's benefits change from disability retirement benefits to normal retirement benefits.

(9) *Credited Service* means membership service credited to a Member to the extent provided in this Component II.

- (10) *Final Compensation* means a Member's annual rate of compensation at the time employment with all Employers is last terminated.
- (11) *Pension* means, for purposes of this Component II, the portion of a retirement allowance which is paid for by appropriations made by the Employers into the appropriate funds.
- (12) *Pension Reserve* means the present value of all payments to be made on account of any pension, or benefit in lieu of any pension. Such pension reserve shall be computed upon the basis of such mortality and other tables of experience, and regular interest, as shall be adopted by the Board.
- (13) *Regular Interest* means such rate or rates per annum, compounded annually, as the Board of Trustees shall determine in accordance with the limitations contained in Section E-16 of this Component II.
- (14) *Retiree* means a former Member who is receiving a retirement allowance from Component II of the Retirement System.
- (15) *Retirement* means a Member's withdrawal from the employ of the Employers with a retirement allowance or pension paid by Component II of the Retirement System.
- (16) *Retirement Allowance* means the sum of the annuity and the pension.
- (17) *Service* means personal services rendered to the Employer by a person as an employee of the Employer, provided such person is compensated by the Employer for such personal services.
- (18) *Service credit for purposes of the 1973 Defined Benefit/Defined Contribution (Annuity) Plan* means that, in accordance with such rules and regulations as the Board shall adopt, each Member shall be credited with service as follows: (1) One month of service credit is earned when the Member is paid for eighty hours of work during the month; (2) A full year of credit is earned for nine months of credit in any calendar year, except the Member's last year of work, which service credit shall be determined as of the Member's last day on the Employer's payroll. Less than nine months of service rendered in a calendar year shall neither be credited as a full year of service, nor shall more than one year of service be credited to any Member for service rendered in any one calendar year. Service credit is used to determine eligibility for service retirement, vesting, non-duty disability and survivor benefits. Service credit is also earned by a Member while retired on a duty disability or while receiving Workers' Compensation benefits.

The following terms shall have the meanings given to them in the Sections of this Component II set forth opposite such term:

2023 UAAL Amortization  
Accrued Liability Fund

Section G-4(3)a  
Section E-18(d)

Actual Return	Section G-2(5)
Adjusted Accrued Benefit	Section G-1(1)a
Adjusted Deferred Accrued Benefit	Section G-1(1)b
Annuity Reserve Fund	Section E-18(b)
Annuity Savings Fund Excess Amount	Section G-2(1)
Annuity Savings Fund of the 1973 Defined Contribution Plan	Section E-18(a)
ASF	Section G-2
ASF account	Section G-2(1)
ASF Recalculation Period	Section G-2
ASF Excess Return	Section E-16(c)
ASF Recoupment	Section G-1(1)(c)
Cash Option Cap	Section G-2(4)
Cash Repayment Option	Section G-2(4)
Certificate of Default	Section G-3(7)
COLA	Section G-4
Determination Date	Section E-18
Eligible Pensioner	Section G-3(5)
Estimated Adjusted Annual Household Income	Section G-3(3)b
Excess Assets	Section G-3(7)
Expense Fund	Section E-18(f)
Extra Contribution Account	Section G-4(3)b
Federal Poverty Level	Section G-3(6)
Final Payment Notice	Section G-2(4)
Freeze	Section B-1
Freeze Date	Section B-1
Frozen Accrued Benefit	Section B-1(c)
Funded Level	Section G-4(2)
Funding Conditions	Section G-1(1)a
Funding Proceeds	Section E-18(d)
Funding Target	Sections G-4(2)a, G-4(3)a, G-4(4)a
Governor	Section G-4(5)
IME	Section E-5(a)
Income Fund	Section E-18(g)
Income Stabilization Benefit	Section G-3(2)
Income Stabilization Benefit Plus	Section G-3(3)
Income Stabilization Fund	Section G-3(4)
Monthly Annuity Savings Fund Excess Amount	Section G-2(2)
Option "A". Joint and Seventy-Five Percent Survivor Allowance	Section E-8(a)
Option "B". Joint and Twenty-Five Percent Survivor Allowance	Section E-8(a)
Option One. Cash Refund Annuity	Section E-8(a)
Option Three. Joint and Fifty Percent Survivor Allowance	Section E-8(a)
Option Two. Joint and One Hundred Percent Survivor	

Allowance	Section E-8(a)
Participant Loan Program	Section F-1
Pension Accumulation Fund	Section E-18(c)
Pension Funding Transaction	Section E-18(d)
Pension Improvement Factor (Escalator)	Sections E-15, G-1(2)
Pension Reserve Fund	Section E-18(e)
Pension Restoration Agreement	Section G-4
Permanent Restoration Target	Section G-4(2)g, G-4(3)a, G-4(4)a
Pop-up Form	Section E-8(b)(2)
Restoration Reserve Account	Section G-4(2)a
Restoration Reserve Suspension Trigger	Sections G-4(2)g, G-4(3)a, G-4(4)a
Restoration Target	Sections G-4(2)a, G-4(3)a, G-4(4)a
Sick Leave Rollover	Section B-1(e)
Special Election	Section B-1(e)
Standard Form	Section E-8(b)(1)
Straight Life Retirement Allowance	Section E-8(a)
Transition Cost	Section E-16(c)
UAAL	Sections E-18(d), G-4
Waterfall Classes	Section G-4(1)

## **ARTICLE D. SERVICE CREDIT**

### **Sec. D-1. Service Credit**

The Board shall keep an accurate record of each employee's accumulated service credit from the date of commencement of employment with the Employers.

### **Sec. D-2. Service Credit; Former Employees of the Founder's Society—Detroit Institute of Arts**

Pursuant to Section 6-519 of the 1974 Detroit City Charter, and for the sole purpose of computing service credit to determine eligibility for a retirement allowance from the General Retirement System, a person who was inducted into the classified service of the City during the calendar year 1984 as a result of the transfer of certain functions at the Detroit Institute of Arts from The Founder's Society/Detroit Institute of Arts to the City, shall be credited with service credit equivalent to continuous time worked as a full time employee of the Founder's Society/Detroit Institute of Arts retroactive to January 1, 1984. Such Founder's Society/Detroit Institute of Arts service credit shall have no effect upon the amount of retirement benefits paid by the General Retirement System. Such Founder's Society/Detroit Institute of Arts service credit shall be added to the service credit earned as a City employee only for purposes of meeting service credit eligibility requirements under the General Retirement System. The Board of Trustees of the General Retirement System shall make all determinations of crediting of such Founder's Society/Detroit Institute of Arts service credit in accordance with the provisions of this Component II of the Combined Plan.

### **Sec. D-3. Service Credit; Transfer to Other Governmental Service**

A Member transferred from the City payroll by his or her department head to the payroll of any City, county, state, or federal government to serve the interests of the City during peace time shall continue to be a Member of the Retirement System for purposes of service credit in accordance with the ordinance or resolution passed to implement such transfer.

### **Sec. D-4. Service Credit; Military Service**

An Employee of the Employer who enters the military service of the United States while so employed shall have such service credited as City service for purposes of this Component II in the same manner as if the employee had served the employer without interruption, provided that (1) the employee's entry into such service and re-employment thereafter shall be in accordance with applicable laws, ordinances, and regulations of the State of Michigan and the City, and (2) he or she is re-employed by the Employer upon completion of such service. During the period of service and until return to City employment, his or her contributions to the fund shall be suspended and the fund balance shall be accumulated at regular interest.

### **Sec. D-5. Service Credit; Qualified Military Service (Pre-Employment Service)**

- (a) Notwithstanding any provision of this Component II to the contrary, contributions, benefits, and service credit with respect to qualified military service, shall be provided in accordance with Section 414(u) of the Internal Revenue Code. Up to three years of pre-



employment service credit may be purchased prior to June 30, 2014 for the following periods: service for a period of not less than ninety days between (1) the date of declaration of war by Congress and the recognized date of cessation of military hostilities; (2) the onset of World War II on December 8, 1941 to its conclusion on July 1, 1946; (3) the onset of the Korean Conflict on June 27, 1950 to its conclusion on December 31, 1953; (4) the onset of the Vietnam Conflict on February 28, 1961 to its conclusion on May 7, 1975, or (5) beginning on the date of the recognition of an emergency condition by the issuance of a presidential proclamation or a presidential executive order, during which emergency condition the Member received the Armed Forces Expeditionary or other Campaign Service Medal authorized by the Federal Government for the Expedition or Campaign.

- (b) This time may be applied toward a Member's credited service and may be used in meeting the minimum time needed for an automatic Option Two or automatic Option Three pension.
- (c) This time shall not apply toward meeting the minimum service and age requirements for vesting, for a non-duty disability pension, or for a service pension.

## **ARTICLE E. DEFINED BENEFIT/DEFINED CONTRIBUTION (ANNUITY) PLAN OF THE GENERAL RETIREMENT SYSTEM**

### **Sec. E-1. Membership**

The membership of the General Retirement System 1973 Defined Benefit/Defined Contribution (Annuity) Plan – Component II of the Combined Plan - shall consist of all persons who are full time employees of the Employer except:

- (a) persons who are members of the Police and Fire Retirement System of the City of Detroit, Michigan, established under Title IX, Chapter VII of the 1918 Detroit City Charter and continued in the 1974, 1997 and 2012 Detroit City Charters and as continued in the form of the Combined Plan for the Police and Fire Retirement System for the City of Detroit, Michigan, effective July 1, 2014 and as thereafter amended;
- (b) persons who are hired or rehired by an Employer on or after July 1, 2014; and
- (c) Any person who is a member of any other public employee pension or retirement plan adopted by the State of Michigan, other than the Michigan National Guard, or by any other political subdivision of the State of Michigan.

Special Service employees who worked more than fourteen hundred forty (1440) hours per Fiscal Year ending on or before June 30, 2014 will be eligible to participate in Component II of the Retirement System.

### **Sec. E-2. Cessation of Membership; Re-Employment by the Employer**

- (a) Any Member who retires under Section E-3(a), (b), or (c), or dies, shall have a non-forfeitable right to a benefit.
- (b) With respect to persons not on the active payroll prior to October 1, 2005, the following provisions of this subsection shall apply:
  - (1) Except as otherwise provided for in this Component II, if any non-vested Member leaves City employment for any reason other than retirement or death, such person shall thereupon cease to be a Member and his or her credited service at that time shall be forfeited. In the event of re-employment by the City prior to July 1, 2014, such person shall again become a Member of the Retirement System and shall accrue benefits pursuant to Component II of the Combined Plan. In the event of reemployment by the employer on or after July 1, 2014, such person shall again become a Member of the Retirement System and shall accrue benefits pursuant to Component I of the Combined Plan. If re-employment occurs prior to July 1, 2014 and within a period of six (6) years from and after the date City employment last terminated, credited service last forfeited shall be restored to the employee's credit for purposes of accruing a benefit after re-employment.

- (2) With respect to persons on the active payroll on or after October 1, 2005, re-employment prior to July 1, 2014 shall restore any previously forfeited service credit notwithstanding the time of re-employment.
- (c) Vested former employees rehired prior to receiving pension benefits and prior to July 1, 2014.
  - (1) Former employees who are vested but have not yet begun to receive pension benefits who are rehired prior to July 1, 2014 and prior to being separated for six (6) years shall have their pensions calculated in accordance with the rules in effect at the earlier of (i) the time of their last termination of active service or retirement and (ii) June 30, 2014.
  - (2) Former employees who are vested but have not begun to receive pension benefits and are rehired after July 1, 1992 but prior to July 1, 2014 and after being separated for more than six (6) years who accumulate enough service credit to be eligible for a second pension shall be entitled to two (2) separate and distinct pensions, each to be calculated in accordance with the rules in effect at the earlier of (i) the time of each separation from service and (ii) June 30, 2014.
  - (3) An employee who becomes eligible to collect his or her previously vested pension while still working, shall not be eligible to receive his or her vested pension but will be entitled to have the pension improvement factor earned through June 30, 2014 added to the vested amount of the original pension for payment when the employee eventually retires. The basic pension amount of twelve dollars (\$12.00) per year for up to ten (10) years will only be included on the employee's original pension.
- (d) Vested former employees rehired prior to receiving pension benefits and on or after July 1, 2014.
  - (1) Former employees who are vested but have not yet begun to receive pension benefits who are rehired prior to being separated for six (6) years and on or after July 1, 2014 shall have their Component II pension calculated in accordance with the rules in effect on June 30, 2014 and their Component I pension calculated in accordance with the rules in effect at the time of their last termination of active service or retirement.
  - (2) Former employees who are vested but have not begun to receive pension benefits and are rehired after July 1, 2014 after being separated for more than six (6) years who accumulate enough service credit to be eligible for a Component I pension shall be entitled to two (2) separate and distinct pensions under Component I and Component II, each to be calculated in accordance with the rules in effect at the time of each separation from service.
  - (3) An employee who becomes eligible to collect his or her previously vested pension while still working, shall not be eligible to receive his or her vested pension but will be entitled to have the pension improvement factor added to the vested

amount of the original pension for payment when the employee eventually retires. The basic pension amount of twelve dollars (\$12.00) per year for up to ten (10) years will only be included on the employee's original pension.

- (e) Retirement benefits for retirees who return to active full time employment prior to July 1, 2014.
- (1) Retirees who return to work will have their pension benefit amount suspended upon re-employment. However, retirees who have not withdrawn the amounts credited to their defined contribution account shall be entitled to continue to receive the monthly annuity from the 1973 Defined Contribution Plan. The pension improvement factor shall continue to be added to the vested amount of the original pension but shall not be paid on the defined benefit amount until the employee again separates from service.
  - (2) Retirees who return to work prior to July 1, 2014 will be entitled to receive a second pension benefit in accordance with the rules in effect at the earlier of (i) their final separation, or (ii) June 30, 2014, with respect to service credit earned after the retiree returns to active employment. Previous service credit will be used to determine the retirement factors that will be credited to service time earned after return to active employment and used to calculate the new pension amount.
  - (3) Average Final Compensation will be based upon the amounts earned after the retiree returns to work through the earlier of (i) their final separation and (ii) June 30, 2014.
  - (4) Employees who retire under this Section E-2(e) for a second time will not be allowed to change the original option selection with respect to the original pension benefit. However, employees may make a separate option selection on their second pension benefit amount.
  - (5) The basic pension amount of twelve dollars (\$12.00) per year for up to ten (10) years will be included only on the employee's original pension.
  - (6) The coordination of benefits (equated Social Security) option will not be available on a second pension amount.
  - (7) If a retiree who returns to work and dies while working, had an accumulated combined total service time of at least twenty years, the employee's Spouse will be eligible for automatic Option Two benefits, notwithstanding the option form of retirement originally elected.
  - (8) If a retiree who returns to work and dies while working had an accumulated combined total service time of at least fifteen years but less than twenty years, the employee's Spouse will be eligible for automatic Option Three benefits, notwithstanding the option form of retirement originally elected.

- (9) If the employee returns to work and dies prior to accumulating a combined total of fifteen years of service credit, the original pension and benefit option chosen shall resume unless the employee had chosen the Straight Life Option which would result in no survivor pension benefits.
- (10) The Board of Trustees will determine all entitlements for re-employed individuals on a case by case basis consistent with this section and will resolve all issues based upon special circumstances or unique situations.

### **Sec. E-3. Service Retirement**

- (a) *Retirement after thirty years of service.* Any Member hired prior to January 1, 1996 who has accumulated at least thirty or more years of credited service regardless of age, or, for any Member who was hired on or after January 1, 1996 and who has accumulated at least thirty or more years of credited service and has attained age fifty-five, may retire upon written application filed with the Board setting forth the date on which the Member desires to be retired. The date of retirement shall be effective on the first day following the Member's last day on City payroll. Upon retirement, the Member shall receive a retirement allowance as provided in Section E-4 of this Component II of the Combined Plan.
- (b) *Retirement after twenty-five years of service.* Any Employee who is covered by the provisions of this Component II and who is a member of the International Union of Operating Engineers IUOE Local 324 (Principal Clerks), the International Brotherhood of Teamsters Teamster Local 214, the Police Officers Association of Michigan, or the Emergency Medical Service Officers Association, who on July 1, 1995, or later has twenty-five (25) or more years of credited service may retire upon his or her written application filed with the Board of Trustees setting forth the date on which the Member desires to be retired. The date of retirement shall be effective on the first day following the Member's last day on City payroll. Upon retirement the Member shall receive a Retirement Allowance as provided in Section E-4 of this Component II of the Combined Plan.
- (c) *Retirement at age sixty-five with eight years of service; at age sixty with ten years of service.*
  - (1) Sixty-five and eight. Any Member who has attained sixty-five years of age and has at least eight years of credited service may retire upon written application filed with the Board setting forth an anticipated retirement date.
  - (2) Sixty and ten. Any Member who has attained sixty years of age and has at least ten years of credited service may retire upon written application filed with the Board setting forth an anticipated retirement date.

The date of retirement shall be effective on the first day following the Member's last day on City payroll. Upon retirement, the former Member shall receive the retirement allowance provided for in Section E-4 of this Component II of the Combined Plan.

(d) *Conversion of Duty-Disability benefit to Retirement Allowance.*

- (1) Retirees who are members of the Emergency Medical Service Officers Association or the Police Officers Association of Michigan and who began receiving a Duty Disability Pension after July 1, 1995 may choose to convert to a service retirement at the time they would have had twenty-five (25) years of service with the City.

(e) *Retirement after twenty-five years of service without attaining age sixty years; reduced pension.*

- (1) Early retirement. Any Member of the Retirement System who is on the payroll on or after July 1, 1992, and who has twenty-five years of credited service and has not attained sixty years of age, shall have the option of early retirement by accepting an actuarially reduced retirement allowance as determined by the Board after consultation with the Plan Actuary, notwithstanding the age of the Member who elects early retirement; provided however that any Member hired by an Employer on or after January 1, 1996 must have twenty-five years of credited service and have attained age fifty-five to have such early retirement option. Said election shall be made within ninety days of separation from City service. Actuarial tables provided by the Plan Actuary shall always provide this actuarially reduced retirement allowance at no cost to the employee.

Notwithstanding the foregoing, any Member hired by an Employer on or after January 1, 1996 who has twenty-five years of credited service and has attained age fifty-five shall have the option of early retirement by accepting

- (2) Fringe benefits. Employees utilizing the early retirement provision in Section E-3(e)(1) will not be entitled to the fringe benefits, if any, accruing to employees who qualify for a normal service retirement until such time as they would have qualified for a normal service retirement under Section E-3(a) or (b) of this Component II of the Combined Plan.

(f) *Vested retirement allowance; age forty and eight years of service; ten years of service regardless of age.*

(1) Eligibility.

- a. Any Member hired before July 1, 1980 who has reached forty years of age and has acquired eight or more years of credited service shall be eligible to receive benefits provided by Section E-3(f)(2) of this Component II of the Combined Plan.
- b. Any Member hired on or after July 1, 1980 who has acquired ten years of credited service shall be eligible to receive the benefits provided by Section E-3(f)(2) of this Component II of the Combined Plan, regardless of age.



- c. Any non-union Member hired on or after July 1, 1980 but before March 31, 1992 who has acquired ten years of credited service regardless of age or has reached age forty with eight or more years of credited service, whichever is earlier, shall be eligible to receive benefits provided by Section E-3(f)(2) of this Component II of the Combined Plan.

(2) *Benefits.*

- a. Any Member described in Section E-3(f)(1) of this Component II who left City employment on or before June 30, 1992 but prior to the date the Member would have first become eligible to retire as provided in Section E-3(a), (b) or (c) of this Component II of the Combined Plan, for any reason except discharge for reasons covered by the State Forfeiture Law, retirement or death, shall be entitled to a retirement allowance based upon one point five percent (1.5%) of Average Final Compensation for the first ten years of service and one point six three percent (1.63%) for service in excess of ten years. There shall be no change to the base pension upon which future increases are based.
- b. Any Member described in Section E-3(f)(1) of this Component II of the Combined Plan who leaves City employment on or after July 1, 1992, but prior to the date the Member would have first become eligible to retire as provided in Section E-3(a), (b) or (c) of this Component II of the Combined Plan, for any reason except discharge for reasons covered by the State Forfeiture Law, retirement or death, shall be entitled to a retirement allowance computed according to Section E-4 of this Component II of the Combined Plan.

- (3) *Commencement of retirement allowance.* The retirement allowance shall begin on the first day of the calendar month following the month in which a retirement application is filed with the Board, on or after that date on which the Member would have been eligible to retire with an unreduced service retirement under Section E-3(a) or (b) of this Component II of the Combined Plan, had City employment continued or on the date when age sixty is reached, whichever is earlier. Unless otherwise provided in this Article, no service credit shall be earned for the period of absence from City employment and such person's beneficiary shall not be entitled to any other benefit afforded in this Article except those benefits afforded either in Section E-3 or in Section E-4 of this Component II of the Combined Plan notwithstanding termination of membership.

- (4) *Withdrawal of accumulated contributions.* Upon separation from City employment, Members who qualify for benefits pursuant to Section E-3(f)(1) of this Component II of the Combined Plan may withdraw their 1973 Defined Contribution Plan accumulated contributions and all other funds standing to their credit in the Annuity Savings Fund at that time without affecting their benefits under Section E-3(f)(2) or E-4 of this Component II of the Combined Plan.



In the event that any law, State or Federal, is passed during the term of the collective bargaining agreement or City Employment Terms agreement which permits Employees to vest their pension prior to meeting the vesting requirements set forth in this Component II, any Employee who vests his or her pension in such a manner shall not be eligible for any pension benefits until his or her sixty-second (62nd) birthday. This provision will not affect the current practice governing disabled Employees.

#### **Sec. E-4. Service Retirement Allowance**

Upon retirement, a Member who meets the qualifications set forth in section E-3(a), (b) or (c) of this Component II of the Combined Plan, shall receive a Straight Life Retirement Allowance, and shall have the right to elect to receive in lieu of the Straight Life Retirement Allowance, a reduced retirement allowance under an option provided for in E-8 of this Component II of the Combined Plan.

The Straight Life Retirement Allowance shall consist of:

- (a) An Annuity which shall be the actuarial equivalent of the Member's accumulated contributions in the 1973 Defined Contribution Annuity Savings Fund at the time of retirement; and
- (b) A Basic Pension of twelve dollars (\$12.00) per annum multiplied by the number of years, and fractions of years of credited service, not to exceed ten (10) years; and
- (c) A Membership Service Pension.
  - (1) For Members who retire on or before June 30, 1992, a membership service pension of one point five percent (1.5%) of Average Final Compensation for the first ten (10) years of service and one point six three percent (1.63%) for service in excess of ten (10) years.
  - (2) For Members who retire on or after July 1, 1992 but prior to July 1, 1998, a membership service pension of one point five percent (1.5%) of Average Final Compensation for each year of service for the first ten (10) years, plus one point seven percent (1.7%) of Average Final Compensation for each year of service in excess of ten (10) years up to twenty (20) years of service, plus one point nine percent (1.9%) of Average Final Compensation for each year of service in excess of twenty years. In no event shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation.
  - (3) For Members who retire on or after July 1, 1998, a membership service pension for service rendered prior to July 1, 2012 of one point six percent (1.6%) of Average Final Compensation for each year of service for the first ten (10) years, plus one point eight percent (1.8%) of Average Final Compensation for each year of service in excess of ten (10) years, up to twenty (20) years of service, plus two percent (2%) of Average Final Compensation for each year of service in excess of twenty (20) years up to twenty-five (25) years, plus two point two percent (2.2%) of Average Final Compensation for each year of service in excess of twenty-five

(25) years; plus, for service rendered after July 1 2012 and prior to July 1, 2014, one and one-half percent (1.5%) of Average Final Compensation for each year of service; plus twelve dollars (\$12) for each year of City service not to exceed one hundred twenty dollars (\$120). Notwithstanding the foregoing, for members of the Michigan Council 25 of the American Federation of State, County and Municipal Employees, AFL-CIO Local 2920 and the Detroit Senior Water Systems Chemists Association bargaining units, the effective date of the one and one-half percent multiplier was April 1, 2013 for all years of service rendered after that date. In no case shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation.

- (d) With respect to regular service retirees under Section E-3(a) and (b) of this Component II of the Combined Plan only and excluding persons who receive vested benefits under Section E-3(c) and (d) of this Component II of the Combined Plan, in no case shall the total of the annual Straight Life Pension be less than three hundred sixty dollars (\$360.00) times each of the first ten (10) years of service at retirement, plus one hundred twenty dollars (\$120.00) for each year of service in excess of ten (10) years. Effective July 1, 2007, each year of service in excess of ten (10) years earned prior to July 1, 2014 shall be calculated using two hundred twenty-five dollars (\$225.00).
- (e) The recalculation of the pension benefit shall include previous pension improvement factors but shall not include special increases granted by prior separate ordinances.
- (f) If a retiree dies before receipt of Straight Life Retirement allowance payments in an aggregate amount equal to, but not exceeding, the retiree's accumulated contributions in the Annuity Savings Fund at the time of retirement, the difference between these accumulated contributions and the aggregate amount of Straight Life Retirement allowance payments received, shall be paid to such person or persons nominated by written designation duly executed by the retiree and filed with the Board. If there is no such designated person or persons surviving the retiree, such difference shall be paid to his or her estate. In no case shall any benefits be paid under this section because of the death of a retiree if the retiree had elected any of the Options provided for in Section E-8 of this Component II of the Combined Plan.

#### **Sec. E-5. Disability Retirement**

- (a) *Duty Disability; Eligibility.* Upon the application of a Member or the Member's department head, a Member who becomes totally and permanently incapacitated for duty in the employ of the Employer shall be retired by the Board; provided, such incapacity is found by the Board to be the natural and proximate result of the actual performance of duty, without willful negligence on the part of the Member; provided further, that any employee who is seeking a duty disability retirement, shall have an examination conducted by an independent medical examiner ("IME"). If the IME concludes that the employee's physical or medical condition does not relate to his/her employment with the City, the employee shall not be eligible for the duty disability retirement.

(b) *Duty disability; Benefits.* Upon retirement for disability as provided in Section E-5(a) of this Component II of the Combined Plan, a retiree shall receive the following benefits:

- (1) Any Member who is eligible for a Service Retirement under Section E-3(a) or (b) of this Component II of the Combined Plan shall receive a Service Retirement Allowance as provided in Section E-4 of this Component II of the Combined Plan and shall have the right to elect an option provided for in Section E-8 of this Component II of the Combined Plan.
- (2) Any Member prior to eligibility for a Service Retirement under Section E-3(a) or (b) of this Component II of the Combined Plan shall receive a Disability Retirement Allowance to begin as of the date of disability. In no case shall the Disability Retirement Allowance be retroactive to more than six months before the date the application for Disability Retirement is filed with the Board, or prior to the date the Member's name last appeared on a City payroll with pay, whichever is later. The Disability Retirement Allowance shall continue until the Member reaches eligibility for Service Retirement or recovers prior to that event. Upon reaching eligibility for Service Retirement, he or she shall receive a pension as provided in Sections E-4(b)-(e) of this Component II of the Combined Plan, together with an annuity which shall be the equivalent of the annuity which would have been received had contributions to the Annuity Savings Fund continued. Said contributions are to be based on the final compensation at the date of duty disability and the annuity percentage in effect for the employee on the July first prior to the effective date on which the employee is added to the disability retirement payroll, provided said July first is at least six months prior to the effective date that the employee is added to the regular retirement payroll. In computing the pension, membership service credit shall be given for the period a Duty Disability Retirement Allowance is received. The Disability Retirement Allowance shall consist of:
  - (i) Cash Refund Annuity which shall be the actuarial equivalent of the Member's accumulated contributions in the Annuity Savings Fund at the time of retirement. If a retiree dies before receipt of annuity payments in an aggregate amount equal to, but not exceeding, the retiree's accumulated contributions, the difference between the accumulated contributions and the aggregate amount of annuity payments received shall be paid in a single lump sum to such person or persons nominated by written designation duly executed and filed with the Board. If there is no such designated person surviving the retiree, such difference shall be paid to the retiree's estate.
  - (ii) In addition to the Annuity, a Disability Pension of sixty-six and two-thirds percent (66-2/3%) of the Member's Average Final Compensation at the time of duty disability, subject to the provisions of Sections E-12 and E-13 of this Component II of the Combined Plan. This Disability Pension shall in no event exceed fifty-seven hundred dollars (\$5,700.00) per annum.

- (iii) For Members who retired on disability on or after January 1, 1999 or on or after July 1, 2012 for members of the Emergency Medical Service Officers Association and Police Officers Association of Michigan bargaining units, in addition to the Annuity, a Disability Pension of sixty-six and two-thirds percent (66-2/3%) of the Member's average compensation at the time of duty disability, subject to the provisions of Sections E-12 and E-13 of this Component II of the Combined Plan. This Disability Pension shall in no event exceed nine thousand dollars (\$9,000.00) per annum.
- (c) *Non-Duty Disability; Eligibility.* Upon the application of a Member or the Member's department head, a Member who has at least ten years of credited service who becomes totally and permanently incapacitated for duty as a result of causes which do not occur in the actual performance of duty to the employer, may be retired by the Board if the IME certifies to the Board after examination that such Member is mentally or physically totally incapacitated for the further performance of duty, that such incapacity is likely to be permanent, and that such Member should be retired.
- (d) *Non-Duty Disability; Benefits.* Upon retirement for non-duty disability as provided in Section E-5(c) of this Component II of the Combined Plan, a Member shall receive the following benefits:
  - (1) After attaining sixty years of age, a Member shall receive a Service Retirement Allowance as provided in Section E-4 of this Component II of the Combined Plan and shall have the right to elect an Option as provided in Section E-8 of this Component II.
  - (2) Prior to age sixty, a Member shall receive benefits as provided in Section E-5(d)(2)(i)-(iv) of this Component II of the Combined Plan:
    - i. A Cash Refund Annuity which shall be the actuarial equivalent of the Member's accumulated contributions in the Annuity Savings Fund at the time of retirement. In the event a retiree dies before the total of the Cash Refund Annuity payments received equals or exceeds the amount of his or her accumulated contributions at the time of retirement, the remainder shall be paid in a single lump sum to such person or persons nominated by written designation duly executed by the Member and filed with the Board. If there is no such designated person or persons surviving, any such remainder shall be paid to the retiree's estate.
    - ii. In addition to the Annuity, a Disability Pension which shall be based on the Service Retirement factors in effect on the effective date of disability. The service retirement factors shall be multiplied by the Average Final Annual Compensation multiplied by the number of years and fractions of years of service credited to the retiree. In addition, a basic pension of twelve dollars (\$12.00) per annum for a maximum of ten years of credited service shall be added for a total not to exceed one hundred twenty dollars (\$120.00) and adjustments thereto, as calculated pursuant to applicable

provisions of this Component II of the Combined Plan. Said Disability Pension shall begin as of the date of the disability. However, in no case shall the Disability Pension begin more than six months before the date the application for disability retirement was filed with the Board, or prior to the date his or her name last appeared on a City payroll with pay, whichever is later. Payment of the Disability Pension shall continue to age sixty. Said Disability Pension shall not exceed thirty-nine hundred dollars (\$3,900.00) per annum, and shall be subject to the provisions of Sections E-12 and E-13 of this Component II of the Combined Plan.

- iii. A Member who retired on disability on or after January 1, 1999 shall receive a Disability Pension as provided for in Section E-5(d)(2)(ii) of this Component II of the Combined Plan. Said Disability Pension shall not exceed six thousand dollars (\$6,000.00) per annum, and shall be subject to the provisions of Sections E-12 and E-13 of this Component II of the Combined Plan.
- iv. Effective July 1, 1967, notwithstanding the limitations contained in Section E-5(d)(2)(ii) of this Component II of the Combined Plan, disability retirees under Section E-5(c) of this Component II of the Combined Plan, who retired (1) prior to August 13, 1953, shall receive a supplementary Disability Pension of forty dollars (\$40.00) per month; or (2) after August 13, 1956 and prior to July 1, 1966, shall receive a supplementary Disability Pension of twenty dollars (\$20.00) per month.
- v. Upon Attaining Age Sixty, the retiree shall receive a Pension computed according to the provisions of Section E-4(b)-(e) of this Component II of the Combined Plan; provided, that no service credit shall be given for the time a Disability Pension provided for in Section E-5(d)(2)(ii) of this Component II of the Combined Plan was received. Upon attaining age sixty, the retiree shall have the right to make an election under Section E-8 of this Component II of the Combined Plan.

#### **Sec. E-6. Accidental Death Benefit; Performance of Duty**

If a Member is killed in the performance of duty in the service of the employer, or dies as the result of illness contracted or injuries received while in the performance of duty in the service of the employer, and such death, illness, or injuries resulting in death, is found by the Board to have resulted from the actual performance of duty in the service of the employer, the following benefits shall be paid, subject to Section E-12 of this Component II of the Combined Plan:

- (a) *Annuity Savings Fund.* Accumulated savings in the Member's Annuity Savings Fund at the time of death shall be paid in a single lump sum to such person or persons as the Member nominated in a writing duly executed and filed with the Board. In the event there is no designated person or persons surviving the Member, the accumulated contributions shall be paid to the Member's estate.



- (b) *A Pension* of one-third of the final compensation of said Member shall be paid to the surviving Spouse to continue until remarriage. If an unmarried child, or children under age eighteen also survive the deceased Member, each surviving child shall receive a pension of one-fourth of said final compensation, to be divided equally. Upon any such child's adoption, marriage, attainment of age eighteen, or death, whichever occurs first, such child's pension shall terminate and there shall be a redistribution by the Board to the surviving eligible children under age eighteen. In no event shall any child receive a pension of more than one-fourth of said final compensation.
- (c) *No Surviving Spouse; Children.* If there is no surviving Spouse, or if such surviving Spouse dies or remarries before the youngest surviving child of a deceased Member shall have attained the age of eighteen, any unmarried child or children under age eighteen, if any, shall receive a Pension equal to one-fourth of the deceased Member's final compensation; provided, that if there are more than two such surviving children, each shall receive a pension of an equal share of one-half of said final compensation. Upon any such child's adoption, marriage, attainment of age eighteen, or death, whichever occurs first, the child's Pension shall terminate and there shall be a redistribution by the Board to the surviving eligible children under age eighteen. In no case shall any such child's Pension be more than one-fourth of the deceased Member's final compensation.
- (d) *Annual Limit.* The total amount payable under Section E-6(b) and (c) of this Component II of the Combined Plan on account of the death of a Member, shall not exceed nine thousand dollars (\$9,000.00) per annum.
- (e) *Dependent Father and/or Mother.* If the deceased Member has no surviving Spouse or children eligible for a Pension under this section, a Pension equal to one-sixth of the deceased Member's final compensation shall be paid to the Member's surviving dependent father and/or mother; provided that in no case shall either parent's Pension exceed fifty dollars (\$50.00) per month. Payment to a dependent parent or parents shall be contingent upon a finding by the Board of Trustees after investigation that such parent or parents were actually dependent upon said deceased Member through a lack of earning power resulting from physical or mental disability.
- (f) *Section E-12 of Component II of the Combined Plan Applicable.* The benefits provided in Section E-6 of this Component II shall be subject to Section E-12 of this Component II.

#### **Sec. E-7. Accumulated Contributions; Return of 1973 Defined Contribution Plan Amount**

- (a) *Cessation of Employment.*
  - (1) If a Member ceases to be an employee of the employer before becoming eligible for a Pension paid out of City contributions to the Retirement System, such Member shall be paid all or part of the Member's Annuity Savings Fund, being the 1973 Defined Contribution Plan amount, as the Member shall demand by written application filed with the Board.

- (2) Except as otherwise provided in this Article, upon the death of a Member, the Member's Annuity Savings Fund shall be paid to such person or persons nominated in a written designation duly executed by the Member and filed with the Board. In the event there is no such designated person or persons surviving, the Member's said accumulated contributions shall be paid to the Member's estate.
  - (3) If a Member who dies without a legal will is not survived by a Spouse and has not nominated a beneficiary as provided in Section E-7(a)(2) of this Component II, the Member's accumulated Annuity Savings Fund contributions at the time of death may be used to pay burial expenses, if the Member leaves no other estate sufficient for such purpose. Such expenses shall not exceed a reasonable amount as determined by the Board.
  - (4) Accumulated contributions to be returned as provided in this section may be paid in equal monthly installments for a period not to exceed three years, according to such rules and regulations as the Board may adopt from time to time. After a Member ceases to be a Member, any balance in the Annuity Savings Fund which is unclaimed by the said Member or the Member's heirs, shall remain a part of the funds of the Retirement System and shall be transferred to the Pension Accumulation Fund.
- (b) *One-Time Withdrawal; Twenty-Five Years.* Prior to the receipt of the first retirement benefit check, an employee with twenty-five or more years of service shall be allowed to withdraw either a partial or full amount of his or her accumulated contributions, one time only.
  - (c) *One-Time Withdrawal; Duty and Non-Duty Disability Retirees.* Duty and non-duty disability retirees shall be allowed to withdraw either a partial or full amount of their accumulated contributions, one time only.
  - (d) *One-Time Withdrawal.* Withdrawal by a Member under either (b) or (c) of this Section E-7 constitutes the one time withdrawal allowed.

#### **Sec. E-8. Retirement Allowance Options**

- (a) *Election by Member.* Until the earlier of the first time a retirement allowance payment check is cashed, or six months after the first payment check is issued, but not thereafter, any Member may elect to receive a Straight Life Retirement Allowance payable throughout life, or the Member may elect to receive the actuarial equivalent of the Straight Life Retirement Allowance computed as of the effective date of retirement, in a reduced retirement allowance payable throughout life, with the exception that there will be no reduction in the benefits received pursuant to Section E-4(e) of this Component II of the Combined Plan, and nominate a beneficiary to receive benefits following the Member's death, in accordance with the options set forth below:

*Option One. Cash Refund Annuity.* If a retiree who elected a Cash Refund Annuity dies before payment of the annuity portion of the reduced retirement allowance has been



received in an aggregate amount equal to, but not exceeding the retiree's accumulated contributions in the Annuity Savings Fund at the time of retirement, the difference between said accumulated contributions and the aggregate amount of annuity payments already received, shall be paid in a single lump sum to such person or person nominated by written designation duly executed by the Member and filed with the Board. If no such designated person or persons survive the retiree, any such difference shall be paid to the retiree's estate.

*Option Two. Joint and One Hundred Percent Survivor Allowance.* Upon the death of a retiree who elected a Joint and One Hundred Percent Survivor Allowance, one hundred percent of the reduced retirement allowance shall be paid to and continued throughout the life of the person nominated by written designation duly executed and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

*Option "A". Joint and Seventy-Five Percent Survivor Allowance.* Upon the death of a retiree who elected a Joint and Seventy-Five Percent Survivor Allowance, seventy-five percent of the reduced retirement allowance shall be continued throughout the life of and paid to the person nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

*Option Three. Joint and Fifty Percent Survivor Allowance.* Upon the death of a retiree who elected a Joint and Fifty Percent Survivor Allowance, fifty percent of the reduced retirement allowance shall be continued throughout the life of and paid to the person nominated by written designation duly executed by the Member and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

*Option "B". Joint and Twenty-Five Percent Survivor Allowance.* Upon the death of a retiree who elected a Joint and Twenty-Five Percent Survivor Allowance, twenty-five percent of the reduced retirement allowance shall be paid throughout the life of the person nominated by written designation duly executed and filed with the Board prior to the date the first payment of the retirement allowance becomes due.

- (b) *Joint and Survivor Optional Forms of Payment.* The Joint and Survivor Optional Forms of Payment provided under Section E-8(a) of this Component II of the Combined Plan shall be made available in either the standard form or the pop-up form, as follows:
- (1) *Standard Form.* Under the Standard Form, the reduced retirement allowance shall be paid throughout the lifetime of the retiree.
  - (2) *Pop-up Form.* Under the Pop-up Form, the reduced allowance shall be paid throughout the lifetime of the retiree and the designated beneficiary. In the event of the death of the designated beneficiary during the lifetime of the retiree, the amount of the allowance shall be changed to the amount that would have been payable had the retiree elected the Straight Life Retirement Allowance form of payment.

- (c) *Coordination of Benefits.* According to such rules and regulations as the Board shall adopt, until the first payment of a retirement allowance becomes due, but not thereafter, a Member under age sixty-five may elect to have the Member's Straight Life Retirement Allowance provided for in Section E-4 of this Component II of the Combined Plan equated on an actuarial equivalent basis to provide an increased retirement allowance payable to age sixty-two or age sixty-five, and to provide a decreased retirement allowance thereafter. The increased retirement allowance payable to such age shall approximate the total of the decreased retirement allowance payable thereafter and the estimated social security benefit. If a Member elects to receive increased and then decreased retirement allowance payments provided for in this paragraph, he or she may also elect to have such payments reduced by electing one of the optional forms of payment provided for in paragraph (a) of this section. This coordination of benefits option shall not create any additional actuarial costs.

#### **Sec. E-9. Benefits for Surviving Spouses; Generally**

- (a) The surviving Spouse of any Member who dies while in the employ of the City or in the employ of a second governmental unit as provided in Section E-14 of this Component II after the date such Member either (1) has earned twenty years of credited service regardless of age, or (2) has earned eight years of credited service and has attained age sixty-five, or (3) has earned ten or more years of credited service and has attained age sixty, shall receive a retirement allowance. The Spouse's retirement allowance shall be computed according to Section E-4 of this Component II of the Combined Plan in the same manner in all respects as if the said Member had retired effective the day preceding the Member's death, notwithstanding that the Member had not attained age sixty, elected a Joint and One Hundred Percent Survivor Allowance as provided for in Section E-8 of this Component II, and nominated the surviving Spouse as beneficiary. No payments shall be made under this Section E-9 on account of the death of a Member if any benefits are paid under Section E-6 of this Component II. If an Employee dies with twenty (20) years of service and without a surviving Spouse, dependent children shall be paid a total of nine thousand dollars (\$9,000.00) per year which shall be divided equally among all eligible dependent children until the youngest child reaches age nineteen, or for life, if a child is permanently physically or mentally impaired and such impairment occurred prior to the child's attainment of age nineteen. There shall be no retirement escalator for this payment.
- (b) In addition to in-service death benefits which existed prior to July 1, 1998 for Members with twenty or more years of service, if a Member dies on or after July 1, 1998 or such later date as provided in a collective bargaining agreement, after having attained fifteen or more but less than twenty years of creditable service at any age below sixty, the surviving Spouse will be paid a Fifty Percent Joint and Survivor benefit. If there is no eligible surviving Spouse, dependent children shall be paid a total of six thousand dollars (\$6,000.00) which shall be divided equally among all eligible dependent children until the youngest child reaches age nineteen, or for life if a child is permanently physically or mentally impaired.

#### **Sec. E-10. Benefits for Surviving Spouses; Disability Retirees**

The surviving Spouse of a disability retiree who retired under the provisions of Section E-5 of this Component II of the Combined Plan and who died before the age of sixty shall receive a retirement allowance computed in the same manner as if the disability retiree had been a Member who became eligible for death benefits under Section E-9 of Component II of the Combined Plan, provided the disability retiree had earned fifteen or more years of credited service. In the case of a non-duty disability retiree, credited service shall be determined on the effective date of the non-duty disability retirement. In the case of a duty disability retiree, credited service shall be determined on the date of death of the disability retiree assuming City employment had continued until the date of death.

#### **Sec. E-11. Disposition of Surplus Benefits upon Death of Retiree and Beneficiary**

If under a Joint and One Hundred Percent Survivor allowance, a Joint and Seventy-Five Percent Survivor allowance, a Joint and Fifty Percent Survivor allowance, or a Joint Twenty-Five Percent Survivor allowance as provided for under Section E-8 of this Component II of the Combined Plan, both a retiree and beneficiary die before they have received in retirement allowance payments, an aggregate amount equal to the retiree's accumulated contributions in the Annuity Savings Fund at the time of retirement, less withdrawals, the difference between the said accumulated contributions and the said aggregate amount of retirement allowances paid the retiree and beneficiary, shall be paid in a single lump sum to such person or persons nominated by written designation of the retiree duly executed and filed with the Board. If there are no person or persons surviving retiree and beneficiary, any such difference shall be paid to the retiree's estate.

#### **Sec. E-12. Pensions Offset by Compensation Benefits; Subrogation**

- (a) Generally. Any amounts which may be paid or payable to a Member, retiree, or to the dependents of a Member or retiree on account of any disability or death under the provisions of any Workers' Compensation, pension, or similar law, except federal Social Security old-age and survivors' and disability insurance benefits, shall be offset against any pensions payable from funds of the Retirement System on account of the same disability or death. If the present value of the benefits payable under said Workers' Compensation, pension, or similar law, is less than the Pension Reserve for said pension payable by the Retirement System, the present value of the said Workers' Compensation, pension, or similar legal benefit shall be deducted from the Pension Reserve, and such pensions as may be provided by the Pension Reserve so reduced shall be payable as provided in this Article E.
- (b) The City's right of subrogation. In the event a person becomes entitled to a pension payable by the Retirement System because of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of said person against such third party to the extent of the benefit which the City or the Retirement System pays or becomes liable to pay.

#### **Sec. E-13. Disability Retirees; Reexamination; Authority of the Board**

- (a) *Medical examination.* At least once each year during the first five years following the retirement of a Member with a Disability Retirement Allowance or Disability Pension, and at least once in every three year period thereafter, the Board may, and upon the retiree's application shall, require that any disability retiree who has not attained age sixty undergo a medical examination, to be made by, or under the direction of, the Medical Director. Should any such disability retiree who has not attained age sixty refuse to submit to at least one such medical examination in any such period, the retiree's retirement allowance or pension may be discontinued by the Board until withdrawal of such refusal. Should such refusal continue for one year, all of the disability retiree's rights in and to the Pension portion of the Retirement Allowance may be revoked by the Board. If upon such examination of a disability retiree, the Medical Director reports that the retiree is physically able and capable of resuming employment, and such report is concurred in by the Board, the retiree shall be restored to active service with the City and the Disability Retirement Allowance shall terminate.
- (b) *Other employment.* If such disability retiree is or becomes engaged in a gainful occupation, business, or employment paying more than the difference between the retiree's Disability Retirement Allowance and final compensation, the Pension portion of the Disability Retirement Allowance shall be reduced by the amount of such difference. If the amount of the earnings changes, the Pension may be adjusted accordingly.
- (c) *Reinstatement to active service.* A disability retiree who has been, or shall be, reinstated to active service in the employ of the City as provided in this Section, shall again become a Member of the Retirement System. All credited service at the time of the retirement shall be restored to full force and effect and a duty disability retiree shall be given membership service credit for the period said retiree was out of service due to such duty disability.

#### **Sec. E-14. Transfer of Department or Department Functions; Generally**

In the event a function or functions of a City Department or the Department itself is transferred to the federal or state government, or to a political subdivision of the State of Michigan (second governmental unit), a Member of the Retirement System whose employment is transferred from the City to the second governmental unit shall be entitled to a retirement allowance payable by the Retirement System subject to the following conditions:

- (a) *Employment within sixty days of transfer.* The employee enters the employment of the second governmental unit within sixty days from and after the effective date of the transfer of the function or functions of a City Department or the Department itself to the second governmental unit.
- (b) *Credited service combined; ten year minimum.* The employee's credited service as a Member of the Retirement System plus any credited service acquired in the employ of the second governmental unit totals at least ten years.
- (c) *Retirement; second governmental unit.* If the employee retires from employment with the second governmental unit on account of age and service, the employee's Retirement

Allowance shall be computed in accordance with Section E-3(b) or Section E-4 of this Component II of the Combined Plan, whichever is applicable. If the employee retires from employment in the second governmental unit because of total and permanent disability arising from non-service connected causes, the Retirement Allowance shall be computed in accordance with Section E-5(d) of this Component II of the Combined Plan. In computing the Retirement Allowance, the basic pension shall not exceed twelve dollars (\$12.00) per year for a maximum of ten years for a total amount to not exceed one hundred twenty dollars (\$120.00), and the membership service pension shall be based only upon City-credited service existing at the time of transfer. In determining the Average Final Compensation defined in Section C-1 of this Component II of the Combined Plan, the compensation received as an employee of the second governmental unit shall be regarded as compensation paid by the City. If the employee leaves the employ of the second governmental unit with a deferred retirement allowance, no City retirement allowance shall be paid unless the employee has met the requirements of Section E-3(d)(1) of this Component II of the Combined Plan. Notwithstanding the foregoing, effective as of the Freeze Date, for purposes of calculating a Retirement Allowance for a Member whose employment was transferred prior to July 1, 2014 from the City to a second governmental unit, Average Final Compensation for the transferred Member shall be compensation received by such transferred Member prior to July 1, 2014 as an employee of the second governmental unit.

- (d) *Allowance starting date.* The retirement allowance shall begin upon retirement from the employment of the second governmental unit, but in no event prior to the date the employee would have become eligible for retirement had the employee continued in City employment. If retirement is because of total and permanent disability arising from non-service-connected causes, the retirement allowance shall begin upon the approval of retirement by the Board.

#### **Sec. E-15. Pension Improvement Factor (Escalator)**

- (a) *Increase of pension.* On or after July 1, 1992 and prior to the effective date of the Plan of Adjustment, effective as of the first day of July of each year, the pension portion of any Retirement Allowance or Duty Death Benefit which is paid or payable under this Article shall be increased by a factor of two and one quarter percent (2.25%), computed on the basis of the amount of the original pension received at the time of retirement, including, if applicable, any supplemental pensions provided under this Article; provided, that the recipient of said pension shall have been on the retirement rolls at least one year prior to said July first date. If the recipient has been on the retirement payroll less than one year prior to said July first date, the amount of the increase shall be prorated accordingly.
- (b) *Payment.* Except as provided in paragraph (c) below, the pension improvement factor of two and one quarter percent (2.25%) provided for in Section E-15(a) of this Component II, shall be payable notwithstanding any Retirement Allowance or pension amount limitation provisions in this Article to the contrary.
- (c) After the effective date of the City Employment Terms between the City of Detroit and Police Officers Association of Michigan presented to the union on July 18, 2012,



employees represented by the union will no longer receive the two and one-quarter percent (2.25%) per annum escalation.

- (d) Effective April 1, 2013, the post-retirement escalator factor for all service after that date shall be eliminated for any employee who is a member of the American Federation of State, County and Municipal Employees, AFL-CIO Local 2920.

**Sec. E-16. Adoption of Rates of Interest; Limitations on Payments By Retirement System; Transfer of Investment Returns in Excess of Crediting Rate**

- (a) The Retirement System and the Board of Trustees shall not make any payment to active or retired Members other than payments that are required by the Retirement System as established by this Combined Plan to govern the Retirement System or the Plan of Adjustment. This prohibition applies to all payments that are not authorized by this Combined Plan, whether such payments are those commonly referred to as a "thirteenth check" or by any other name.
- (b) The Retirement System and the Board of Trustees shall not provide any savings plan, annuity plan, or other Member investment or savings vehicle that provides an annual return to investing Members which in any year is greater than the actual investment return net of expenses of the Retirement System's invested reserves for the year in which the return is earned and accrued, provided that such return shall neither be greater than the assumed annual return as expressed in the Retirement System's valuation for that year nor less than zero. This prohibition shall apply to all annual returns credited to accounts of investing Members in the Annuity Savings Fund of the 1973 Defined Contribution Plan from the effective date of Ordinance 37-11 to June 30, 2013. Notwithstanding anything in this Section E-16 to the contrary, effective for Plan Years beginning on and after July 1, 2013, the annual rate of return credited to a Member's account in the Annuity Savings Fund of the 1973 Defined Contribution Plan shall be no less than zero and no greater than the lesser of (i) 5.25% or (ii) the actual investment return net of expenses of the Retirement System's invested reserves for the second Plan Year immediately preceding the Plan Year in which the annual return is credited.
- (c) In any Plan Year during the period beginning on or after July 1, 2014 and ending June 30, 2023 in which the annual rate of return credited to the accounts of Members investing in the Annuity Savings Fund as provided in paragraph (b) is less than the actual rate of return net of expenses of the Retirement System's invested assets for the second Plan Year immediately preceding the Plan Year in which the annual rate of return is credited ("ASF Return Excess"), an amount equal to the value of the ASF Return Excess shall be transferred to the Pension Accumulation Fund maintained under Component I of the Combined Plan and shall be used to fund the Transition Cost relating to Component I. The Transition Cost is a measure of the liability that Component I of the Retirement System has at its inception; due to the fact that at its inception, Members in Component I of the Retirement System receive vesting and eligibility credit under Component I for service that was earned prior to July 1, 2014 and is otherwise credited to Members under Component II of the Retirement System, as such Transition Cost is calculated by the Plan Actuary. In the event there is an ASF Return Excess for a Plan Year following the Plan

Year in which such transfers have fully funded the Transition Costs relating to Component I, fifty percent (50%) of such ASF Return Excess shall be transferred to the Pension Accumulation Fund maintained under Component II and the remaining fifty percent (50%) of such ASF Return Excess shall be transferred to Component I and credited to the Rate Stabilization Fund maintained under Component I. "Transition Cost" shall be determined by the Plan Actuary.

#### **Sec. E-17. Funds**

The 1973 Defined Benefit/Defined Contribution (Annuity) Plan shall consist of the Annuity Savings Fund, the Annuity Reserve Fund, the Pension Accumulation Fund, the Pension Reserve Fund, and the Income Fund.

#### **Sec. E-18. Method of Financing**

(a) *Annuity Savings Fund of the 1973 Defined Contribution Plan.*

- (1) The Annuity Savings Fund of the 1973 Defined Contribution Plan shall be the fund in which shall be accumulated at regular interest, in accordance with the limitations that are contained in Section E-16 of this Component II of the Combined Plan, the contributions of Members made prior to the first payroll date occurring in August 2014 to provide their annuities. At the election of the Member, the amount of the basic contribution of a Member to the Retirement System prior to the first payroll date occurring in August 2014 were zero percent (0%), three percent (3%), five percent (5%), or seven percent (7%) of annual compensation. If a Member elected three percent (3%), his or her contribution shall be that amount which is subject to taxation under the provisions of the *Federal Insurance Contribution Act, 26 USC 3101 et seq. (Act)*, plus five percent (5%) of the portion of annual compensation, if any, which exceeds the amount subject to taxation under that *Act*.
- (2) The contribution rate elected by the Member under Section E-18(a)(1) of this Component II of the Combined Plan were deducted from the Member's compensation notwithstanding that the minimum compensation provided by law for any Member were reduced thereby. Payment of compensation, less said deductions, constituted a complete discharge of all claims and demands whatsoever for the services rendered by the said Member during the period covered by such payment, except as to benefits provided under this Article E.
- (3) Upon retirement of a Member with a Retirement Allowance, the Member's accumulated contributions shall be transferred from the Annuity Savings Fund to the Annuity Reserve Fund, refunded to the Member, or a combination thereof.

(b) *Annuity Reserve Fund.* The Annuity Reserve Fund shall be the fund, from which all annuities and benefits in lieu of annuities payable as provided in this Article E, shall be paid. If a disability retiree is reinstated to active City service, the retiree's Annuity Reserve at that time shall be transferred from the Annuity Reserve Fund to the Annuity Savings Fund and credited to his or her individual account therein.



- (c) *Pension Accumulation Fund.* The Pension Accumulation Fund shall be the fund in which shall be accumulated reserves for the pensions and other benefits payable from the contributions made by the City, including various departments thereof, the Detroit Public Library, and certain third parties pursuant to the Plan of Adjustment and from which shall be paid pensions and other benefits on account of Members with prior service credit, and transfers as provided in this Section E-18. Contributions to the Pension Accumulation Fund from the effective date of the Plan of Adjustment through Fiscal Year 2023, shall be made only in the amounts and from the sources identified in the Plan of Adjustment.

For Fiscal Years beginning after June 30, 2023, contributions to fund pension benefits (adjusted as provided in the Plan of Adjustment) shall be made as follows:

- (1) Certain amounts shall be contributed by certain third parties as provided in the Plan of Adjustment.
  - (2) The City's annual contribution shall be calculated by the Actuary as provided in Section E-19.
  - (3) Upon the retirement of a Member without prior service credit, or upon a Member's death in the performance of duty, the Pension Reserve Fund for the pension or pensions to be paid on the Member's account shall be transferred from the Pension Accumulation Fund to the Pension Reserve Fund.
  - (4) Upon the basis of such mortality and other tables of experience and interest as the Board shall adopt from time to time consistent with Section 1.16(d) of Component I, the Actuary shall compute annually the pension reserve liabilities for pension benefits being paid to retirees and beneficiaries.
  - (5) On an annual basis, the Board shall ascertain and report to the Mayor and the Council the amount of City contributions due to the Retirement System. The Council shall appropriate and the City shall pay such contributions during the appropriate Fiscal Year. When paid, such contributions shall be credited to the Pension Accumulation Fund.
  - (6) If the amount appropriated by the City and paid to the Retirement System for any Fiscal Year is insufficient to make the transfers and pay the pensions, as adjusted in the Plan of Adjustment, from the Pension Accumulation Fund as provided in this Section E-18, the amount of such insufficiency shall be provided by the appropriating authorities of the City.
- (d) *Accrued Liability Fund.* Pursuant to *Ordinance No. 5-05*, which authorized the creation of the Detroit General Retirement Service Corporation, the City previously entered into a transaction (the "Pension Funding Transaction") to obtain funds as an alternative to those available through the traditional funding mechanism described above in Subsection (c). The proceeds generated by the Pension Funding Transaction (or any Additional Pension Funding Transactions, as described below) that were deposited into the System are termed the "Funding Proceeds." The Funding Proceeds were deposited into a new fund in the System to be called the Accrued Liability Fund. The purpose of the Funding

Proceeds was to fund all or part of the heretofore unfunded actuarial accrued liability (“UAAL”) of the Retirement System, as determined as of a date certain, that is, the “Determination Date,” pursuant to the Retirement System’s actuarial valuation as of that date. The Funding Proceeds are assets of the Retirement System and will be applied, together with all other assets of the Retirement System, to fund the Retirement System’s obligation to pay pension benefits, as adjusted in the Plan of Adjustment.

This Accrued Liability Fund shall contain only the Funding Proceeds of this Pension Funding Transaction, and any earnings thereon. Prior to Fiscal Year 2013, funds were transferred each Fiscal Year (or monthly portion thereof) from the Accrued Liability Fund to the Pension Accumulation Fund as provided in *Chapter 47 of the 1984 Detroit City Code* and *Ordinance No. 5-05*.

As soon as practicable following the effective date of the Plan of Adjustment, any amounts remaining credited to the Accrued Liability Fund shall be transferred to the Pension Accumulation Fund and the Accrued Liability Fund shall cease to exist.

- (e) *Pension Reserve Fund.* The Pension Reserve Fund shall be the fund from which pensions shall be paid to retirees and beneficiaries. Should a disability retiree be reinstated to active service, the retiree’s Pension Reserve at that time, shall be transferred from the Pension Reserve Fund to the Pension Accumulation Fund.
- (f) *Expense Fund.* The Expense Fund shall be the fund to which shall be credited all money provided by the City to pay the administrative expenses of the Retirement System, and from which shall be paid all the expenses necessary in connection with the administration and operation of the Retirement System.
- (g) *Income Fund.* The Income Fund shall be the Fund to which shall be credited all interest, dividends, and other income derived from the investments of the Retirement System (other than those derived from the investments credited to any Accrued Liability Fund), all gifts and bequests received by the Retirement System, and all other moneys the disposition of which is not specifically provided for in this Article E. There shall be paid or transferred from the Income Fund, all amounts required to credit regular interest to the various Funds of the Retirement System, except for the Accrued Liability Fund which is to be credited with interest, dividends and other earnings pursuant to Section E-18(d)(2) of this Component II of the Combined Plan in accordance with the limitations that are contained in Section E-18 of this Component II of the Combined Plan.
- (h) *Maintenance of Reserves.*
  - (1) The maintenance of proper reserves in the various Funds of the Retirement System except the Expense Fund are hereby made obligations of the Pension Accumulation Fund.
  - (2) City contributions to the Retirement System to the extent necessary to provide pensions on account of Members who are employees of a revenue-supported division of the City shall be made from the revenues of the said division. Any City contribution to the Retirement System from any Fund by law with a certain

and definite purpose shall, at the direction of the Finance Director, be accounted for separately.

#### **Sec. E-19. Determination of City's Annual Contribution**

- (a) For the period ending June 30, 2023, the City shall make only those contributions to the Retirement System as are set forth in the Plan of Adjustment.
- (b) For Fiscal Years beginning on and after July 1, 2023, the annuity and pension reserve liabilities for Members, retirees, and beneficiaries, shall be actuarially evaluated as set forth in this Article for each division as is accounted for separately pursuant to Section E-18(h)(2) of this Component II of the Combined Plan.

(1) *Pension Liabilities.*

- a. The pension liabilities for Members shall be determined by the Actuary using reasonable and appropriate actuarial assumptions approved by the Board and the Investment Committee.
- b. The City's annual contribution to finance any unfunded accrued pension liabilities, expressed as a percentage of active employees' compensation, shall be determined by amortizing such unfunded accrued pension liabilities as a level percentage of such compensation over a period or periods of future years as established by the Board and approved by the Investment Committee.

- (2) *Pension Accumulation Fund.* Based upon the provisions of this Article E including any amendments, the Board shall compute the City's annual contributions to the Retirement System, expressed as a percentage of active Member compensation each Fiscal Year, using actuarial valuation data as of the June thirtieth date which date is a year and a day before the first day of such Fiscal Year. The Board shall report to the Mayor and Council the contribution percentages so computed. Such contribution percentages shall be used in determining the contribution dollars to be appropriated by Council and paid to the Retirement System. Such contribution dollars shall be determined by multiplying the applicable contribution percentage for such Fiscal Year by the Member compensation paid for such Fiscal Year. Such contribution dollars for each Fiscal Year shall be paid to the Retirement System in such Fiscal Year in a manner to be agreed upon from time to time by the Board and the City, provided, for any Fiscal Year for which an agreement has not been reached before the first day of such Fiscal Year, such contribution dollars shall be paid in equal monthly installments at the end of each calendar month in such Fiscal Year.

## **ARTICLE F. PARTICIPANT LOAN PROGRAM**

### **Sec. F-1. Established.**

Any loans granted or renewed shall be made pursuant to a Participant Loan Program which shall conform with the requirements of Section 72(p) of the Internal Revenue Code. Such loan program shall be established in writing by the Board of Trustees, and must include, but need not be limited to the following:

- (1) The identity of the administrator of the Participant Loan Program;
- (2) A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
- (3) The procedures under the program for determining a reasonable rate of interest; and
- (4) The events constituting default and the steps that will be taken to preserve plan assets.

### **Sec. F-2. The Loan Program.**

- (1) This Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the Retirement System for prospective participants in the Loan Program. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective Members in the offices of the Retirement System; and
- (2) All collective bargaining agreements which accept the terms of this section are specifically agreeing to be subject to the Board's authority to modify or amend the Participant Loan Program from time to time, including during the effective terms of the applicable labor agreement and no such modification or amendment shall be deemed a violation of said labor agreement and no grievance or other form of action shall be effective to overturn or alter the Board's decision.

### **Sec. F-3. Eligibility.**

Subject to rules and procedures established by the Board, loans will initially be made only to non-union Members of the Retirement System. Union employees will be eligible when their respective bargaining unit has accepted the Loan Program. Former Members, spouses of Members, and beneficiaries are not eligible to receive any loans from the Retirement System. Subject to rules and procedures established by the Board, a Member who has been in the Combined Plan for twelve (12) months or more is eligible to apply for a loan under this Component II. No Member shall have more than two outstanding loans from the Retirement System (Component I and/or Component II) at any time. A Member who has previously defaulted on a loan (under either Component I or Component II) shall not be eligible for a loan from the Retirement System.

#### **Sec. F-4. Amount of Loan.**

A Member who has satisfied applicable rules and procedures may borrow from his or her account an amount, which does not exceed fifty percent (50%) of the Member's vested accumulated balance, or ten thousand dollars (\$10,000.00) reduced by the excess, if any, of: 1) the highest outstanding balance of loans from the Retirement System (both Component I and Component II) during the one (1) year period ending on the day before the date on which the loan is made, or 2) the outstanding balance of loans from the Retirement System (both Component I and Component II) on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).

#### **Sec. F-5. Terms and Conditions.**

In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:

- (1) Loan applications shall be in writing;
- (2) Loans shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period;
- (3) Each loan shall be made against the assignment of the Member's entire right, title, and interest in and to the Retirement System, supported by the Member's collateral promissory note for the amount of the loan, including interest payable to the order of the Board of Trustees;
- (4) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among Members in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the Retirement System's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the Retirement System of administering the Combined Plan. The loan interest rate shall be calculated in a manner that will not negatively affect the Employers' costs with respect to the Retirement System or the investment return allocated to Members;
- (5) Loan repayments shall be suspended under this plan as permitted by Section 414(u)(4) of the Internal Revenue Code. A participant who has an outstanding loan balance from the plan who is absent from employment with the employer, and who has satisfied the requirements of Section 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the Retirement System during said periods of absence.

**Sec. F-6. Renewal of Loan.**

Any loans granted or renewed shall be made pursuant to the Participant Loan Program and Section 72(p) of the Internal Revenue Code and the regulations thereunder.

**Sec. F-7. Loan Balance.**

A Member's outstanding loan balance shall be considered a directed investment by the Member and interest payments shall be credited to the Member's account balance, and shall not be part of net investment income or part of the Member's account balance for the purpose of allocation of net investment income under the Retirement System.

**Sec. F-8. Distributions.**

No distributions shall be made to a Member, former Member, or beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been liquidated.

**Sec. F-9. Annual Report.**

The Retirement System shall include, in its annual report to all Members, an accounting of the Loan Program established by this Article F, which contains the number and amount of loans made under this Component II, the costs of administering the Loan Program under Component II, the amount of payments made including interest received by Component II of the Retirement System, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in that Fiscal Year covered the costs of administering the Loan Program maintained under this Component II.



## ARTICLE G. SPECIAL PLAN OF ADJUSTMENT PROVISIONS

### Sec. G-1. Benefit Changes Implemented Pursuant to the Terms of the Plan Of Adjustment

Notwithstanding anything in Articles A, C, D or E of Component II to the contrary, as of the effective date of the Plan of Adjustment and during the period that ends no earlier than June 30, 2023, the following provisions to comply with the terms of the Plan of Adjustment shall be implemented:

- (1) *Reduction in monthly pension payments.*
  - a. For a retiree or a surviving beneficiary who is receiving a monthly pension benefit as of the effective date of the Plan of Adjustment, as soon as practicable following such effective date such retiree's or surviving beneficiary's monthly pension benefit will be reduced to an amount that is equal to 95.5% of the monthly pension benefit being paid to such retiree or surviving beneficiary as of the date immediately preceding the effective date of the Plan of Adjustment ("Adjusted Accrued Benefit"); provided, however, that the Board and the Investment Committee shall determine on the effective date of the Plan of Adjustment and not less frequently than annually thereafter that the "Funding Conditions" as defined herein have been satisfied, and in the event that such Funding Conditions have not been satisfied then such retiree's or surviving beneficiary's Adjusted Accrued Benefit will be reduced in proportion to the funding which is not received by the Retirement System but not below an amount that is equal to 73% of the monthly pension benefit being paid to such retiree or surviving beneficiary as of the date immediately preceding the effective date of the Plan of Adjustment.
  - b. The Frozen Accrued Benefit that will be paid as a monthly Retirement Allowance upon the retirement or death of an active employee Member or a vested former employee Member on or after the Effective Date, will be reduced to an amount that is equal to 95.5% of the monthly pension benefit that would otherwise have been paid to the active employee or vested former employee under the terms of this Component II of the Combined Plan without taking into account this Section G-1 ("Adjusted Deferred Accrued Benefit"); provided, however, that the Board and the Investment Committee shall determine on an annual basis that the "Funding Conditions" as defined herein have been satisfied, and in the event such Funding Conditions have not been satisfied then such active employee Member's or vested former employee Member's Adjusted Accrued Benefit will be reduced in proportion to the funding which is not received by the Retirement System but not below an amount that is equal to 73% of the monthly pension benefit that would otherwise have been paid to the active employee or vested former employee under the terms of this Component II of the Combined Plan without taking into account this Section G-1.



- c. *Cap on Benefit Reductions for Certain Retirees.* With respect to any retiree or surviving beneficiary receiving monthly pension benefits from the Retirement System as of June 30, 2014, such retiree's or surviving beneficiary's Adjusted Accrued Benefit, as further reduced to take into account any ASF Recoupment under Section G-2, shall not be less than 80% of the monthly pension benefit being paid to such retiree or surviving beneficiary as of the date immediately preceding the Effective Date.

For purposes of this Sec. G-1, the term "Funding Conditions" shall mean that (i) Class 10 and Class 11 voted in favor of the Plan of Adjustment in accordance with the procedures for such vote under the Plan of Adjustment, (ii) the Plan of Adjustment is confirmed by the U.S. Bankruptcy Court, and (iii) the funds that are pledged to be contributed to the Retirement System pursuant to the terms of the State Contribution Agreement and the DIA Settlement Documents have been received.

- (2) *Elimination of Pension Improvement Factor.* For all pension benefits payable after the Effective Date, the Pension Improvement Factor (Escalator) that will be applied to the monthly Adjusted Accrued Benefit or Adjusted Deferred Accrued Benefit of a Member, retiree, surviving beneficiary or vested former employee will be equal to 0%.
- (3) *Recoupment of Excess Returns on Annuity Savings Fund Account.* The terms of Section G-2 Annuity Savings Fund Recoupment shall apply to the Annuity Savings Fund account of Members, retirees and vested former employees as provided in Section G-2.
- (4) *Future Disability Pensions Eliminated.* The Duty Disability Retirement Allowance and Non-Duty Disability Retirement Allowance are eliminated with respect to Members who become disabled on or after July 1, 2014.
- (5) *Effect of Payment Default.* In the event that all or a portion of the funds pledged to be contributed to the Retirement System pursuant to the terms of the DIA Settlement Agreement are not received by the Retirement System, the Board shall automatically reduce the monthly pension benefits payable to Members, retirees, surviving beneficiaries, and former employees to the extent of such default.

## **Sec. G-2. Annuity Savings Fund Recoupment**

Notwithstanding anything in Articles A, B, C, D or E to the contrary, upon the effective date of the Plan of Adjustment, Members, retirees or vested former employees who were identified by the City as a Class 11 Holder under the Plan of Adjustment and who participated in the Annuity Savings Fund ("ASF") at any time during the period that began on July 1, 2003 and ended on June 30, 2013 ("ASF Recalculation Period") are subject to the following provisions:

- (1) *Recoupment from Members, retirees and vested former employees who maintain an Annuity Savings Fund account ("ASF account") as of the Effective Date.* For each Member, retiree or vested former employee who maintains an ASF account

in the Retirement System as of the effective date of the Plan of Adjustment, such individual's ASF account balance will be reduced by such individual's Annuity Savings Fund Excess Amount, as determined by the City in accordance with this Section G-2 (1).

- a. For a Member, retiree or former vested employee who did not receive any distribution or loan from such individual's ASF account during the ASF Recalculation Period, the Annuity Savings Fund Excess Amount means the difference between the value of such individual's ASF account as recalculated using the Actual Return (as defined in paragraph (3) below) and the actual value of such individual's ASF account as of June 30, 2013; provided, however, that an individual's Annuity Savings Fund Excess Amount shall not exceed 20% of the highest value of such individual's ASF account balance (including any unpaid loan balance relating to the ASF account) during the ASF Recalculation Period.
- b. For a Member, retiree or vested former employee who during the ASF Recalculation Period has received a distribution (other than a total distribution) or loan from the ASF, the Annuity Savings Fund Excess Amount means the difference between (i) the sum of (A) the value of such individual's ASF account as of June 30, 2013 and (B) all distributions (including any unpaid loans) received by such individual from his or her ASF account during the ASF Recalculation Period, and (ii) the value of such individual's ASF account as of June 30, 2013 as recalculated using the Actual Return; provided, however, that an individual's Annuity Savings Fund Excess Amount shall not exceed 20% of the highest value of such individual's ASF account balance (including any unpaid loans made to the individual) during the ASF Recalculation Period.

- (2) *Recoupment from Members, retirees and former employees who previously took total Annuity Savings Fund account distributions.* Except as provided in paragraph (4) below, for each Member, retiree or vested former employee who has received a total distribution of the individual's ASF account during the ASF Recalculation Period, the individual's monthly pension benefit (and the survivor monthly pension benefit payable to the Member's survivor, if any) will be reduced by the individual's "Monthly Annuity Savings Fund Excess Amount" as determined by the City in accordance with this Section G-2(2).

A Monthly Annuity Savings Fund Excess Amount means the difference between (i) the value of the ASF account of a Member, retiree or vested former employee as of the date of distribution to such individual from the ASF, provided such date falls within the ASF Recalculation Period, and (ii) the value of the individual's ASF account as of such date, as recalculated using the Actual Return; provided, however, such difference shall not exceed 20% of the highest value of such individual's ASF account balance (including any unpaid loan balance) during the ASF Recalculation Period; provided, further, such amount will be converted into

a monthly annuity amount based on the individual's life expectancy, gender and, if the Member has not already retired, the expected date of retirement.

- (3) *Recoupment from Members, retirees and former employees who received partial Annuity Savings Fund account distributions.* A Member, retiree or vested former employee who previously received a distribution of a portion but not the entirety of the Member's Annuity Savings Account shall be subject to paragraph (1) to the extent of any funds then credited to the Member's Annuity Savings Fund account and shall be subject to paragraph (2) to the extent of any Excess Amount that cannot be recovered pursuant to paragraph (1).
- (4) *Cash repayment option.* Notwithstanding paragraphs (2) and (3) above and subject to the Cash Option Cap described below, a Member, retiree, employee or former employee whose monthly pension benefit will be reduced pursuant to paragraph (2) or (3) may elect to make a single lump sum cash payment to the Retirement System of the Annuity Savings Fund Excess Amount by cashier's check or wire transfer ("Cash Repayment Option"). Each individual eligible for the Cash Repayment Option shall be provided by first-class U.S. mail an election notice and an election form no later than seven days following the Effective Date. The individual shall have thirty-five days from the date on which the election form is mailed to return the election form as directed on the form. An election of the Cash Repayment Option shall be effective only if it is received by the deadline set forth on the election form.

No later than fourteen days following the election deadline, the Board shall notify each individual who timely elects the Cash Repayment Option of the amount to be repaid to the Retirement System ("Final Payment Notice"). Such amount must be paid to the Retirement System on or before the later of (i) ninety days after the Effective Date, or (ii) fifty days following the date on which the Final Payment Notice is mailed to the individual.

If payment is not timely received, the monthly pension benefit of an individual who elects the Cash Repayment Option shall be reduced as provided in paragraph (2) or (3).

The Cash Repayment Option shall be limited to an aggregate amount of \$30 million (the "Cash Option Cap"). In the event the Retirement System receives timely and properly completed election forms representing an aggregate recovery amount in excess of the Cash Option Cap, then each individual who made a timely election of the Cash Repayment Option shall be permitted to repay an amount equal to his pro rata share of the Cash Option Cap. Any Annuity Savings Fund Excess Amount that is not repaid under the Cash Repayment Option shall be repaid as provided in paragraph (2) or (3).

- (5) *Definition of Actual Return.* "Actual Return" means the actual net return percentage on the Retirement System's invested assets for each Fiscal Year

during the ASF Recalculation Period; provided, however, that for any such Fiscal Year the net return shall not be greater than 7.9% nor less than 0%.

- (6) *Limitation on recoupment.* Notwithstanding anything in this Section G-2 to the contrary:
- a. a Member's ASF account value after recoupment of the Member's Annuity Savings Fund Excess Amount will never be less than the contributions made to the ASF by such Member and will reflect all interest credited by the Board to the Member's ASF account for the Fiscal Years ending prior to July 1, 2002; and
  - b. in no event shall the amount recovered from a Member described in Section G-2(2) (or G-2(3), with respect to amounts that may not be recovered pursuant to Section G-2(1)) exceed the Member's Annuity Savings Fund Excess Amount plus interest on such amount at a rate of 6.75%. Upon the Member's repayment of such amount in full, the Member's monthly pension benefit in effect immediately prior to adjustment as provided in Section G-2(2) (adjustment as provided in Section G-1), increased as provided in Section G-4, if applicable, shall be fully restored.
- (7) *Cap on benefit reductions for certain retirees.* With respect to any retiree or surviving beneficiary receiving monthly pension benefits from the Retirement System as of June 30, 2014, the Adjusted Accrued Benefit of such retiree or surviving beneficiary, as further reduced to take into account any ASF Recoupment under Section G-2, shall not be less than 80% of the monthly pension benefit being paid to such retiree or surviving beneficiary as of the date immediately preceding the Effective Date.

Annuity Savings Fund Excess Amounts of Members described in paragraphs (1) and (3) shall be transferred from the Annuity Savings Fund to the Pension Accumulation Fund and shall be used to pay pensions and other benefits to Members as provided in Component II of the Combined Plan.

### **Sec. G-3. Income Stabilization Benefits**

- (1) The provisions of this Section G-3 shall become effective only if each of the Conditions Precedent (as that term is defined in the State Contribution Agreement) have been met to the satisfaction of the Authority and the Treasurer, unless any one or more of such conditions are waived in a writing executed by the Authority and the Treasurer.
- (2) Beginning not later than 120 days after the Effective Date, Component II of the Combined Plan shall pay, in accordance with this Section G-3, an annual supplemental pension income stabilization benefit ("Income Stabilization Benefit") to each Eligible Pensioner (as defined in Section G-3(5)) equal to the lesser of either (i) the amount needed to restore an Eligible Pensioner's reduced

annual pension benefit to 100% of the amount of the annual pension benefit that the Eligible Pensioner received from the Retirement System in 2013; or (ii) the amount needed to bring the total annual 2013 household income of the Eligible Pensioner up to 130% of the Federal Poverty Level for 2013. The Income Stabilization Benefit as determined under this Section G-3(2) will not increase after the date on which the Income Stabilization Benefit is determined. The Income Stabilization Benefit payable to an Eligible Pensioner will terminate immediately at such time as the Eligible Pensioner ceases to qualify as an Eligible Pensioner.

- (3) To the extent an Eligible Pensioner's Estimated Adjusted Annual Household Income (as defined in this Section G-3) in any calendar year after the first year that the Eligible Pensioner receives a benefit under this Section G-3 is less than 105% of the Federal Poverty Level in that year, the Eligible Pensioner will receive an additional "Income Stabilization Benefit Plus" benefit commencing as of the next following July 1.
  - a. The Income Stabilization Benefit Plus benefit for a calendar year will be equal to the lesser of either (i) the amount needed to restore 100% of the Eligible Pensioner's pension benefit, as increased by any Pension Improvement Factor (Escalator), under Component II of the Combined Plan; or (ii) the amount needed to bring the Eligible Pensioner's Estimated Adjusted Annual Household Income in that calendar year up to 105% of the Federal Poverty Level in that year.
  - b. An Eligible Pensioner's "Estimated Adjusted Annual Household Income" for any year will be the sum of (i) the Eligible Pensioner's 2013 total household income (per his or her (or in the case of a minor child, his or her legal guardian's) 2013 income tax return or equivalent documentation), less the pension benefit paid to the Eligible Pensioner from the Retirement System in 2013, as adjusted for inflation or Social Security COLA increases; (ii) the Adjusted Accrued Benefit that is payable to the Eligible Pensioner for that year as determined under Section G-1, (iii) any pension restoration payment to the Eligible Pensioner as determined under Section G-4; and (iv) the Eligible Pensioner's Income Stabilization Benefit.
- (4) A separate recordkeeping fund called the "Income Stabilization Fund" shall be established by the Board for the sole purpose of paying the Income Stabilization Benefits and Income Stabilization Benefits Plus to Eligible Pensioners. Any funds received by the Retirement System that is designated by the City as UTGO Bond Tax Proceeds or a contribution to the Income Stabilization Fund shall be credited by the Board to the Income Stabilization Fund. The assets credited to the Income Stabilization Fund will be invested on a commingled basis with assets of the Retirement System and will be credited with a pro-rata portion of the earnings and losses of the Retirement System. Amounts credited to the Income Stabilization Fund may not be used for any purpose other than the payment of



Income Stabilization Benefits and Income Stabilization Benefit Plus benefits to Eligible Pensioners, except as expressly provided in Section G-3 (7).

- (5) For purposes of this Section G-3, an “Eligible Pensioner” is a retiree or surviving spouse who is at least 60 years of age or a minor child receiving survivor benefits, each as of the effective date of the Plan of Adjustment, whose benefit will be reduced as provided in Section G-1, and who is eligible to receive Income Stabilization Benefits because (i) such individual is receiving monthly pension benefits from the Retirement System as of the effective date of the Plan of Adjustment, and (ii) such individual has a total annual household income equal to or less than 140% of the federal poverty level in 2013 (per his or her (or in the case of a minor child, his or her legal guardian’s) 2013 income tax return or equivalent documentation).
- a. An eligible individual must apply for an Income Stabilization Benefit in accordance with procedures established by the Authority and provide such substantiation of the individual’s aggregate annual household income as is required by the State in its sole discretion.
  - b. The initial determination of Eligible Pensioners, and amount of the Income Stabilization Benefit payable to each Eligible Pensioner shall be made by the State in its sole discretion. The State shall transmit the list of Eligible Pensioners to the Investment Committee and the Board. The Board, with the assistance of the Investment Committee, shall be responsible for administering the Income Stabilization Fund and annually certifying to the State Treasurer that it has administered the requirements for eligibility and payment of benefits with respect to Eligible Pensioners in accordance with the terms of the State Contribution Agreement.
  - c. After the initial determination of Eligible Pensioners is made, no new individuals will be eligible to receive an Income Stabilization Benefit or an Income Stabilization Benefits Plus benefit at any time in the future.
  - d. An Eligible Pensioner will cease to be an Eligible Pensioner as of the earlier of (i) the Eligible Pensioner’s death, or (ii) with respect to any minor child receiving survivor benefits, the date the minor child reaches the age of 18 years.
- (6) For purposes of this Section G-3, the “Federal Poverty Level” means the poverty guidelines published each year in the Federal Register by the United States Department of Health and Human Resources.
- (7) In the event that in 2022 (provided that the State has not issued a Certificate of Default (as defined in the State Contribution Agreement) with respect to the Retirement System at any time prior to 2022), it is the opinion of at least 75% of the independent members of the Investment Committee that the assets of the Income Stabilization Fund exceed the Income Stabilization Benefits and Income

Stabilization Benefits Plus benefits anticipated to be made to Eligible Pensioners by the Retirement System in the future (“Excess Assets”), the Investment Committee may, in its sole discretion, recommend to the Board that all or a portion of the Excess Assets, in an amount not to exceed \$35 million, be used to fund the Adjusted Accrued Benefits or Adjusted Deferred Accrued Benefits, as applicable, payable by the Retirement System. The Investment Committee shall have the right to engage professional advisers to assist in making this determination and such expenses shall be paid by the Retirement System.

- (8) In the event that any funds remain in the Income Stabilization Fund on the date upon which there are no Eligible Pensioners under the Retirement System, such funds shall be used to fund the Adjusted Accrued Benefits or Adjusted Deferred Accrued Benefits, as applicable, payable by the Retirement System.

#### **Sec. G-4. Restoration of Pension Benefits**

The following rules shall govern how accrued pensions, including Pension Improvement Factor (“COLA”) benefits, that are reduced as part of the Plan of Adjustment, shall be restored during the thirty year period following the confirmation order issued by the Bankruptcy court in *In Re. City of Detroit, Michigan*, Case No. 13-53846. The pension restoration process shall be supervised, and restoration decisions undertaken by the Investment Committee and in accordance with the pension governance provisions set forth in the State Contribution Agreement and exhibits thereto. The pension restoration program shall be deemed a part of this Component II, but in the event of any conflict between the language set forth herein and the pension restoration agreement attached to and made a part of the Plan of Adjustment (“Pension Restoration Agreement”), the terms of the Pension Restoration Agreement will govern.

- (1) *Waterfall Classes.*

There will be three Waterfall Classes:

- a. Waterfall Class 1 – Retirees, in retirement benefit pay status as of June 30, 2014, and their surviving spouses and beneficiaries.
- b. Waterfall Class 2 – Retirees, who entered into retirement benefit pay status after June 30, 2014, and their surviving spouses and beneficiaries, and who are in pay status as of the end of the Fiscal Year prior to the year in which the restoration decision is made.
- c. Waterfall Class 3 – All other Members who as of June 30, 2014 are not in retirement benefit pay status.

- (2) *Restoration of Benefits Through June 30, 2023.*

- a. Each year in conjunction with the annual actuarial valuation report, the Plan Actuary will project the funded ratio of the Retirement System as of 2023 based upon the market value of plan assets relative to the actuarial



accrued liabilities (the “Funded Level”). This projection will be further based upon a 6.75% assumed rate of investment return which is net of expenses (investment and administrative), future Employer contributions as set forth in the Plan of Adjustment (subject to the conditions in the Plan of Adjustment) and such other actuarial assumptions as utilized by the Plan Actuary. For purposes of restoration of benefits through June 30, 2023, the Funding Target will be a 70% funded ratio, the Restoration Target will be a 75% funded ratio, and the Restoration Reserve Suspension Trigger will be a 71% funded ratio, all projected to June 30, 2023. For purposes of calculating the funded ratio, the assets in the Restoration Reserve Account will be excluded. Each year, if the Actuary projects that the projected Funded Level as of June 30, 2023 (excluding Restoration Reserve Account assets to avoid double counting) exceeds the Restoration Target (i.e., exceeds 75%), a credit of assets for bookkeeping purposes will be made into a new notional “Restoration Reserve Account”. The notional credit will be in an amount equal to the excess of assets above the amount projected to be needed to satisfy the Restoration Target. Once the Restoration Reserve Account is established, each year thereafter, Restoration Reserve Account assets will be credited with interest in an amount equal to the net return on Retirement System investments, but capped at the actuarially assumed rate of investment return (i.e., 6.75% for the period through June 30, 2023). In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses and any required transfer to the Pension Reserve Fund.

- b. To the extent that the City’s (including DWSD or a successor authority) actual contributions in any of the Fiscal Years 2015 through 2023 are less than the contributions provided for in the Plan of Adjustment, such difference and any investment earnings thereon shall be notionally allocated to the Pension Reserve Fund.
- c. Actual restoration payments and credits will work as follows: each year in conjunction with preparation of the annual actuarial valuation report and following establishment of the Restoration Reserve Account, the Plan Actuary will determine whether there are sufficient funds in such account to restore a portion of the 4.5% across the board pension cuts in one or more minimum incremental amounts equal to ½% of the monthly benefit for each member of Waterfall Class 1 (i.e. reducing the initial across the board cut to 4.0%). This restoration only occurs if the funding level in the Restoration Reserve Account can fund 100% of each incremental increase over the remaining actuarially projected lives of the eligible recipients in Waterfall Class 1. If the Restoration Reserve Account satisfies the required funding level, then in the next Fiscal Year, actual restoration payments will be made to Waterfall Class 1 members in amounts equal to the benefit associated with each increment that have been fully funded in the Restoration Reserve Account. Once Waterfall Class 1 has sufficient

assets in the Restoration Reserve Account to fully fund and restore the 4.5% cut in their monthly benefits, and to the extent that additional assets in the Restoration Reserve Account remain and will fully fund at least ½% of the monthly benefit for each member of Waterfall Class 2 over their remaining actuarially projected lives, then Waterfall Class 2 members will receive pension restoration in minimum ½% benefit increments until an amount equal to the 4.5% cuts in their monthly benefits has been fully funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account remain and will fund at least a minimum ½% of the monthly benefit of each member in Waterfall Class 3 over their remaining actuarially projected lives, then each such member of Waterfall Class 3 shall receive a credit granting them a right upon retirement to receive pension restoration equal to the benefit increments that are fully funded. Restoration payments will be calculated and paid on a prospective basis only.

- d. After the full 4.5% across the board pension cuts are restored for all three Waterfall Classes, and to the extent there are additional assets in the Restoration Reserve Account to fully fund COLA benefits over the actuarially-projected lives of the eligible recipient Waterfall Class, such assets will be used to fully fund and restore a portion of the COLA values that were eliminated as part of the Plan of Adjustment. COLA will be restored in minimum 10% COLA value increments up to 50% of the future COLA values for each member of Waterfall Class 1 (i.e., a 50% future COLA value will constitute a 1.25% simple COLA), then up to 50% of the future COLA values for each member of Waterfall Class 2, and then up to 50% of the future COLA values for each member of Waterfall Class 3 until all members of the three Waterfall Classes have had 50% of the value of their COLAs fully funded and restored. After 50% of the future values of COLA have been fully funded and restored, and to the extent there are additional assets in the Restoration Reserve Account for each of the three Waterfall Classes, then a second 50% COLA restoration will be made, first to members of Waterfall Class 1, then Waterfall Class 2, and then Waterfall Class 3. Classes will be restored in minimum 10% COLA value increments. Restoration payments will be calculated and paid on a prospective basis only.
- e. If the amounts in the Restoration Reserve Account are sufficient to fully-fund the 4.5% across the board pension cuts for all three Waterfall Classes and 100% COLA restoration for all three Waterfall Classes, then any additional assets in the Restoration Reserve Account shall be used to increase the frozen accrued benefits of active and other Members whose Annuity Savings Fund accounts were diminished as part of the Annuity Savings Fund Recoupment (described in Section G-2), such that they receive treatment equal to the 20%/20% ceiling applied to retirees in pay status under the Plan of Adjustment. If after such pension restoration there are additional assets in the Restoration Reserve Account to fully

fund benefit increments over their remaining actuarially projected lives, Waterfall Class 1 members will receive pension restoration in ½% benefit increments of the reductions to their monthly pension due to Annuity Savings Fund Recoupment, and once such pension benefits are restored, Waterfall Class 2 members will receive pension restoration in ½% benefit increments in connection with the reductions to their monthly pensions due to Annuity Savings Fund Recoupment. Restoration payments will be calculated and paid on a prospective basis only

- f. Once restoration payments to applicable retirees and restoration credits to active employees begin, as long as the Restoration Reserve Account continues to have assets sufficient to fund 100% of an incremental pension restoration amount for such Waterfall Class members for their actuarially projected lives, such restoration payments and credits will continue; provided, however, that in the event the Restoration Reserve Account, after having sufficient assets to fund 100% of two or more increments (over their actuarially projected lives), falls below 100% for the second or greater increment, the annual amounts to pay such second or other additional increment can continue until the Restoration Reserve Account lacks any assets to fund it. For example, assume a ½% increment in Waterfall Class 1 requires \$10 million in assets to be fully funded for the Waterfall Class members' actuarially projected lives, and that based on Fiscal Year 2018 results the Restoration Reserve Account has assets of \$22 million so as to fund two increments of restoration in Fiscal Year 2019, (i.e., a 1% pension increase). Assume further that in the following Fiscal Year the Restoration Reserve Account drops in value to \$17 million; in such event two increments could still be paid, and the second increment of ½% would cease being paid only if the value of assets in the Restoration Reserve Account dropped to or below \$10 million (in the event they dropped below \$10 million, the first increment also would cease being paid). For purposes of restoration reduction, restoration increments will be taken away in reverse order in which they were granted (i.e. last in, first out).
- g. In the event the Funded Level (not including the assets in the Restoration Reserve Account) falls below 71% (hereinafter, "Restoration Reserve Suspension Trigger"), then, until such time as the projected Funded Level in 2023 is 71% or above, further interest credits to the notional Restoration Reserve Account will cease notwithstanding the actual net investment returns for the Retirement System for the Fiscal Year in question. Furthermore, if the Funded Level projected to 2023 falls below the Funding Target (i.e., 70%) then restoration payments and credits in the following year will be modified in the following manner: (1) funds previously credited to the Restoration Reserve Account will be notionally transferred and credited to the Pension Reserve Account in sufficient amounts to restore the projected Funded Level in 2023 to 70%; (2) following such transfer, the remaining assets in the Restoration Reserve

Account shall be applied to make restoration payments in accordance with and pursuant to the same mechanism described in paragraph f.

- h. Following receipt of the actuarial reports for 2019, and in the event that the projected Funded Level as of 2023 is less than 71%, the Plan Actuary shall revisit the restoration calculations that it made during each of the prior four (4) years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2023, or (ii) an amount of annual administrative expenses until 2023 equal to the average annual normal course administrative expenses in the prior four (4) years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the Restoration Reserve Account than actually were transferred during such look back period, then the Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period) or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2023 Funded Level to 71%.

(3) *Restoration of Benefits from July 1, 2023 to June 30, 2033.*

- a. During this period, the Funding Target, the Restoration Target, the Permanent Restoration Targets and the Restoration Reserve Suspension Trigger shall be as set forth below:

<u>2023 Funded Level</u>	<u>2033 Funding Target/Restoration Target</u>
75%	75%/78%
74%	74%/77%
73%	73%/76%
72%	72%/75%
71%	71%/74%
70%	70%/73%
69% or lower	the % = to 2023 Funded Level %/73%

2033 Permanent Restoration Target

75%, or if greater, 1% more than 2033 Restoration Target

2033 Restoration Reserve Suspension Trigger

1% more than the projected Funding Target for all time periods

The same rules for variable restoration payments and credits that applied during the period ending June 30, 2023 shall apply during the period ending June 30, 2033 (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Reserve Account asset transfers to the Pension Reserve Fund in the event the 2033 Funded Level falls below the 2033 Funding Target), except as follows.

For purposes of determining whether the 2033 Restoration Target has been satisfied, the Plan Actuary shall project investment returns through June 30, 2033 at the then current investment return assumption which is assumed to be net of expenses (administrative and investment) and the applicable actuarial assumptions as utilized in the annual actuarial valuation. Further, the Plan Actuary shall assume, merely for purposes of determining whether the Restoration Target is satisfied, that the annual City contribution amount shall be the annual amount necessary to fund the Retirement System based upon an amortization of the actual 2023 UAAL at market value over 30 years (hereinafter, the “2023 UAAL Amortization”) and in such manner that the resulting annual contribution stream would achieve the Funding Target set forth above as of 2033. (Such projected, hypothetical contributions shall be for purposes only of making restoration determinations, and shall not necessarily be the actual contributions made or required to be made by the City or recommended during such period; all of which shall be determined independent of the restoration calculation process.). For purposes of calculating the funded ratio, the assets in the Restoration Reserve Account will be excluded.

- b. To the extent that the City’s actual contributions to the Retirement System in any of the Fiscal Years 2024 (the year ending June 30, 2024) through 2033 are greater than the projected annual contribution under the 2023 UAAL Amortization, such amounts, and any investment earnings thereon, shall be notionally credited to a new bookkeeping account in the Retirement System called the Extra Contribution Account. In determining pension restoration during the period from Fiscal Year 2024 through 2033, none of the amounts in the Extra Contribution Account shall be considered for purposes of determining the projected funded level for the Restoration Target or Permanent Restoration Targets. To the extent that the City’s (including for this purpose DWSD or a successor authority) actual contributions in any of the Fiscal Years 2024 through 2033 are less than the projected annual contribution under the 2023 UAAL Amortization, such difference and any investment earnings thereon shall be notionally allocated to the Pension Reserve Fund.
- c. Each year, in addition to the credit of assets that exceed the amount necessary to satisfy the Restoration Target, existing Restoration Account assets will be credited with interest equal to the net return on Retirement System investments, but capped at the then investment return assumption. In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses.
- d. In connection with preparation of the actuarial report for Fiscal Year 2028, the Plan Actuary will determine whether the Retirement System has satisfied the applicable Permanent Restoration Target, which shall be 75%. Transfers from the Restoration Reserve Account for credit to the Pension Reserve Fund may be made in such amounts as are necessary to



satisfy the Permanent Restoration Target. If following such transfers the Funded Level as of June 30, 2028 has satisfied the Permanent Restoration Target (75%), then the amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of restoration payments for one or more Waterfall Classes over such Waterfall Class members' actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the Pension Reserve Account and the applicable incremental payments shall be permanently restored for the applicable Waterfall Class and shall no longer be variable from year to year. Variable restoration payments will continue to be paid or credited during the period from July 1, 2028 through June 30, 2033 based on the applicable Restoration Target set forth in paragraph a and otherwise in accordance with this Section G-4, notwithstanding whether the Restoration Target during this period is less than the Permanent Restoration Target as of June 30, 2028 of 75%.

- e. In connection with preparation of the annual actuarial valuation report for Fiscal Year 2033, the Plan Actuary will determine whether the Retirement System has satisfied the Permanent Restoration Target for 2033, as set forth in paragraph a. Transfers from the Restoration Reserve Account for credit to the Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the Funded Level as of June 30, 2033 has satisfied the applicable Permanent Restoration Target, then the amounts in the Restoration Reserve Account if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of restoration payments for one or more Waterfall Classes over such Waterfall Class members' actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the Pension Reserve Account and the applicable incremental payments shall be permanently restored for the applicable Waterfall Class and shall no longer be variable from year to year.
- f. Following receipt of the actuarial reports for 2028, and in the event that the projected Funded Level of the Retirement System as of 2033 is less than 71%, the Plan Actuary shall revisit the restoration calculations that it made during each of the prior four (4) years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2033, or (ii) an amount of annual normal course administrative expenses until 2033 equal to the average annual administrative expenses in the prior four (4) years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the Restoration Reserve Account than actually were transferred during such look back period, then the Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus

interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period) or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2033 Funded Level to 71%.

(4) *Restoration of Benefits from July 1, 2033 to June 30, 2043.*

- a. During this period, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth below:

<u>2023 Funded Level</u>	<u>2043 Funding Target/Restoration Target</u>
75%	75%/78%
74%	74%/77%
73%	73%/76%
72%	72%/75%
71%	71%/74%
70%	70%/73%
69% or lower	the % = to 2023 Funded Level %/73%

2043 Permanent Restoration Target

75% ,or if greater, 1% more than 2043 Restoration Target

2043 Restoration Reserve Suspension Trigger

1% more than the projected Funding Target for all time periods

The same rules for restoration that applied during the period ending June 30, 2033 shall otherwise apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers to the Pension Reserve Fund in the event the 2043 Funded Level falls below the 2043 Funding Target). For example, for purposes of determining whether the 2043 Restoration Target has been satisfied, the Plan Actuary shall project annual contributions using the same 2023 UAAL Amortization. For purposes of calculating the funded ratio, the assets in the Restoration Reserve Account will be excluded, and no Extra Contribution Account assets shall be included for purposes of determining whether the Funded Level meets the Restoration Target or Permanent Restoration Target, including any additions to such account after 2033.

- b. In connection with preparation of the annual actuarial valuation report for Fiscal Year 2043, the Plan Actuary will determine whether the Retirement System has satisfied the applicable Permanent Restoration Target, as set forth in paragraph a. Transfers from the Restoration Reserve Account for credit to the Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the Funded Level as of June 30, 2043 is equal to or greater than the applicable Permanent Restoration Target, then the amounts in the



Restoration Reserve Account if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), shall be transferred from the Restoration Reserve Account and credited to the Pension Reserve Account and the applicable payments for the applicable Waterfall Class shall be permanently restored and shall no longer be variable.

(5) *Modification of the Pension Restoration Program.*

If any time after July 1, 2026, the Investment Committee (by vote of 5 of its 7 members), or the Board of Trustees (by a greater than 66% vote) determines that a change in relevant circumstances has occurred, or there was a mutual mistake of fact in developing the Pension Restoration Agreement, such that the continued operation of the Pension Restoration Agreement without amendment will: (a) materially harm the long-term economic interests of the City, or Retirement System; (b) materially impair the City's ability to fully fund over a reasonable period the then existing frozen benefit liabilities; or (c) materially hinder the restoration program, if as of that juncture (and for purposes of applying this subsection 5) annual funding levels (excluding the Extra Contribution Account) had materially exceeded the applicable Restoration Targets for a substantial period yet without any material actual restoration of benefits as contemplated herein having been made, the Investment Committee or the Board, as the case may be, shall provide written notice to the other entity of such a determination and of the need to amend the Pension Restoration Agreement and this Section G-4 (it being understood that the post-Chapter 9, 40-year amortization period (to 2053) to fully fund the Retirement System's frozen liabilities is, unless the relevant facts demonstrate otherwise, presumptively reasonable). The Investment Committee and the Board shall then meet to negotiate amendments to the Pension Restoration Agreement that address the identified risk of harm or impairment, but which also considers the Pension Restoration Agreement's objective of providing pension restoration. Such negotiations shall take into account reasonable actions the City has pursued or could pursue to mitigate such harm or impairment. Any such amendments shall require the approval of a majority vote of the combined members of the Investment Committee and Board (persons who sit on both the Board and Investment Committee shall have one vote). Such parties shall consult with the Mayor, City Council and the Governor of the State of Michigan ("Governor") in connection with such negotiation.

If the Board, acting through a majority, and the Investment Committee, acting through a majority, cannot agree to such amendments with the 90-day period following the provision of such notice by the determining party, then the Board and Investment Committee shall proceed to mediation upon demand from either the Board or the Investment Committee. In this regard, within 30-days following expiration of the 90-day period the Board and the Investment Committee shall each select a mediator from the list of approved mediators for the United States District Court for the Eastern District of Michigan. The two selected mediators shall appoint a third neutral mediator from the approved list. Each party shall

furnish a written statement to the mediators within 30 days of selection of the neutral mediator. Representatives of the Mayor and the Governor shall be consulted in connection with such mediations. If following a 90-day mediation period following submission of the written statements the matter is not settled, then either the Investment Committee or the Board can file an action in the United States District Court for the Eastern District of Michigan asking it to declare, inter alia, whether or in what manner to amend the Pension Restoration Agreement and this Section G-4.

## **ARTICLE H. MISCELLANEOUS PROVISIONS OF THE GENERAL RETIREMENT SYSTEM**

### **Sec. H-1. Enforcement; Civil Action.**

A civil action for relief against any act or practice which violates the state law, the 1997 Detroit City Charter, 1984 Detroit City Code or the terms of this Plan, may be brought by:

- (1) A Plan participant who is or may become eligible to receive benefit;
- (2) A beneficiary who is or may become eligible to receive a benefit;
- (3) A Plan fiduciary, including a Trustee;
- (4) The Finance Director, on behalf of the City as Plan sponsor.

### **Sec. H-2. Limitation of Other Statutes.**

No other provision of law, charter, or ordinance, which provides pensions or retirement benefits wholly or partly at the City expense, exclusive of federal Social Security old-age and survivors' insurance benefits for City employees, their surviving spouses and other dependents, shall apply to Members, retirees or beneficiaries of the Retirement System, their surviving spouses or other dependents.

**EXHIBIT I.A.281**

PRIOR PFRS PENSION PLAN

**COMBINED PLAN  
FOR THE  
POLICE AND FIRE  
RETIREMENT SYSTEM OF  
THE CITY OF DETROIT, MICHIGAN**

**Amendment and Restatement Effective July 1, 2014**

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## COMPONENT II

## **ARTICLE A. COMMON PROVISIONS OF THE POLICE AND FIRE RETIREMENT SYSTEM**

### **Sec. A-1. Common Provisions**

Certain provisions of the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan described below are common to both Component I and this Component II as in effect July 1, 2014. Those provisions are set forth in the following Sections of Component I:

(a) Article I (General Provisions);

(b) Article II (Definitions):

Actuarial Equivalent or Actuarially Equivalent

Actuarially Equivalent Value

Administrative Board of Trustees

Administrative Rules and Regulations

Age; Attainment of

Board of Trustees or Board or Retirement Board

City

City Council or Council

Combined Plan

Component I

Component II

DFFA

DPLSA

DPCOA

DPOA

Detroit Police and Fire Retirement System or Retirement System

Fiscal Year

Internal Revenue Code or Code

Investment Committee

Medical Director

Notice to Members, Beneficiaries and Retirees;

Plan Actuary or Actuary;

Plan Document or Combined Plan Document;

Plan of Adjustment;

Plan Year;

Spouse;

Straight Life Retirement Allowance; and

Total Disability or Totally Disabled;

- (c) Article 13 (Limitation on Benefits and Contributions);
- (d) Article 14 (Retirement System Administration);
- (e) Article 15 (Management of Funds);
- (f) Article 16 (Investment of Retirement System Assets); and
- (g) Article 18 (Miscellaneous).

**ARTICLE B. FREEZE OF POLICE AND FIRE RETIREMENT SYSTEM  
AS OF JUNE 30, 2014**

**Sec. B-1. Freeze of Police and Fire Retirement System as of June 30, 2014.**

Notwithstanding anything in Chapter 47 of the 1984 Detroit City Code, or in Chapter 54, Article II of the 1964 Detroit City Code, or any ordinances, resolutions, or orders, or parts thereof, whether codified or not codified, or any collective bargaining agreement or other documents governing terms of employment to the contrary, effective as of June 30, 2014 (the "Freeze Date"):

- (a) No new employee hired by the City on or after July 1, 2014 shall become a Member who is eligible to accrue a benefit under the terms of the Police and Fire Retirement System in effect as of the Freeze Date;
- (b) No employee who is rehired by the City on or after July 1, 2014 and who received a distribution of his accumulated employee contributions prior to July 1, 2014, shall become a Member who is eligible to accrue a benefit under the terms of the Police and Fire Retirement System in effect as of the Freeze Date; provided, however, that if a Member who is entitled to a Frozen Accrued Benefit as defined in subsection (d) of this Section B-1 and who is rehired by the City on or after July 1, 2014 repays to the Police and Fire Retirement System in accordance with a payment schedule approved by the Board of Trustees the amount of accumulated employee contributions that he withdrew, then such Member shall be eligible to accrue service credit under this Component II following rehire solely for the purpose of determining the Member's eligibility for payment of his Frozen Accrued Benefit;
- (c) No Member shall make contributions to the Annuity Savings Fund under the Police and Fire Retirement System in effect as of June 30, 2014 with respect to payroll dates occurring on or after August 1, 2014 and all Member contributions made with respect to payroll dates occurring on or after August 1, 2014 shall be made to and in accordance with the terms of Component I of the Combined Plan;
- (d) Benefit accruals for Members with respect to service rendered prior to July 1, 2014 will be frozen based on a Member's years of service and Average Final Compensation and the pension multiplier formulae as of such Freeze Date ("Frozen Accrued Benefit");
- (e) Except as otherwise provided in this Section B-1, compensation of a Member shall be frozen effective as of the Freeze Date for purposes of determining the Member's Frozen Accrued Benefit. No compensation of any type earned by a Member after the Freeze Date shall be taken into consideration for purposes of determining the Member's Frozen Accrued Benefit under the Police and Fire Retirement System;
- (f) Any Member who, as of June 30, 2014, would have been eligible to elect to use a portion of the unused accrued sick leave that he could have received in cash upon retirement ("Cashable Sick Leave") to increase his Average Final Compensation if the Member had been eligible to retire and had elected to retire as of June 30, 2014,

shall have a one-time election to have the value of twenty-five percent (25%) of the Member's Cashable Sick Leave as of June 30, 2014 included in the computation of the Member's Average Final Compensation for purposes of determining the Member's Frozen Accrued Benefit ("Sick Leave Election"); provided, however, that the amount of the member's Cashable Sick Leave at the time the completed election form is received by the Retirement System is at least equal to the value of twenty-five percent (25%) of the Member's Cashable Sick Leave as of June 30, 2014 and, provided further that the completed election form is received by the Retirement System no later than the dates established by the City. A Member's Sick Leave Election shall be made in the manner set forth by the Board of Trustees and the Police and Fire Retirement System. Notwithstanding anything in this subsection (f) to the contrary, a Member's Sick Leave Election will be void and the determination of the Member's Average Final Compensation for purposes of calculating the Member's Frozen Accrued Benefit will not take into account any of the Member's Cashable Sick Leave, if (i) the electing Member would not have been eligible to receive an immediate service retirement benefit if he retired as of June 30, 2014, and (ii) the electing Member's employment with the City is terminated before the electing Member becomes eligible for an immediate service retirement benefit under the Police and Fire Retirement System;

- (g) Service earned after the Freeze Date shall be credited to a Member under this Component II solely for purposes of determining a Member's vesting in and eligibility for payment of his or her Frozen Accrued Benefit and to a rehired Member solely for purposes of determining the Member's eligibility for payment of his or her Frozen Accrued Benefit. Service credit for all Members for benefit accrual purposes under the terms of the Police and Fire Retirement System in effect as of the Freeze Date shall be frozen effective as of the Freeze Date and no Member shall earn service credit with respect to benefits payable under the terms of the Police and Fire Retirement System in effect as of the Freeze Date (except for vesting and benefit payment eligibility purposes) after the Freeze Date; and
- (h) The Deferred Retirement Option Plan ("DROP") shall remain in effect for all Members who have either enrolled in or elected to participate in the DROP as of June 30, 2014. Members also may elect to participate in the DROP after June 30, 2014 with respect to their Frozen Accrued Benefits; however, participation in DROP with respect to such Frozen Accrued Benefits shall be limited to five years.

The foregoing terms of Section B-1 shall be referred to as the "Freeze" of the provisions of the Police and Fire Retirement System as in effect on the Freeze Date and the provisions of Component II of the Police and Fire Retirement System shall be interpreted and construed by the Board of Trustees and the Police and Fire Retirement System to give full effect to the Freeze. To the extent that a conflict arises between this Section B-1 and the provisions of Chapter 54 of the 1964 Detroit City Code, or any Charter, ordinances, resolutions, or orders, or parts thereof, whether codified or not codified, or any collective bargaining agreement or other document governing terms of employment of an employee, the Board of Trustees and the Police and Fire Retirement System are directed to interpret any inconsistency or ambiguity to give full effect to the Freeze.



## ARTICLE C. DEFINITIONS

### Sec. C-1. Definitions.

Unless a different meaning is plainly required by context, for purposes of this Component II the following words and phrases have the meanings respectively ascribed to them by this Section C-1:

- (1) *Accrued Service* shall mean a Member's credited service for employment rendered before the date of an actuarial valuation of the Retirement System and before July 1, 2014.
- (2) *Accumulated Contributions* shall mean the sum of all amounts deducted from the compensation of a Member and credited to his individual account in the Annuity Savings Fund, together with Regular Interest, as provided in this Component II of the Combined Plan.
- (3) *Annuity* shall mean payments derived from the Accumulated Contributions of a Member.
- (4) *Annuity Reserve* shall mean the present value of all payments to be made on account of any Annuity, or benefits in lieu of any Annuity, computed on the basis of such mortality tables and Regular Interest as shall be adopted by the Board of Trustees.
- (5) *Average Final Compensation* shall mean:
  - a. With respect to an "Old Plan Member" (an employee described in Section F-2(a)) the current maximum salary for the rank(s), grade(s) or position(s) held by the Member over the sixty (60) months immediately preceding the earlier of: (i) the date his employment with the City last terminated and (ii) June 30, 2014. The salary shall be obtained from the official compensation schedule for the Fiscal Year of the earlier of the dates described in (i) or (ii) and an average shall be determined. A Member who retires on or after July 1, 2000 (for DPCOA and DFFA members) or July 1, 1998 (for all other Members) shall have the Member's most recent full longevity payment included in his Average Final Compensation.
  - b. With respect to a "New Plan Member" (an employee described in Section F-2(b)) the current maximum salary for the rank(s), grade(s) or position(s) held by the Member over the sixty (60) months immediately preceding the earlier of: (i) the date his employment with the City last terminated and (ii) June 30, 2014. The salary shall be obtained from the official compensation schedule for the Fiscal Year of the earlier of the dates described in (i) or (ii) and an average shall be determined. If more than one (1) rank, grade or position has been held over the sixty (60) month period, a weighted average is determined based on time spent in each rank, grade or position during this sixty (60) month period.

- (i) A Member who retires on or after July 1, 2000 (for DPCOA and fire equivalents) or July 1, 1998 (for all other Members) shall have the Member's most recent full longevity payment included in his Average Final Compensation.
  - (ii) Effective July 1, 2000, Average Final Compensation shall be calculated for members of the DPCOA, Executive members and their fire equivalents by using the current maximum salary for the rank(s), grade(s) or position(s) held by the Member over the thirty-six (36) months immediately preceding the earlier of: (i) the date his employment with the City last terminated and (ii) June 30, 2014.
- c. With respect to reduced duty disability retirements occurring on or after July 1, 1992, notwithstanding the provisions of Article F, Part B, Section F-8, for those Members who receive benefits under Article F, Part B, Section F-9(a), the Average Final Compensation used in the computation of the reduced duty disability allowance shall mean the maximum salary at the date of conversion to reduced duty disability retirement for the rank(s), grade(s), or positions(s) which were held by the Member over the sixty (60) months prior to his or her duty disability retirement.
- d. Subject to Section B-1(f), for purposes of computing the Average Final Compensation received by a Member who retires on or after July 1, 2008 and prior to July 1, 2014, the Member shall have the option of adding the value of the three year average of twenty-five percent (25%) of the Member's unused accrued sick leave at the time of retirement to the earnings used in computing the Average Final Compensation.
- e. The Average Final Compensation for "Old Plan" and "New Plan" Members represented by DFFA retiring on or after July 1, 1992 or on or after July 1, 2000 for Members represented by DPOA is calculated pursuant to paragraph (b) above. The salary is obtained from the Official Compensation Schedule for the Fiscal Year prior to the Member's elective date of retirement and an average shall be determined.
- f. Effective July 1, 2000, for Members represented by DFFA with a parity relationship with the DPCOA Inspector, Average Final Compensation shall be calculated pursuant to paragraph (b)(ii) above. The salary is obtained from the Official Compensation Schedule for the Fiscal Year prior to the Member's elective date of retirement and an average shall be determined.
- g. For Members represented by DFFA who have a parity relationship with the DPLSA and the DPCOA Inspector, who retire on or after July 1, 1998 and for those having a parity relationship with the DPOA who retire on or after July 1, 2000 and prior to July 1, 2014, the amount of the Member's

most recent full longevity payment shall be included in the definition of Average Final Compensation.

- h. Subject to Section B-1(f), all Members represented by DFFA who retire on or after July 1, 2008 and prior to July 1, 2014, may choose to receive the 3-year average of twenty-five percent (25%) of the unused accrued sick leave bank and have that sum included in the average compensation used to compute the Members' service Pension of their Retirement Allowance.
  - i. Subject to Section B-1(f), non-union uniformed Police and Fire executives represented by DPCOA who retire on or after January 15, 2010 and prior to July 1, 2014 may choose to receive the 3-year average of twenty-five percent (25%) of the unused accrued sick leave bank, and have that sum included in the Average Final Compensation used to compute the Member's service Pension of their Retirement Allowance.
  - j. Subject to Section B-1(f), a Member represented by DPLSA who retires on or after July 1, 2008 and prior to July 1, 2014 may choose to receive the 3-year average of twenty-five percent (25%) of eighty-five percent (85%) of his or her unused accrued sick leave bank, and have that sum included in the Average Final Compensation used to compute the Member's service Pension of their Retirement Allowance.
- (6) *Beneficiary* shall mean any person or persons (designated by a Member pursuant to procedures established by the Board) who are in receipt of a Retirement Allowance or Pension payable from funds of the Retirement System due to the participation of a Member.
  - (7) *Decrement Probabilities* shall mean the probabilities of a Member's withdrawal from City employment, death while in the employ of the City, retirement from City employment with a Pension payable from funds of the Retirement System, and death after retirement.
  - (8) *Final Compensation* shall mean the annual rate of earnable compensation of a Member at the earlier of (i) the time of termination of employment or (ii) June 30, 2014. Effective July 1, 1992 and prior to July 1, 2014, compensation shall also include the value of the percentage reduction in compensation for non-union employees, pursuant to ordinance, resolution or executive order. In cases of any doubt regarding these values, the decisions of the Board of Trustees shall be controlling to implement the intention that no non-union employee will suffer a diminution of Pension benefits computation due to reduction in compensation because of fiscal emergency and that Pension benefits with respect to Fiscal Years beginning July 1, 1992 and ending June 30, 2014 should always be computed as if no reduction in compensation occurred due to ordinance, resolution or executive order or directive.

- (9) *Fire Employees* (formerly referred to as “Firemen”) shall mean all employees of the Fire Department who have taken the oath of office as prescribed in Section 12 of Chapter XXI of Title IV of the 1918 Detroit City Charter employed therein prior to November 10, 1937, and who shall be in the employ of the Fire Department of the City of Detroit prior to the effective date of this amendment and restatement and, where the context requires, all persons who shall take the said oath of office and become members of the Fire Department thereafter.
- (10) *Fire Fighter* shall mean the rank in the Fire Department currently or previously classified by the civil service commission as Fire Fighter.
- (11) *Member* shall mean any member of the Retirement System who has not retired.
- (12) *Membership Service* shall mean the total service rendered as a Police Employee or Fire Employee prior to July 1, 2014.
- (13) *New Plan* shall mean the plan originally created by Title IX, Chapter VII, Article IV, Section 1(D) of the 1918 City of Detroit Charter as amended through June 30, 1974 and continued in effect through June 30, 2014 by Article 11, Section 102 of the City of Detroit Charter.
- (14) *Old Plan* shall mean the plan originally created by Title IX, Chapter VII, Article IV, Section 1(A) and (B) of the 1918 City of Detroit Charter as amended through June 30, 1974 and continued in effect through June 30, 2014 by Article 11, Section 102 of the City of Detroit Charter.
- (15) *Patrolman* shall mean the rank in the Police Department currently or previously known as patrolman.
- (16) *Pension* shall mean the portion of a Retirement Allowance which is paid for by appropriations made by the City.
- (17) *Pension Reserve* shall mean the present value of all payments to be made on account of any Pension, or benefit in lieu of any Pension, computed upon the basis of such mortality tables and Regular Interest as shall be adopted by the Board of Trustees.
- (18) *Police Employees* (formerly referred to as “Policemen”) shall mean all employees of the Police Department who have taken the oath of office as prescribed in Section 12 of Chapter XXI of Title IV of the 1918 Detroit City Charter, and who shall be in the employ of the Police Department of the City of Detroit prior to the effective date of this amendment and restatement and, where the context requires, all persons who shall take the said oath of office and become members of the Police Department thereafter.
- (19) *Prior Service* shall mean service in the military rendered prior to July 1, 2014 as provided in Section E-3.

- (20) *Regular Interest* shall mean, for a period of five years from the effective date of the Retirement System interest at four per centum per annum, compounded annually. For the subsequent five year period, and each five year period beginning thereafter but prior to July 1, 2013, Regular Interest shall be such rate of interest as the Board of Trustees, in its discretion, may determine and adopt. For Fiscal Years beginning on and after July 1, 2013:
- a. the annual rate of return for purposes of determining the Regular Interest to be credited to a Member's account in the Annuity Savings Fund shall not be less than zero and shall not be greater than the lesser of (i) 5.25% or (ii) the actual investment return net of expenses of the Retirement System's invested reserves for the second Fiscal Year immediately preceding the Fiscal Year in which the Regular Interest is credited; and
  - b. the rate(s) of Regular Interest adopted by the Board from time to time as necessary for the operation of the Retirement System on an actuarial basis shall not violate the Plan of Adjustment.
- (21) *Retiree* shall mean any Member who has retired with a Pension payable from funds of the Retirement System.
- (22) *Retirement* shall mean for any Member that such Member has retired, with a Pension payable from the funds of the Retirement System.
- (23) *Retirement Allowance* shall mean the sum of the Annuity and the Pension.
- (24) *Retirement System or System* shall mean the Police and Fire Retirement System of the City of Detroit created and established by Title IX, Chapter VII of the 1918 Charter of the City as amended through June 30, 1974 and continued in effect by the provisions of the July 1, 1974 City Charter, and as set forth in the Combined Plan effective as of July 1, 2014 and this amendment and restatement of the Combined Plan.
- (25) *Salary Factors* shall mean the ratio between a Member's rate of compensation as of the date of an actuarial valuation of the Retirement System and his rate of compensation as of the earlier of (i) the date of his Retirement and (ii) June 30, 2014.
- (26) *Service* shall mean service with the City as a Police Employee or Fire Employee.

The following terms shall have the meanings given to them in the Sections of this Combined Plan Document set forth opposite such term:

Accrued Liability Fund	Section G-4(a)
additional years	Section F-9(a)(3)
Adjusted Pension Benefit	Section K-1(1)
Annuity Reserve Fund	Section G-3
Annuity Savings Fund	Section G-2(a)

ASF Excess Return	Section G-2(f)
Authority	Section K-2(1)
Cashable Sick Leave	Section B-1(f)
COLA	Section K-3
Deferred Retirement Option Plan (DROP)	Section B-1(h), Article I
Determination Date	Section G-4(a)
Disability Retirement Review Board	Section F-12(b)
Eligible Pensioner	Section K-2(5)
Estimated Adjusted Annual Household Income	Section K-2(3)b
Expense Fund	Section G-7
Federal Poverty Level	Section K-2(6)
Freeze	Section B-1
Freeze Date	Section B-1
Frozen Accrued Benefit	Section B-1(d)
Funding Conditions	Section K-1(1)
Funding Proceeds	Section G-4(a)
Funding Target	Section K-3(2)(a)
GRS	Section K-2(1)
Income Stabilization Benefit	Section K-2(2)
Income Stabilization Benefit Plus	Section K-2(3)
Income Stabilization Fund	Section K-2(4)
New Plan Member	Section F-2(b)
Old Plan Member	Section F-2(a)
Optional Forms	Section F-23
Option 1. Cash Refund Annuity	Section F-23(a)(1)
Option 2. Joint and Last Survivorship Retirement Allowance	Section F-23(a)(2)
Option 3. Joint and Seventy-Five Percent Survivor Allowance	Section F-23(a)(3)
Option 3(A). Modified Joint and Last Survivorship Allowance	Section F-23(a)(4)
Option 3(B). Joint and Twenty-Five Percent Survivor Allowance	Section F-23(a)(5)
Participant Loan Program	Section J-1
Pension Accumulation Fund	Section G-5
Pension Funding Transaction	Section G-4(a)
Pension Improvement Factor (Escalator)	Section F-14
Pension Reserve Fund	Section G-6
Pop-up Form	Section F-23(b)(ii)
Sick Leave Election	Section B-1(f)
Standard Form	Section F-23(b)(i)
State Treasurer	Section K-2(1)
Straight Life Retirement Allowance	Section F-23
Survivors Benefit Fund	Section G-10
Transition Cost	Section G-2(f)
UAAL	Section G-4(a)

Waterfall Classes

Section K-3(1)



## ARTICLE D. MEMBERSHIP

### Sec. D-1. Generally.

Subject to Section B-1, the membership of Component II of the Retirement System shall consist of the following:

- (a) All Police Employees and Fire Employees who were in Service on or after July 1, 1941, but prior to January 1, 1969; provided, however, that any Police Employee or Fire Employee who, on or before July 1, 1941, shall have been in the employ of the Police or Fire Department for a period of twenty years, or who shall have a total of twenty years of creditable Service, shall be excluded from the provisions hereof and shall retain for himself or herself, his or her wife, children, dependent mother and dependent sister all rights and privileges provided by Chapters XV and XXI of title IV of the 1918 Detroit City Charter, unless any such Police Employee or Fire Employee, on or before June 1, 1941, shall file with the City Controller his or her written election to become a Member of the Retirement System, in which event he or she shall be a Member; such excluded Police Employee not electing to become a Member, from and after July 1, 1941, while he or she remains an active member of the Police Department, shall pay five per cent of each salary payment into the fund for retired Police Employees, and any such excluded Fire Employee not electing to become a Member, from and after July 1, 1941, while he or she remains an active member of the Fire Department, shall pay five per cent of each salary payment into the Fire Department Pension and Retirement Fund, and such salary contributions shall hereafter be used toward the payments of Retirement Allowances provided for under Chapter XV, Section 14, subsections (1), (2), and (3) thereof. On retirement, the contributions of such excluded members shall cease.
- (b) All persons who became Police Employees or Fire Employees on or after July 1, 1941, but prior to January 1, 1969, and who are confirmed as Police Employees or Fire Employees according to the rules and regulations of the respective Departments shall thereupon become Members of the Retirement System, subject, however, to the following provisions:
  - (i) Any person who shall become a Police Employee or Fire Employee at an attained age of thirty-one years or more may become a Member of the Retirement System only by vote of the Board of Trustees who shall fix the rate of contribution of such Member on a basis recommended by the Actuary for the attained age of such Member.
  - (ii) Any appointive official of the Police Department or Fire Department appointed from the membership thereof shall be permitted to remain a Member of the Retirement System, paying contributions and entitled to benefits as though he had remained in the rank, grade or position held at the date of his appointment.

- (iii) Any Police Employee or Fire Employee who, prior to being confirmed, shall be killed or Totally Disabled as the result of the performance of active duty, shall be deemed to have been a Member of the Retirement System.
- (c) Any Member as defined in paragraph (a) or (b) of this Section D-1 who shall be transferred to a civilian position in his Department shall continue as a Member, subject to all the obligations of a Member.
- (d) All persons who became Police Employees or Fire Employees on or after January 1, 1969 and prior to July 1, 2014 and who are not individuals re-employed with the Police and Fire Departments on or after January 1, 1969 and prior to July 1, 2014, and who are confirmed as Police Employees or Fire Employees according to the rules and regulations of the respective Departments shall thereupon become Members of the Retirement System subject, however, to the following provisions:
  - (i) Any person who shall become a Police Employee or Fire Employee at an attained age of thirty-one years or more may become a Member of the Retirement System only by vote of the Board of Trustees who shall fix the rate of contribution of such Member on a basis recommended by the actuary for the attained Age of such Member.
  - (ii) Any appointive official of the Police Department or Fire Department appointed from the membership thereof shall be permitted to remain a Member of the Retirement System, paying contributions and entitled to benefits as though he had remained in the rank, grade or position held at the date of his appointment.
  - (iii) Any Police Employee or Fire Employee who, prior to being confirmed, shall be killed or Totally Disabled as the result of the performance of active duty, shall be deemed to have been a Member of the Retirement System.
  - (iv) Any Member as defined in Section D-1(a), (b), or (c) who was separated from Service by resignation or dismissal or discharge who subsequently again becomes a Member shall be considered a Member for all purposes under this Component II under Section D-1(a), (b), or (c) and shall not be considered a Member under Section D-1(d).
  - (v) Any Member as defined in Section D-1(d) who shall be transferred to a civilian position in his Department shall continue as a Member, subject to all the obligations of a Member.

**Sec. D-2. Membership election option prior to July 1, 2014.**

Any person who is a Member as defined in Section D-1(a), (b), or (c) who was in active service on January 1, 1969, shall have had the option to elect to become a Member of the Retirement System as defined in Section D-1(d) by filing his written election with the Board of Trustees on or before January 31, 1969, or any Retiree who retired on or before December 31, 1968, under the provisions of Article F, Part B, Section F-8, who returns to active service prior to July 1, 2014 shall have the option to elect to become a Member of this Retirement System as

defined in Section D-1(d), by filing his written election with the Board of Trustees on or before the earlier of (i) thirty days after his return to active service and (ii) June 30, 2014. The election shall be effective on the date that it is filed with the Board of Trustees.

**Sec. D-3. Cessation of membership.**

- (a) Should a Member die or become a Retiree or be separated from service by resignation, dismissal, or disability, he shall thereupon cease to be a Member.
- (b) Any person who became a Member under Section D-1(a), (b), or (c) and ceases to be a Member, as provided in Section D-3(a), and who becomes a Police Employee or Fire Employee prior to July 1, 2014, shall again become a Member of Component II of the Retirement System, under section D-1(a), (b), or (c) subject to the provisions of Article G, Section G-2(d).
- (c) Any person who became a Member under Section D-1(d) and ceases to be a Member, as provided in Section D-3(a), and who becomes a Police Employee or Fire Employee prior to July 1, 2014, shall again become a Member of Component II of the Retirement System under Section D-1(d), subject to the provisions of Article G, Section G-2(d).
- (d) Any Member of the Retirement System from the Fire Department who retires as a Member of the Retirement System and who is rehired prior to July 1, 2014 as a civilian Member of the Fire Department may elect on or before June 30, 2014 to again become a Member of Component II of the Retirement System.

## **ARTICLE E. SERVICE CREDITABLE.**

### **Sec. E-1. Members to file statement of service, etc.**

Under such rules and regulations as the Board of Trustees shall adopt, each Police Employee and Fire Employee who shall become a Member prior to July 1, 2014 shall file a detailed statement of all prior service rendered by him as an employee of the Police Department or Fire Department, for which he claims credit, and of such other facts as the Board of Trustees may require, for the proper operation of the Retirement System.

### **Sec. E-2. Credit for service.**

The Board of Trustees shall fix and determine by appropriate rules and regulations how much service in any year is equivalent to a year of service, but in no case shall less than six months' service constitute one year, nor shall more than one year of service be creditable for all service in one calendar year. The Board of Trustees shall not allow credit as service for any period of more than one month during which the Member was or shall be absent without pay provided that if a Member shall be transferred from his Department payroll to the payroll of any city, county or state government or the federal government, by his Department head, during peace times, then such Member shall continue to be a Member of the System and shall be required to make regular contributions into the Annuity Savings Fund; and provided further, that if a Member, so transferred, shall fail to make such contributions for three consecutive months, he shall cease to be a Member of the System four months (of 31 days each) after the due date of his first defaulted Annuity contribution; and provided further, that any Member who was or shall be suspended from duty and subsequently reinstated to duty without further disciplinary action, shall receive total credit for the time of such period or periods of suspension.

### **Sec. E-3. Employees in military service commencing prior to July 1, 2014.**

- (a) If a Member of the Retirement System was or shall be drafted, or enlisted or shall enlist into military, naval, marine, or other service of the United States government during time of war, or if a Member shall be drafted into such service during time of peace, and prior to the earlier of (i) ninety days from the date of his separation from such government service or from the date peace was or shall be established by treaty, whichever date was or shall be earlier, and (ii) June 30, 2014 resumed or shall resume employment as a Police Employee or Fire Employee, then such government service rendered prior to July 1, 2014 shall be credited to him as a Member of the Retirement System. During the period of such government service of a Member, his contributions to the Annuity Savings Fund shall be suspended and the balance in the Annuity Savings Fund, standing to his credit as of the last payroll date preceding his leave of absence from the service of his Department shall be accumulated at Regular Interest. Prior to July 1, 2014, even though the applicant may have been unable to satisfy all the foregoing requirements, the Board of Trustees had the power to grant the privileges provided for by this section in exceptional or extraordinary cases.
- (b) A Member on the City payroll on or after January 1, 1979 and prior to July 1, 2014 who, prior to employment in the City service, was called to or entered or is called to

or enters any full time military service of the United States during time of war, period of compulsory military service, or period of unusual emergency as defined in this ordinance, shall have the required period of active duty credited him as Membership Service, subject to the following conditions and limitations:

- (1) The Member files a written election with the Board of Trustees, before the earlier of (i) 180 days following the effective date of this provision or 180 days from the date of his first employment in the City service, whichever is most recent, and (ii) June 30, 2014, to claim military service credit under the provisions of this section. A Member who is included in a collective bargaining unit shall file a written election to claim military service credit with the Board of Trustees within 180 days following the date of a negotiated approval and acceptance of this section by his duly authorized bargaining agent as transmitted to the Board of Trustees by the Labor Relations Director or, in the case of Members hired subsequent to the transmittal of approval and acceptance by his duly authorized bargaining agent, within 180 days from the date of his first employment in the City service; provided that any such election is required to be filed prior to July 1, 2014.
- (2) The Member furnishes the Board of Trustees such information as the Board of Trustees determines necessary to verify the amount of military service claimed.
- (3) The Member pays to the Pension Accumulation Fund of the Retirement System an amount of five (5) percent of the Member's annual rate of compensation at the time of payment multiplied by the years or parts of years of military service claimed.
- (4) The required payment shall be made under one of the following options:
  - a. Payment in full within 30 days of the election to claim military service.
  - b. Payment in equal bi-weekly installments by payroll deduction over a 36 month period starting 30 days following the election to claim military service. Interest shall accrue during the period of installment payments at the compound rate of 5 percent per annum. Payments must be completed prior to application for retirement.
  - c. If a Member has sufficient funds in the principal portion of his Annuity, he may authorize the Board to transfer such funds to the Pension Accumulation Fund to meet the required payment.
- (5) In the event a Member, who has filed the required election of this benefit, and who would be eligible for a Pension in all respects except for paying the full amount, dies prior to completion of the payment required in paragraph (4) preceding, the person otherwise entitled to a Retirement Allowance may pay the full amount due within 30 days of the Member's death to become eligible for an additional Pension credit under this section.

- (6) Military service credited under the provisions of Section 54-30-3(c) of the 1964 Detroit City Code shall not be claimed or credited under the provisions of this section.
- (7) Military service which is or will be the basis of service credit under any other public employee retirement program shall not be claimed or credited under the provisions of this section.
- (8) In no case shall more than 3 years of pre-employment military service be credited a Member on account of military service. For the purpose of this limitation, military service credited pursuant to Section 54-30-3(a) of the 1964 Detroit City Code shall be combined with military service created pursuant to this section.
- (9) The required payments made to the Pension Accumulation Fund for military service credit pursuant to this section shall, upon application by the Member or his estate, be returned without interest to any Member who dies or leaves City employment prior to being eligible for a Pension.
- (10) Only honorable military service during the following periods shall be covered by this Section E-3(b):

World War II — December 8, 1941 to July 1, 1946.

Korean Conflict — June 27, 1950 to December 31, 1953.

Vietnam Conflict — August 5, 1964 to May 7, 1975.

- (11) The military service credit pursuant to this section shall not apply toward meeting the minimum service and age requirements for vesting, for a non-duty disability Pension or for a service Pension. Such service credit may be used in meeting the minimum time needed for an automatic Option Two Pension in case of death of a Member.
- (12) In no case shall benefits be based on the military service credit provided by this section unless the Member shall have been credited a minimum of eight years of service credit not including military service credit.
- (13) Special service, contractual, part time, seasonal and summer camp employees are not eligible for the military service credit.
- (14) In cases of doubt, the Board of Trustees will determine whether a Member is entitled to the benefits of this section consistent with the requirements and limitations herein.
- (15) Any member of DFFA, DPCOA or DPLSA who performed military service prior to employment by the City and membership in the Retirement System



may, prior to July 1 2014, claim service credit as a Member of the Retirement System for time spent in the military service.

- (16) Effective December 15, 2008, any member of DFFA, DPCOA or DPLSA who has performed any honorable military service may, prior to July 1, 2014, claim up to thirty-six (36) months service in the Pension time for time spent in the military. However, the Member will be required to purchase this military service credit as provided above.
- (17) Effective March 8, 2007, all DPOA bargaining unit members who have served in the military may, prior to July 1, 2014, purchase a maximum of three (3) years Pension time.

**Sec. E-4. Verification of service claimed.**

Subject to the above restrictions and to such other rules and regulations as the Board of Trustees may adopt, the Board of Trustees shall verify, as soon as practicable after the filing of such statements of service, the service therein claimed.

**Sec. E-5. Prior Service certificates.**

Upon verification of the statements of service, the Board of Trustees shall issue Prior Service certificates, certifying to each Member the length of Prior Service rendered, with which he is credited. A Prior Service certificate shall be final and conclusive for retirement purposes as to such service; provided, however, that within one year from the date of issuance or modification of such certificate the Board of Trustees on its own motion or on the request of a Member may modify or correct the Prior Service certificate.

**Sec. E-6. Creditable service at retirement.**

Creditable service at retirement, on which the Retirement Allowance of a Member shall consist of the Membership Service rendered by him prior to July 1, 2014 and, if he has a Prior Service certificate in full force and effect as of July 1, 2014, the amount of service certified thereon.



## **ARTICLE F. BENEFITS PROVIDED TO MEMBERS**

### **Part A - Service Retirement Allowance**

#### **Sec. F-1. Petition for retirement, mandatory age.**

- (a) Any Member as defined in Article D, Section D-1 (a), (b), or (c) in service may file with the Board of Trustees his written application for retirement setting forth the date not less than fifteen days nor more than ninety days subsequent to the filing thereof, on which he or she desires to be retired; and provided the Board of Trustees shall determine that the Member, at the date so specified for his retirement will have a total of twenty-five years or more of creditable service he shall on the date specified be retired, notwithstanding that during such period of notification he may have separated from service.

Provided, further, that in the case of any Fire Fighter as defined in Article D, section D-1 (a), (b) or (c) having served twenty-five years or more of creditable service, upon recommendation of the Board of Fire Commissioners, the Fire Fighter shall be retired forthwith, by the Board of Trustees.

- (b) Any Members as defined in Article D, Section D-1 (d) in service may file with the Board of Trustees his written application for retirement setting forth the date not less than fifteen days nor more than ninety days subsequent to the filing thereof, on which he or she desires to be retired; and provided the Board of Trustees shall determine that the Member, at the date so specified for his retirement, will have a total of twenty-five years (effective as of March 8, 2007, twenty years for members of DPOA and their fire equivalents) or more of creditable service and has attained Age fifty-five, he shall on the date specified be retired, notwithstanding that during such period of notification he may have separated from service.

Provided, further, that, effective July 1, 1983 for members of DPOA and fire equivalents and June 30, 1986 for DPLSA and fire equivalents and new Members, a Member described in Article D, Section D-1(d) shall be eligible to retire upon attainment of twenty-five years (effective as of March 8, 2007, twenty years for members of DPOA and their fire equivalents) or more of creditable service, regardless of Age. Effective July 1, 1998 (June 30, 2001 for DPOA members and their fire equivalents), the time a Member is on layoff from service of the City shall be included in actual service rendered to the City for purposes of determining whether a Member has twenty-five years or twenty years of creditable service. The Pension benefit to which such Member is entitled shall be based only on his actual years of creditable service. Effective July 1, 1989, the minimum Age requirement for deferred Pensions payable for post 1969 Members represented by DPOA and hired before June 30, 1985 shall be eliminated.

Notwithstanding the foregoing provisions, effective October 15, 2014, a DPLSA member shall be eligible to terminate employment with the City and commence

receipt of a Retirement Allowance (or make a DROP election as provided in Article I) under this Component II provided the Member satisfies the following requirements:

<u>Fiscal Year</u>	<u>Age and Service</u>
2015	Age 45 and 24 years
2016	Age 46 and 23 years
2017	Age 47 and 23 years
2018	Age 48 and 22 years
2019	Age 49 and 23 years
2020 and thereafter	25 years of service

- (c) Effective June 30, 2001, any Member represented by DPOA and fire equivalents who has been laid off shall be eligible to retire at what would have been the Member's 25<sup>th</sup> anniversary. To determine eligibility for retirement, the Member's actual service time and time on lay off shall be combined. To calculate the Member's Retirement Allowance for members of DFFA, however, only actual service time shall be used. For DFFA members having a parity relationship with the DPLSA and the DPCOA Inspector, only lay off time which occurred between July 1, 1973 and July 1, 1998 will be credited. Effective in accordance with the specific date and terms of the DPLSA award in Act 312 No. D98 F-0944, Members represented by DPCOA shall have the right to retire on their 25th anniversary date, notwithstanding any service time they may have lost due to any layoffs, as provided in such award.
- (d) Any Member represented by DPOA who was hired on or after July 1, 1985 and who leaves City employment after being vested shall not be eligible for Pension benefits until said individual reaches his or her sixty-second birthday.
- (e) Any Member of the Retirement System as defined in Article D, Section D-1(a), (b), (c), and (d) who shall reach the Age of sixty years shall be retired forthwith, or on the first day of the calendar month next succeeding that in which the Member shall have reached Age sixty. On the written request of the Member and of the Commissioner of Police or the Board of Fire Commissioners, as the case may be, the Board of Trustees may continue such Member in active service for a period of two years beyond his sixtieth birthday, and on the expiration of such period, on like request, may continue such Member for a further period of two years.
- (f) Any Member of the Retirement System who satisfies the requirements for a Pension as defined in Article F, Section F-5 shall be eligible upon ninety days notice to make an irrevocable election to receive an immediate Retirement Allowance, actuarially reduced for early commencement, in lieu of a deferred Retirement Allowance.
- (g) Any Member of the Retirement System who was in the service of the City on or after July 1, 1941 but prior to January 1, 1969 and who was still an active Member on July 1, 1983 for DPLSA and fire equivalents and July 1, 1986 for DPOA members and fire equivalents shall have the option of retiring under the Old Plan or the New Plan.

- (h) Pursuant to IRC 411(e), as in effect in 1974, an employee shall be 100 percent vested in his or her Retirement System accrued benefit upon attaining normal retirement hereunder while in service.

## **Sec. F-2. Old Plan/New Plan**

Effective July 1, 1986, Members of the Retirement System as defined under the terms of the Retirement System in effect on July 1, 1977, who were in service on or after July 1, 1941 but prior to January 1, 1969, and are active Members on July 1, 1986 shall have the option of retiring under the Old Plan or the New Plan.

- (a) *Amount of allowance – Old Plan Members.* Upon his or her retirement from service, a Member as defined in Article D, Section D-1(a), (b), or (c) (“Old Plan Member”) shall receive a straight life Retirement Allowance which shall consist of the benefits provided in paragraphs (1) and (2) below; and he or she shall have the right to elect an option provided for in Part H of this Article F:
  - (1) An Annuity which shall be the Actuarial Equivalent of the Member’s Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of his or her retirement; and
  - (2) A Pension which, when added to the Member’s Annuity, will provide a straight life Retirement Allowance equal to two percent (2.0%) of his or her Average Final Compensation, multiplied by the number of years, and fraction of a year, of his or her creditable service, not to exceed twenty-five years; provided, that the Retirement Allowance of a Police Employee shall in no case exceed fifteen twenty-seconds of the maximum earnable compensation of a Patrolman and the Retirement Allowance of a Fire Fighter shall not exceed fifteen twenty-seconds of the maximum earnable compensation of a Fire Fighter (and if either or both of the said ranks shall be hereafter abolished, the equivalent thereof). The foregoing Pension limitation shall not apply to any Police Employee or Fire Employee who on July 1, 1941, shall be entitled to a certificate for twenty years or more of prior service and who remains under the provisions of Chapter XV or Chapter XXI of Title IV of the 1918 Detroit City Charter.
- (b) *Amount of allowance – New Plan Members.* Upon his retirement from service, a Member as defined in Article D, Section D-1(d) (“New Plan Member”) shall receive a straight life Retirement Allowance which shall consist of the benefits provided in paragraphs (1) and (2) below; and he shall have the right to elect an option provided for in Part H of this Article F:
  - (1) An Annuity which shall be the Actuarial Equivalent of the Member’s Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of his retirement; and
  - (2) A Pension which, when added to his or her Annuity, will provide a straight life Retirement Allowance equal to:

- a. two and one-half percent (2.5%) of the Member's Average Final Compensation multiplied by the number of years and fraction of a year of his or her creditable service, for the first twenty-five (25) years of such service; and
- b. two and one-tenths percent (2.1%) of the Member's Average Final Compensation multiplied by the number of years and fraction of a year of his or her creditable service in excess of twenty-five (25) years, subject to a maximum of thirty-five (35) years.

### **Sec. F-3. Pension Multiplier**

- (a) Notwithstanding Section F-2(a)(2) and F-2(b)(2), effective July 1, 1992 each Member who retires on or after that date shall be entitled to a Pension which, when added to the Annuity, will provide a straight life Retirement Allowance equal to 2.1% of his or her Average Final Compensation, multiplied by the number of years and fraction of a year, of his or her creditable service, not to exceed thirty-five (35) years of service for New Plan Members and twenty-five (25) years of service for Old Plan Members.
- (b) Effective July 1, 1997 or for DPCOA members the effective date of the CET-DPCOA, each Member who retires shall be entitled to a Pension which when added to the Annuity will provide a straight life Retirement Allowance equal to 2.5% (or 2.1% for DPCOA members) of his or her Average Final Compensation multiplied by the number of years and fraction of year of his or her creditable service for the first twenty-five (25) years or, in the case of a DPCOA member of his or her creditable service earned or accrued on or after the effective date of the CET-DPCOA. For Members represented by DFFA, DPCOA and DPLSA, the multiplier shall be 2.1% for each year of service over twenty-five (25) years. Maximum years of service for Pension credit shall be thirty-five (35) years for New Plan Members and twenty-five (25) years for Old Plan Members.
- (c) Effective September 1, 2011, each Member represented by DPOA who retires shall only be entitled to a Pension which, when added to the Annuity, will provide a straight life Retirement Allowance equal to 2.1% of his or her Average Final Compensation multiplied by the number of years and fraction of a year of his or her creditable service earned or accrued on or after September 1, 2011. Hence, for the first twenty-five (25) years of service accrued on or after September 1, 2011, the multiplier shall no longer be 2.5%; rather, 2.1%. Maximum years of service for Pension credit shall be thirty-five (35) years for New Plan Members and twenty-five (25) years for Old Plan Members. Service credit accrued prior to September 1, 2011 will be unaffected by this Section F-3(c).
- (d) Each DPLSA member who retires shall only be entitled to a Pension which, when added to the Annuity, will provide a straight life Retirement Allowance equal to 2.1% of his or her Average Final Compensation multiplied by the number of years and fraction of a year of his or her creditable service earned or accrued following the date of the Act 312 Award in D09 G-0786. Hence, for the first twenty-five (25) years of

service accrued after the date of the Act 312 Award, the multiplier shall no longer be 2.5% as stated in paragraph (b) above. Maximum years of service for Pension credit shall be thirty-five (35) years for New Plan Members and twenty-five (25) years for Old Plan Members.

**Sec. F-4. Disposition of surplus benefits upon death of retired member.**

In the event a retired Member dies before he or she has received in straight life Retirement Allowance payments an aggregate amount equal to his or her Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of his or her retirement, the difference between his or her said Accumulated Contributions and the said aggregate amount of straight life Retirement Allowance payments received by him or her shall be paid to such person or persons as he or she shall have nominated by written designation duly executed and filed with the Board of Trustees. If there is no such designated person or persons surviving the said deceased Retiree such difference, if any, shall be paid to his or her legal representative. No benefits shall be paid under this Section F-4 on account of the death of such a retired Member if he or she had elected Option 1, 2, 3, 3A or 3B provided for in Part H of this Article F.

**Sec. F-5. Retirement allowance for certain persons leaving City employment after eight years service (40 & 8).**

- (a) Should any DPLSA member or any fire equivalent who (1) has attained age forty years of Age, and (2) has acquired eight or more years of credited service, or any Member who terminates employment with the City on or after August 29, 2003 with ten or more years of credited service leave the employ of the Police Department or Fire Department prior to the date he or she would have first become eligible to retire as provided in this Part A, for any reason except his or her retirement or death, he or she shall be entitled to a Retirement Allowance computed according to Section F-2 (a) or (b) of this Article F, whichever is applicable, as said Section was in force as of the earlier of (i) the date his or her employment with the City last terminated or (ii) June 30, 2014; provided, that he or she does not withdraw his or her Accumulated Contributions from the Annuity Savings Fund. The Member's Retirement Allowance shall begin the first day of the calendar month next following the month in which his or her application for same is filed with the Board of Trustees, on or after the date he or she would have been eligible to retire had he or she continued in City employment. Notwithstanding the foregoing, prior to March 3, 2008 the Retirement Allowance of a DPOA member or a fire equivalent hired on or after July 1, 1985 shall not begin prior to the date on which the Member reaches his or her sixty-second birthday. Unless otherwise provided in this Component II, such person shall not receive service credit for the period of his or her absence from the City Police Department and/or Fire Department employ, nor shall his or her Beneficiary be entitled to any other benefit afforded in this Component II, except the benefits provided in Part A, Section F-2(a) or (b) or Part F of this Article F, whichever is applicable, subject to the above provisions, notwithstanding, his or her membership has terminated.



- (b) Effective August 28, 2003, for DPOA members and fire equivalents who terminate employment after ten (10) years of service shall be vested and shall have all options afforded to 40 & 8 Retirees.

**Sec. F-6. Reduced Early Pension Benefits (40 & 8 Vesting Retirees)**

- (a) Members who terminate employment and who are eligible for a Pension pursuant to Article F, Part A, Section F-5 of Component II (40 & 8) shall have the option of receiving an immediate, but reduced early Pension benefit in lieu of a deferred Pension.
- (b) This reduced early Pension benefit shall not result in an increase in employer contribution rates; therefore, the value of the Reduced Early Pension Benefit shall be the Actuarial Equivalent of the 40 & 8 Pension.
- (c) For employees represented by DFFA in ranks or classifications with a parity relationship to employees represented by the DPLSA and employees in higher ranks or classifications, upon termination, a vested employee must within 90 calendar days make an irrevocable election as to whether or not to take this option.
- (d) Individuals represented by DFFA, DPOA or DPLSA, who terminated employment prior to July 1, 1986, are not eligible for this option.
- (e) An employee who receives a lump sum payment for accumulated time upon termination is not allowed to have that time count towards his retirement service.
- (f) Since Members (other than DPOA and fire equivalents) are eligible to begin collecting their vested Pension as soon as they would have been eligible to retire had they continued their City employment, minimum retirement age (i.e., Age 55) shall not be a factor in computing the actuarially reduced Pension benefit.
- (g) All DFFA members, except those members in ranks or classifications with a parity relationship to employees represented by the DPOA, electing to receive the reduced early Pension benefits shall receive upon separation full pay for fifty percent (50%) of the unused sick bank amounts. This provision shall have no effect on a Member electing to receive the deferred 40 & 8 vested Pension who shall continue to be reimbursed for unused sick time in accordance with an applicable collective bargaining agreement.
- (h) Effective August 28, 2003, DPOA members and fire equivalents who terminate employment after ten (10) years of service shall be vested and shall have all options afforded to 40 & 8 retirees.

## **Part B — Total Disability Pension and Retirement Allowances**

### **Sec. F-7. Duty disability.**

If a Member shall become Totally Disabled for duty by reason of injury, illness or disease resulting from performance of duty and if the Board of Trustees shall find such injury, illness or disease to have resulted from the performance of duty, on written application to the Board of Trustees by or on behalf of such Member or by the head of his Department such Member shall be retired; notwithstanding that during such period of notification he or she may have separated from service; provided, the Medical Director, after examination of such Member shall certify to the Board of Trustees his or her Total Disability. If said Member was separated from service after filing of the written application, and he or she had attained twenty-five years or more of service prior to the date of separation, the Board of Trustees, shall retire said Member, under this Part B.

### **Sec. F-8. Duty disability benefits; members in service on or after July 1, 1941 but prior to January 1, 1969.**

- (a) A Member, as defined under Article D, Section D-1(a), (b), or (c), shall receive the following benefits:
  - (1) Each such Member shall receive a disability Pension of fifty percent (50%), or such other higher percentage that is in effect and applies to such Member, of the Member's Average Final Compensation at the time of disability retirement. On the date that a Member, who retired under Section F-7 and who receives benefits under this Section F-8, would have accrued twenty-five years of creditable service had the Member continued in active service, or on the date that the Member reaches age sixty, whichever comes first, the Member shall be eligible for optional benefits as provided Part H of this Article F.
  - (2) In addition to the disability Pension provided for in Section F-8(a)(1), any Member who receives a disability Pension pursuant to Section F-8(a)(1) and has not accrued a total of twenty-five (25) years of creditable service as of the date of the Member's disability retirement shall receive a supplemental disability payment in the amount of sixteen and two-thirds percent (16-2/3%) of the Member's Average Final Compensation at the earlier of (i) the time of disability retirement or (ii) June 30, 2014. This supplemental payment shall terminate upon the expiration of the period when a Member who retired under Section F-7 of this Part B and who receives benefits under Section F-8(a)(1) would have accrued twenty-five years of creditable service had the Member continued in active service, or on the date that the Member reaches Age sixty, whichever comes first.

Effective July 1, 1992 for DPLSA members, the Average Final Compensation used in this computation shall mean the current maximum salary for the rank(s), grade(s) or position(s) which would have been held by the Member over the sixty months prior to the earlier of (i) the date of retirement (reduced disability/service retirement when the Member would have attained a total of twenty-five years of



credited service) had he or she continued working in that classification which he or she held at the time of his or her disability or (ii) June 30, 2014. For Members who begin receiving such benefits on or after July 1, 1998 and before July 1, 2014, the amount of the Member's most recent full longevity payment shall be included in the definition of Average Final Compensation.

Effective July 1, 1992 for DFFA and DPOA members, the Average Final Compensation used in this computation shall be the highest average annual compensation that would have been received by such a Member had he or she continued working in the classification he or she held at the time of his or her disability, during any period of five consecutive years, selected by the Member, contained within the last ten years immediately preceding the earlier of (i) expiration of the period when the Member would have attained a total twenty-five years of creditable service and (ii) June 30, 2014.

Effective July 1, 2000, the Average Final Compensation used in this computation shall mean the current maximum salary, including the annual longevity payment provided above, for the rank(s), grade(s) or position(s) which would have been held by the Member over the thirty-six (36) months prior to the earlier of (i) retirement or (ii) June 30, 2014.

- (3) In the case of a Member retired under Section F-8 who receives benefits under F-8(a)(1) and F-8(a)(2), the Accumulated Contributions standing to the Member's credit at the date of retirement shall continue to be held in the Annuity Savings Fund and Regular Interest shall be credited thereto. If such Member dies before the date upon which the Member would have achieved a total of twenty-five years of creditable service had the Member continued in active service and before such Member reaches Age sixty, the balance of the member's Annuity Savings Account including interest thereon shall be paid as provided in Part D and Part E of this Article F.
- (b) This Section shall be applicable to those Members receiving benefits on the date of adoption of this Section who are not covered by the arbitration decision regarding the DPOA which became effective July 1, 1995, or the arbitration decision regarding the DPLSA which became effective June 30, 1998.
- (c) This Section does not rescind any substantive rights of disability retirees from the Retirement System who retired prior to the July 1, 1995 arbitration award, or the substantive rights of disability retirees from the DPLSA who retired prior to the June 30, 1998 arbitration award.
- (d) This Section does not amend any computations used to determine disability benefits payable under this Section F-8, or result in an increase or decrease in such disability benefits.

**Sec. F-9. Duty disability benefits; members beginning service on or after January 1, 1969 and becoming disabled prior to the dates set forth in Section F-10.**

- (a) A Member, as defined under Article D, Section D-1(d), who retired under Section F-7, shall receive the following benefits:
- (1) Each such Member shall receive a disability Pension of fifty percent (50%), or such other higher percentage that is in effect and applies to such Member, of the Member's Average Final Compensation at the earlier of (i) the time of disability retirement or (ii) June 30, 2014. On the date that a Member who retired under Section F-7 of this Part B and who receives benefits under this Section would have accrued twenty-five years of creditable service had the Member continued in active service, or on the date that the Member reaches Age sixty, whichever comes first, the Member shall be eligible for optional benefits as provided Part H of this Article F.
  - (2) In addition to the disability Pension provided for in Section F-8(a)(1) of this Part B, any Member who receives a disability Pension pursuant to Section F-8(a)(1) of this Part B and who has not accrued a total of twenty-five years or more of creditable service as of the date of the Member's disability retirement shall receive a supplemental disability payment in the amount of sixteen and two-thirds percent (16-2/3%) of the Member's Average Final Compensation at the earlier of (i) the time of the Member's disability retirement and (ii) June 30, 2014. This supplemental payment shall terminate when a Member who retires under Section F-7 and who receives benefits under Section F-8(a)(1) would have accrued twenty-five years of creditable service had he or she continued in active service or on the date that the Member reaches Age sixty, whichever comes first.
  - (3) In addition to the disability Pension provided for in Section F-8, any Member who receives a disability Pension pursuant to Section F-8(a)(1) and who has accrued more than twenty-five years ("additional years") of creditable service as of the earlier of (i) the date of the Member's disability retirement and (ii) June 30, 2014 shall receive another supplemental disability payment equal to two percent (2%), or such other higher percentage that is in effect and applies to such Member, of the Member's Average Final Compensation as of the earlier of such dates, multiplied by the number of additional years of creditable service the Member has accrued; provided, however, that such supplemental disability payment shall not exceed twenty percent (20%), or such other higher percentage that is in effect and applies to such Member, of the Member's Average Final Compensation.
  - (4) In the case of a Member who retires under Section F-7 and who receives benefits described under Section F-8(a)(1) through (3), the Accumulated Contributions standing to the Member's credit at the date of disability retirement shall continue to be held in a separate fund in the Annuity Savings Fund and Regular Interest shall be credited thereto. If such Member dies prior

to the time when the Member would have achieved a total of twenty-five years of creditable service had the Member continued in active service and before such Member reaches Age sixty, the amount of the Member's Accumulated Contributions so set aside and interest thereon shall be paid as provided in Part D and Part E of this Article. F

- (5) The amendment of Section F-8(a)(1) shall not result in an increase or decrease in the amount of disability benefits payable to Members.
- (b) This Section shall be applicable to those Members receiving benefits on the effective date of this Section F who are not covered by the arbitration decision regarding the DPOA which became effective July 1, 1995, or the arbitration decision regarding the DPLSA which became effective June 30, 1998. This Section does not rescind any substantive rights of disability retirees from the Retirement System who retired prior to the July 1, 1995 arbitration award, or the substantive rights of disability retirees from DPLSA who retired prior to the June 30, 1998 arbitration award.
- (c) This Section does not amend any computations used to determine benefits under Section F-8 of this Part, or result in an increase or decrease in such benefits.

**Sec. F-10. Duty Disability benefits; DFFA, DPOA and DPLSA members beginning service on or after January 1, 1969 and becoming disabled on or after the dates set forth below.**

- (a) This Section F-10 shall be applicable to:
  - (1) DFFA employees who file applications for disability retirement on or after July 1, 1995 and who have a parity relationship with the DPOA and on or after June 30, 1998, for DFFA employees with a parity relationship with the DPLSA and the DPCOA Inspector;
  - (2) all DPLSA employees who file applications for disability retirement on or after June 30, 1998; and
  - (3) all DPOA members who file applications for disability retirement on or after July 1, 1995.
- (b) A Member who retires as a result of duty disability shall receive for a period of twenty-four months the sum of:
  - (i) a basic benefit equal to 50% of the Member's Final Compensation at the earlier of (i) the time his or her duty disability retirement begins or (ii) June 30, 2014; and
  - (ii) a supplemental benefit equal to 16-2/3% of the Member's Final Compensation at the earlier of (i) the time his or her duty disability retirement begins or (ii) June 30, 2014.

On July 1st of each year, the benefits determined under paragraphs (i) and (ii) above then payable will each be increased by adding to said amounts the product of the initial amount of said benefit which was computed at the time the duty disability retirement began and the applicable Pension Improvement Factor (Escalator).

- (c) After a Member receives benefits hereunder for a period of twenty-four months, the Board will determine whether the Member is disabled from any occupation. If the Member is disabled from any occupation, the Member shall continue to receive the benefit provided in paragraphs (b)(i) and (b)(ii) until such time as the Member would have attained twenty-five years of creditable service had he continued in active Service with the City. At that time, the Member shall continue to receive the benefit described in paragraph (b)(i) above; however, benefits described in paragraph (b)(ii) above will cease. If the Member is not disabled from any occupation, he shall continue to receive the benefit described in paragraph (b)(i) above; benefits described in paragraph (b)(ii) will cease.
- (d) Duty disability retirement benefits shall continue to be paid to a Member on duty disability retirement after the Member has attained twenty-five years of creditable service, to the earlier of (i) the Member's attainment of Age sixty-five, or (ii) termination of disability as determined by the Board. Upon termination of disability or attainment of Age sixty-five, a Member with twenty-five years of creditable service shall be eligible to receive a service retirement benefit. The amount of such service retirement benefit shall be the same amount which would have been payable if the conversion from duty disability retirement to service retirement had occurred at the date of attaining twenty-five years of creditable service. In the event that the examinations and/or investigations conducted by the Police Department result in a determination that a DPOA Member is not qualified for reappointment as a Police Employee, for medical reasons, disability benefits will be continued.
- (e) If a Member on duty disability retirement returns to active service and within a twenty-four month period re-qualifies for duty disability retirement for the same or related reasons he or she had been retired, then the disability shall be deemed a continuation of the prior disabling condition and the period of the return to work will not have caused the Member to be entitled to a new initial determination of benefit amounts as set forth in paragraph (b) above. Instead, such Member will return to retirement at the point he or she had reached in sub-paragraphs (b), (c) or (d) above as if there had not been a break in his or her period of placement on duty disability retirement.
- (f) Disability retirement benefits shall continue to be considered benefits provided by the City pursuant to the 1918 Detroit City Charter, as amended, which are paid instead of and not in addition to any benefits under the State Workers' Disability Compensation Act.
- (g) Survivor benefit coverage applicable to active Members shall be continued during the period a Member is eligible for a duty disability benefit. Upon conversion to a service retirement benefit as provided in paragraph (d), automatic survivor benefit

coverage shall terminate. At that time, the Member shall have the right to elect an optional form of payment in the same manner as if he or she had retired from active membership on the conversion date.

(h) Pension Credit While on Duty Disability Status

- (1) While eligible to receive duty disability benefits, Pension service credit shall continue to accrue, but not beyond June 30, 2014.
- (2) The accrual of Pension service credit will cease on the earlier of (i) the date the Member has twenty-five years of creditable service, or (ii) June 30, 2014.

(i) Earnings Offset

- (1) In the event that a recipient of a duty disability retirement benefit receives earned income from gainful employment during a calendar year, the amount of the Member's disability benefit payable during the next subsequent Fiscal Year will be adjusted so it does not exceed the difference between (i) the Member's base salary at the date of disability, increased by 2.25% times the number of full years from the date of disability to the year in which the earnings offset is applied, and (ii) the amount of remuneration from gainful employment during the prior calendar year.
- (2) The earnings test shall be based on information the Board may periodically require from a duty disability benefit recipient or has secured from other reliable sources. Furnishing such information shall be a condition for a Member's continued eligibility for a duty disability benefit.

- (j) The withdrawal provision of the Retirement System will continue to apply to Members on duty disability. If a duty disability recipient elects annuity withdrawal after attaining twenty-five years of creditable service, the applicable benefit reduction will offset the duty disability benefit until the conversion date, after which it will offset the converted service retirement benefit.

**Sec. F-11. Non-duty disability.**

- (a) On written application to the Board by or on behalf of a Member or by the head of his Department, a Member, who becomes Totally Disabled for duty by reason of injury, illness or disease not resulting from the performance of duty as determined by the Board of Trustees, shall be retired by the Board of Trustees. If said Member was separated from service after the filing of the written application and had attained twenty-five years or more of creditable service prior to the date of separation, the Board shall retire said Member, under this Part B.
- (b) A Member retired under paragraph (a) above shall receive the following applicable benefits:

- (1) If such Member has less than five years of creditable service at the time of his or her disability retirement, his or her Accumulated Contributions standing to his or her credit in the Annuity Savings Fund shall be returned to the Member, or at his or her option, he or she shall receive a cash refund annuity which shall be the Actuarial Equivalent of his or her Accumulated Contributions.
- (2) If such Member has five or more years of creditable service at the time of his or her disability retirement, he or she shall receive a disability Retirement Allowance computed in accordance with the provisions of this Article F, Part A, Section F-2(a) or (b), whichever is applicable, and he or she shall have the right to elect an Option provided for in Part H of this Article F. The Member's Straight Life Retirement Allowance shall not be less than twenty per cent of his or her Average Final Compensation. Such Retirement Allowance shall be subject to Parts I and K of this Article F.
- (3) If a Member receiving non-duty disability benefits has any Accumulated Contributions standing to his or her credit in the Annuity Savings Fund when the Member would have attained twenty-five years (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) of creditable service, such Member may withdraw the balance of such contributions at that time.

**Sec. F-12. Disability retirement procedures.**

- (a) The Board shall establish procedures for determining whether a Member is disabled. Such procedures shall be consistent with any collective bargaining agreements between the City and the unions covering Police Employees and Fire Employees.
- (b) If a Member is determined to be disabled, the Board or its designee will examine the pension file, including the submissions of the Member and the Police or Fire Department, to determine if there is any dispute as to whether the disability "resulted from the performance of duty" within the meaning of the Combined Plan. If it is undisputed that the disability did result from the performance of duty, the Board will grant duty disability retirement benefits. If it is undisputed that the disability did not result from the performance of duty, the Board will grant non-duty disability retirement benefits, provided the Member meets the other conditions of eligibility. If the performance of duty issue is in dispute, the Board will refer the matter to arbitration by a member of the Disability Retirement Review Board ("DRRB"). The decision of the DRRB member as to whether the disability resulted from the performance of duty shall be final and binding upon the Member, the Department and the Board. The DRRB shall consist of three qualified arbitrators who will be individually assigned in rotating order to decide the matters referred to arbitration by the Board. The three members of the DRRB shall be disinterested persons qualified as labor arbitrators and shall be selected in accordance with agreements between the City and the unions representing Members. The procedure for the termination of DRRB members and the selection of new DRRB members also shall be carried out in



accordance with the agreements between the City and the unions representing Members.

(c) The hearing before a member of the DRRB will be conducted in accordance with the following procedures:

- (1) The Member and the City will have the right to appear in person or otherwise may be represented by counsel if they wish and will be afforded an equal opportunity to present evidence relevant to the issues;
- (2) A court reporter will be present and make a stenographic record of the proceedings;
- (3) The hearing will be closed to the public, except that the Member may select one person to be with him or her in the hearing room; provided, however, that person may not testify;
- (4) The witnesses will be sequestered;
- (5) The witnesses will be sworn by the court reporter and testify under oath;
- (6) The Member may not be called by the City as an adverse witness;
- (7) The DRRB member will apply the rules of evidence and follow the procedures which are customarily applied and followed in labor arbitration cases;
- (8) If the Member wishes to have an employee of the City released from duty to appear as a witness on his or her behalf, the Member may so inform the Board in writing which, in turn, will submit a written request to the appropriate Department for the release of the employee for the purpose of so testifying;
- (9) The DRRB member will afford the parties an opportunity for the presentation of oral argument and/or the submission of briefs;
- (10) The DRRB member will issue a written decision containing credibility resolutions as necessary, findings of fact and conclusions with respect to all relevant issues in dispute;
- (11) The authority of the DRRB member is limited to deciding whether or not the Member's disability "resulted from the performance of duty" within the meaning of the Combined Plan. The DRRB member shall have no authority to add to, subtract from, modify or disregard the terms of the Combined Plan; and
- (12) The costs associated with the hearing, including the arbitrator's fees and expenses and the court reporter's fees and expenses, will be paid by the Retirement System.



- (d) If a disability retiree is determined by the Board or its delegate to no longer be disabled, he or she may appeal that determination within seven (7) days thereof by filing a written request with the Board for a re-examination. The Board or its delegate shall promptly arrange for such re-examination. The Member's disability benefits will be continued pending that final and binding medical finding, and if the finding is that the Member is no longer disabled, his or her disability benefits will be further continued while the Police or Fire Department conducts such examinations and/or investigations as necessary to determine whether the Member is qualified for reappointment to active duty. In the event that the examinations and/or investigations conducted by the Police Department result in a determination that a Member represented by DPLSA is not qualified, for medical reasons, for reappointment to active duty, disability benefits will be continued.
- (e) The Board of Trustees shall not act upon or grant the application filed by a Police Employee or Fire Employee who, although he or she is not capable of performing the full duties of a Police Employee or Fire Employee, has not suffered any diminishment of his or her base wages or benefits because he or she is either:
  - (1) regularly assigned to a position, the full duties of which he or she is capable of performing; or
  - (2) assigned to a restricted duty position, unless the Police Department or Fire Department advises that it intends to seek a disability retirement for the Police Employee or Fire Employee in the foreseeable future.
- (f) The provisions in paragraph (e) above are not intended to and will not:
  - (1) affect the right of a Member to seek a disability retirement when no restricted duty position is available; or
  - (2) restrict in any way the existing authority of the Chief of Police or the Fire Commissioners to seek a duty or non-duty disability retirement for a Member or for that Member at that time to request a duty or non-duty disability retirement.
- (g) DPCOA and DPLSA members who are retired on disability Pensions pursuant to this Part B shall be entitled to lump sum payments of all accumulated time from the date that the Board of Trustees determines that they are entitled to such a Pension. These members shall not be required to utilize such time delaying their retirement dates.

### **Part C — Escalation and Change in Compensation, Rank**

#### **Sec. F-13. Generally.**

Subject to the Plan of Adjustment, if hereafter the rate of compensation of the rank, grade or position on which the service Retirement Allowance, disability Pension or disability Retirement Allowance of a Member who was hired prior to July 1, 1969 or is a Beneficiary of such a Member as defined in Article D, Section D-1(a), (b), or (c) is based shall be changed, his

or her service Retirement Allowance, disability Pension, or disability Retirement Allowance shall be changed proportionately, and if such rank, grade, or position shall have been abolished, his or her service Retirement Allowance, disability Pension, or disability Retirement Allowance shall be changed in proportion to the change made in the compensation of the existing rank, grade, or position most nearly approximating the rank, grade, or position so abolished.

**Sec. F-14. Increase of Benefits; Pension Improvement Factor (Escalator).**

On and after July 1, 1969, and the first of July of each year thereafter until July 1, 1992, the Pension portion of any Retirement Allowance or death benefit of a Member or Beneficiary of a Member as defined in Article D, Section D-1(d), which is paid or payable under this Component II shall be increased at the rate of two per cent (2.0%) per annum computed on the basis of the amount of the Pension received at the time of retirement.

On or after July 1, 1992 and the first of July each year thereafter until July 1, 2014, the Pension portion of any Retirement Allowance or death benefit of a Member or Beneficiary of a Member as defined in Article D, Section D-1(d), (including those Members who opt to retire under the New Plan provisions) shall be increased at the rate of two and twenty-five one-hundredths per cent (2.25%) per annum computed on the basis of the amount of the Pension received at the time of retirement.

Effective for Members who retire on or after July 1, 1997 (July 1, 1998 for DPCOA members, DPLSA members and DFFA members with a parity relationship with DPCOA and July 1, 2001 for DPOA members and their fire equivalents), the Pension Improvement Factor (Escalator) described in this Section shall be re-computed each Fiscal Year ending before July 1, 2014 on the basis of the amount of Pension received in the previous Fiscal Year (i.e., the 2.25% per annum escalation amount shall be compounded).

Pension benefits for DPCOA members under Component II based on service rendered after November 30, 2012 shall not be subject to any escalation amounts.

The Pension portion of any Retirement Allowance or death benefit of a Member, or Beneficiary of a Member as defined in Article D, Section D-1(d) of the Combined Plan provisions, and Article 51.G. of the DPLSA collective bargaining agreement or Article 3.K. of the DPOA collective bargaining agreement (to include those Members who opt out to retire under the New Plan provisions) earned after April 1, 2011 (for DPLSA members) or September 1, 2011 (for DPOA members), shall not be increased whatsoever, per annum or otherwise. The Pension portion of any Retirement Allowance or death benefit of a Member, or Beneficiary of a Member as defined herein, accrued prior to April 1, 2011 (for DPLSA members) or September 1, 2011 (for DPOA members), shall still be increased as provided herein. Hence, Pension benefits earned based on service rendered after April 1, 2011 (for DPLSA members) or September 1, 2011 (for DPOA members) will no longer receive the 2.25% per annum escalation amount. The 2.25% per annum escalation amount shall continue to apply to Pension benefits earned based on service rendered before April 1, 2011 (for DPLSA members) or September 1, 2011 (for DPOA members).

**Sec. F-15. Payment.**

Except as provided in the Plan of Adjustment, the escalation factor contained in Section F-14 above shall be payable to the Member or Beneficiary of a Member as defined in Article D, Section D-1(d), notwithstanding any Retirement Allowance or Pension amount limitation provisions in this Component II to the contrary.

**Part D — Death Benefits.**

**Sec. F-16. Generally.**

If a Member, or a Retiree who was a Member, is killed in the performance of his or her duty or dies as the result of illness contracted or injuries received while in the performance of his or her duty and such death, illness or injuries resulting in death, is found by the Board of Trustees to have resulted from the performance of his or her duty, the following applicable benefits shall be paid, subject to Part I, Section F-25, of this Article F.

- (a) The Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of his or her death shall be paid to such person or persons as he or she shall have nominated by written designation duly executed and filed with the Board of Trustees. If there is no such designated person surviving, his or her said Accumulated Contributions shall be paid to his or her legal representative, subject to paragraph (e) of this Section F-16.
- (b) A Member's surviving spouse shall receive a Pension of five-elevenths of the maximum earnable compensation for the rank of Patrolman or Fire Fighter as the case may be determined as of the earlier of (i) the date of death or (ii) June 30, 2014. If his or her child or children under Age eighteen years also survive the deceased Member each such child shall receive a Pension of one-tenth of such maximum earnable compensation as of the earlier of (i) the date of death or (ii) June 30, 2014; provided, that if there are more than two such surviving children under Age eighteen years, each such child's Pension shall be an equal share of seven thirty-thirds of such maximum earnable compensation. Upon the death, marriage, adoption, or Attainment of Age eighteen years of any such child his or her Pension shall terminate and there shall be a redistribution by the Board of Trustees to the deceased Member's remaining eligible children, if any; provided, that in no case shall any such child's Pension exceed one-tenth of such maximum earnable compensation. In no case shall the total of the Pensions, provided for in this paragraph (b), payable on account of the death of a Member exceed two-thirds of the maximum earnable compensation for the rank of Patrolman or Fire Fighter, as the case may be, determined as of the earlier of (i) the date of the Member's death or (ii) June 30, 2014.

Effective July 1, 1986, widows of Police Department or Fire Department employees who have been receiving a flat monthly benefit of \$300.00 should receive an increase of \$500.00 per month thereby making the flat monthly benefit \$800.00.

- (c) If no spouse survives the deceased Member or if his or her surviving spouse dies or remarries before his or her youngest unmarried surviving child attains Age eighteen

- years, his or her unmarried child or children under age eighteen years shall each receive a Pension of one-fourth of the maximum earnable compensation for the rank of Police Employee or Fire Employee, as the case may be as of the earlier of (i) the date of the Member's death or (ii) June 30, 2014; provided that if there are more than two such surviving children under Age eighteen years, each such child's Pension shall be an equal share of one-half of such maximum earnable compensation. Upon the death, marriage, adoption, or Attainment of Age eighteen years of any such child his or her Pension shall terminate and there shall be a redistribution by the Board of Trustees to the deceased Member's remaining eligible children, if any; provided, that in no case shall any such child's Pension exceed one-fourth of the maximum earnable compensation for the rank of Patrolman or Fire Fighter, as the case may be determined as of the earlier of (i) the date of the Member's death, or (ii) June 30, 2014.
- (d) If there is no surviving spouse and if there are no children under Age eighteen years surviving such deceased Member and if he or she leaves surviving either a father or mother or both, whom the Board of Trustees shall find to be actually dependent upon such Member for financial support, such dependent father and mother shall each receive a Pension of one-sixth of the maximum earnable compensation for the rank of Patrolman or Fire Fighter, as the case may be determined as of the earlier of (i) the date of the Member's death, or (ii) June 30, 2014.
  - (e) If a Member dies intestate, without having designated a person or persons, as provided in sub-section (a) of this section, and without heirs, the amount of his or her Accumulated Contributions in the Annuity Savings Fund, not to exceed a reasonable sum, to be determined by the Board of Trustees, shall be used to pay his or her burial expenses, provided he or she leave no other estate sufficient for such purpose; any balance credited to such Member in the Annuity Savings Fund, and not used for burial expenses shall remain a part of the funds of the Retirement System and shall be credited to the Pension Accumulation Fund.
  - (f) If the maximum earnable compensation for the rank of Patrolman or Fire Fighter, as the case may be, is subsequently changed, the Pensions provided in this Section F-16 for beneficiaries of Members as defined in Article D, Section D-1(a), (b), or (c) shall be proportionately changed; provided, however, that no increases shall be made after June 30, 2014.
  - (g) The maximum earnable compensation for the rank of Patrolman or Fire Fighter, as the case may be, to be used in computing the Pensions provided in this Section for beneficiaries of Members as defined in Article D, Section D-1(d) shall be the maximum earnable compensation of the rank of Patrolman or Fire Fighter as established by the City's budget for the Fiscal Year in which occurs the earlier of (i) the date of the Member's death, or (ii) June 30, 2014.

## **Part E — Nonduty Death.**

### **Sec. F-17. Payment of Accumulated Contributions.**

If a Member, or a Member who retires after June 30, 1965, under Part B, Section F-7 of this Article F, dies and no Pension or Pensions become payable under this Component II on account of his or her death, the Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of death shall be paid to such person or persons as he or she shall have nominated by written designation duly executed and filed with the Board of Trustees. If there is no such designated person or persons surviving the said Member, his or her said Accumulated Contributions shall be paid to his or her legal representative. If such Member dies intestate, without having designated a person as above provided, and without heirs, his or her said Accumulated Contributions not to exceed a reasonable sum to be determined by the Board of Trustees, shall be used to pay his or her burial expenses, provided he or she leaves no other estate sufficient for such purpose; and any balance credited to such Member in the Annuity Savings Fund not so used for burial expenses shall be transferred to the Survivors Benefit Fund.

### **Sec. F-18. Allowances to surviving spouses.**

Upon the death of a Member, or a Member who retires after June 30, 1965, under Part B, Section F-7 of this Article F, and such death is found by the Board of Trustees not to have resulted from the performance of his or her duty, the applicable Retirement Allowances provided in paragraphs (a), (b), (c) and (d) of Section F-1 shall be paid from the Survivors Benefit Fund, to the extent of available funding, and shall be subject to paragraphs (e), (f) and (g) of Section F-1.

- (a) His or her surviving spouse shall receive a Retirement Allowance computed in the same manner in all respects as if the said Member had (1) regularly retired on the earlier of (i) the day preceding the date of his or her death, or (ii) June 30, 2014, notwithstanding that he or she might not have acquired twenty-five years of creditable service, in the case of a Member as defined in Article D, Section D-1(a), (b), or (c), or notwithstanding that he or she might not have acquired twenty-five years of service or more and had not attained age fifty-five, in the case of a Member as defined in Article D, Section D-1(d); (2) elected Option 2 provided for in Part H of this Article F; and (3) nominated his or her surviving spouse as joint Beneficiary; provided, that in no case shall the Retirement Allowance payable to such joint Beneficiary be less than twenty per cent of said Member's Average Final Compensation as of the earlier of (i) the Member's date of death, and (ii) June 30, 2014. If a Member who had less than twenty-five years of creditable service dies prior to July 1, 2001, the Retirement Allowance payable to the surviving spouse shall be terminated in the event the surviving spouse remarries.
- (b) His or her unmarried child or children under Age eighteen years shall each receive a Retirement Allowance of one-seventh of the annual maximum earnable compensation of the rank of a Patrolman or a Fire Fighter, as the case may be determined as of the earlier of (i) the Member's date of death, and (ii) June 30, 2014; provided, that if there are more than two such children, each child shall receive a Retirement



Allowance of an equal share of two-sevenths of said annual maximum earnable compensation. Upon any such child's adoption, marriage, death or Attainment of Age eighteen years, whichever occurs first, his or her Retirement Allowance shall terminate, and there shall be a redistribution by the Board of Trustees to the deceased Member's remaining eligible children under Age eighteen years; provided, that in no case shall the Retirement Allowance payable to any such child exceed one-seventh of the said annual maximum earnable compensation.

- (c) If, at the time of the said Member's death, there shall be neither a surviving spouse nor children eligible for a Retirement Allowance provided for in this Section F-18, each of his or her parents shall receive a Retirement Allowance of one-seventh of the annual maximum earnable compensation of a Patrolman, or a Fire Fighter, as the case may be determined as of the earlier of (i) the Member's date of death, and (ii) June 30, 2014; provided, that the Board of Trustees finds that such parent was dependent upon the said Member for at least fifty per cent of his or her financial support. Upon the remarriage of any such parent, his or her Retirement Allowance shall thereupon terminate.
- (d) In the event all the Retirement Allowances, provided for in this Section F-18, payable on account of the death of a Member, terminate before there has been paid an aggregate amount equal to the said Member's Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of death, the difference between his or her said Accumulated Contributions and the said aggregate amount of Retirement Allowances shall be paid to such persons as the said Member shall have nominated by written designation duly executed and filed with the Board of Trustees. If there are no such designated person or persons surviving the said Member such difference, if any, shall be paid to his or her legal representative.
- (e) In no case shall any Retirement Allowance be paid under this Section F-18 on account of the death of a Member if any benefits are paid under Part D of this Article F on account of his or her death. The Retirement Allowance provided for in this Section F-18 shall be subject to Part I of this Article F.
- (f) All benefits provided in this Part E for Beneficiaries of Members as defined in Article D, Section D-1(a), (b), or (c) shall be based on the maximum earnable compensation of the rank of Patrolman or Fire Fighter, as the case may be determined as of the earlier of (i) the Member's date of death, or (ii) June 30, 2014. If a Member died before July 1, 2014 and the compensation of such rank shall be changed prior to July 1, 2014, the benefits provided shall be changed proportionately. All benefits provided in this Part E for Beneficiaries of Members as defined in Article D, Section D-1(d) shall be based on the maximum earnable compensation of the rank of Patrolman or Fire Fighter as established in the City's budget for the year of the earlier of (i) the Member's death or (ii) June 30, 2014.
- (g) In the event a Member has withdrawn his or her Accumulated Contributions from the Annuity Savings Fund and has not returned in full all amounts due the fund by him or her, the survivors benefits provided in paragraphs (a), (b), (c) and (d) of this Section

shall be reduced to the proportion that the Member's Accumulated Contributions standing to his or her credit in the Annuity Savings Fund, at the time of his or her death bears to the amount his Accumulated Contributions would have been had he or she not made a withdrawal from the Annuity Savings Fund.

**Part F — Termination of Membership Otherwise than  
by Retirement, Death or Becoming a Beneficiary.**

**Sec. F-19. Payment of benefits.**

If the membership of a Member as defined in Article D, Section D-1(a), (b), or (c) shall terminate for any reason other than retirement, his or her becoming a Beneficiary, or death, the Member shall be paid the Accumulated Contributions standing to the credit of his or her individual account in the Annuity Savings Fund, such payment to be made within ninety days after such termination of membership; provided, however, that if a Member eligible for retirement shall resign or be dismissed from service, the Board of Trustees, on the written petition of such Member filed within one year from his or her separation from service and prior to the withdrawal of his or her Accumulated Contributions in the Annuity Savings Fund, shall grant such Member service retirement benefits computed in accordance with Article F, Part A, Section F-2(a), subject to the provisions of Part G of this Article F.

**Sec. F-20. Payment of benefits.**

If the membership of a Member as defined in Article D, Section D-1(d) shall terminate for any reason other than retirement, his or her becoming a Beneficiary or death, he or she shall be paid the Accumulated Contributions standing to the credit of his or her individual account in the Annuity Savings Fund, such payment to be made within ninety days after such termination of membership; provided, however, that if a Member having twenty-five or more years of service and having attained age fifty-five shall resign or be dismissed from service, the Board of Trustees, on the written petition of such Member filed within one year from his or her separation from service and prior to the withdrawal of his Accumulated Contributions in the Annuity Savings Fund, shall grant such Member service retirement benefits computed in accordance with Article F, Part A, Section F-2(b), subject to the provisions of Part G of this Article F.

**Sec. F-21. Deferred vested benefits.**

A Member (i) whose employment is terminated before August 28, 2003 and who is credited with eight or more years of creditable service and has attained Age forty, or (ii) whose employment is terminated after August 27, 2008 and who is credited with ten or more years of creditable service, but in each case less than twenty-five years (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) of creditable service shall be eligible to receive a full Retirement Allowance under Component II beginning on the date upon which the Member would have been eligible to commence a full Retirement Allowance had he or she continued in the service of the City until such date. Alternatively, such Member may elect to receive an actuarially reduced early Retirement Allowance at any time following his or her termination of employment with the City.

**Part G — Conviction of Felony.**



**Sec. F-22. Forfeiture of rights.**

If a Member or retiree as defined in Article D, Section D-1(a), (b), (c) or (d) shall be convicted of by a court of competent jurisdiction or enters a nolo contendere plea accepted by a court for a felony against the City arising out of his or her service as an employee of the City and while a Member of the Retirement System, the court may order the forfeiture of all or a portion of the rights of the Member to benefits hereunder, except the return of his or her Accumulated Contributions, as provided in the *Public Employee Retirement Benefits Forfeiture Act, MCL 38.2701, et. seq.* In such case, the Retirement System shall pay to an individual, if any, who would otherwise be a Beneficiary of the Member or retiree whose retirement benefit is being forfeited under this Section F-22 an Actuarially Equivalent monthly retirement allowance at the Age that the Member or Retiree would have become eligible for unreduced retirement benefits under the Retirement System.

**Part H — Option Elections.**

**Sec. F-23. Generally.**

- (a) Prior to the first payment of any Retirement Allowance normally due, except a disability Pension payable under Part B, Sections F-8 and F-11 of this article, a Member may elect to receive his or her Retirement Allowance as a Straight Life Retirement Allowance payable throughout the Member's life; or the Member may elect to receive the Actuarial Equivalent, as of the date of the Member's retirement, of his or her Straight Life Retirement Allowance in a reduced Retirement Allowance payable throughout the Member's life and nominate a joint Beneficiary, in accordance with the provisions of Options 1, 2, 3, 3(A) or 3(B) as follows:
- (1) **OPTION 1. *Cash Refund Annuity.*** Under Option 1, a Member will receive a reduced Retirement Allowance. If a Member who selected Option 1 dies before full payment of the Annuity has been received, the person or persons nominated by that Member's written designation duly executed by the Member and filed with the Board of Trustees shall receive in a single payment the difference between the present value of the Member's Annuity on the date the Member retired, minus the amount of Annuity payments already paid to the Member. If there is no such designated person(s) surviving the retired deceased Member, such difference, if any, shall be paid to the Member's legal representative.
  - (2) **OPTION 2. *Joint and Last Survivorship Retirement Allowance.*** Under Option 2, upon a Member's death, payment of a reduced Retirement Allowance shall be continued through the life of and paid the person having an insurable interest in the Member's life and nominated by written designation duly executed by the Member and filed with the Board of Trustees prior to the first payment of the Member's Retirement Allowance is due.
  - (3) **OPTION 3. *Joint and Seventy-Five Percent Survivor Allowance.*** Under Option 3, upon a Member's death, payment of seventy-five percent (75%) of

the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the person having an insurable interest in the Member's life and nominated by that Member's written designation duly executed by the Member and filed with the Board of Trustees prior to the date the first payment of the Retirement Allowance is due.

- (4) OPTION 3(A). *Modified Joint and Last Survivorship Allowance.* Under Option 3(A), upon a Member's death, payment of one-half (50%) of the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the person having an insurable interest in the Member's life and nominated by that Member's written designation duly executed by the Member and filed with the Board of Trustees prior to the date the first payment of the Retirement Allowance is due.
  - (5) OPTION 3(B). *Joint and Twenty-Five Percent Survivor Allowance.* Under Option 3(B), upon a Member's death, payment of twenty-five percent (25%) of the Member's reduced Retirement Allowance shall be continued throughout the life of and paid to the person having an insurable interest in the Member's life and nominated by that Member's written designation duly executed by the Member and filed with the Board of Trustees prior to the date the first payment of the Retirement Allowance is due.
- (b) The Joint and Survivor Optional Forms of Payment provided under Options 2, 3, 3(A) and 3(B) shall be made available in either the standard form or the pop-up form, as follows:
- (i) *Standard Form.* Under the Standard Form, the reduced Retirement Allowance shall be paid throughout the lifetime of the Retiree.
  - (ii) *Pop-up Form.* Under the Pop-up Form, the reduced allowance shall be paid throughout the lifetime of the Retiree and the designated Beneficiary. In the event of the death of the designated Beneficiary during the lifetime of the Retiree, the amount of the allowance shall be changed to the amount that would have been payable had the Retiree elected the Straight Life Form of Payment. The actuarial cost of the change in benefit shall be borne by the Member who seeks change in his or her election.

In addition, a Member may elect to have all or part of his Accumulated Contributions paid to the Member in a single sum or used to purchase an annuity contract from an insurance company of his or her choice in which case, any annuity payments attributable to such amount under the Retirement System shall not be payable from the Annuity Reserve fund but shall be the responsibility of the insurance company. A Member's Retirement Allowance shall be reduced by the actuarial equivalent of the amount so paid or used.

- (c) This Section does not rescind any substantive rights of disability retirees from the Retirement System who retired prior to the arbitration decision regarding DPOA

members that became effective on July 1, 1995, or the arbitration decision regarding DPLSA members that became effective on June 30, 1998.

- (d) This Section does not amend any computations used to determine benefits under Part B, Sections F-8 and F-11 of this Component II, or result in an increase or decrease in such benefits.
- (e) Retirees of the Retirement System shall be entitled to change their Pension option from either Option 2, Option 3, Option 3(A) or Option 3(B) to a Straight Life Retirement Allowance after they have commenced collection of the Pension if the Member's Beneficiary predeceases the Member. The actuarial cost of the change in benefit shall be borne by the Member who seeks change in his option election. The pop-up option shall be based upon the investment return assumption as recommended by the Plan Actuary and adopted by the Board of Trustees.

**Sec. F-24. Disposition of surplus benefits upon death of Member and Beneficiary.**

In the event a Member elected Option 2, 3, 3(A) or 3(B) provided for in Section F-23 of this Part H and both the Member and his or her designated joint Beneficiary die before there has been paid in Retirement Allowances an aggregate amount equal to his or her Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of his or her retirement, the difference between his or her said Accumulated Contributions and the said aggregate amount of Retirement Allowances paid shall be paid to the said retired Member's legal representative.

**Part I — Pension Offset by Compensation Benefits.**

**Sec. F-25. Generally.**

Any amounts which may be paid under the provisions of any workmen's compensation, or pension, or similar law to a Member, or to the dependents of a Member on account of any disability or death, shall be offset against and payable out of funds provided by the City under the provisions of the Retirement System on account of the same disability or death. In case the present value of the total commuted benefits under said workmen's compensation, pension, or similar law, is less than the Pension Reserve or benefits otherwise payable from the funds provided by the City under this Retirement System, then the present value of the commuted payments shall be deducted from the Pension Reserve, and such benefits as may be provided by the Pension Reserve, so reduced, shall be payable under the provisions of the Retirement System.

**Part J — Monthly Payments.**

**Sec. F-26. Generally.**

Unless otherwise herein provided, all benefits payable under this Retirement System shall be paid in equal monthly installments.

## **Part K — Re-Examination of Beneficiaries.**

### **Sec. F-27. Authority of Board.**

- (a) Once each year during the retirement of a Member on a disability Pension or a disability Retirement Allowance and at least once in every three year period thereafter the Board of Trustees shall require any disability retiree, if he or she would not then be eligible for a service Retirement Allowance had he or she remained in active service, to undergo a medical examination at a place to be fixed by the Board of Trustees. If the retiree shall be required to travel more than twenty miles to reach such place, the Board of Trustees shall pay his or her reasonable traveling expenses. Should such disability retiree refuse to submit to such examination, his or her disability Pension or disability Retirement Allowance may be discontinued until he or she shall submit to such examination and should such refusal continue for one year, all of the Member's rights in and to a Pension may be revoked by the Board of Trustees. If, on medical examination of a Beneficiary, the Board of Trustees determines that the retiree is physically able and capable of resuming active duty, he or she shall be restored to such duty and his or her other disability Pension or disability Retirement Allowance shall cease. Such Member so restored to active duty shall be returned to duty in a rank or grade equivalent to or higher than the rank or grade in which he or she was serving at the time of his or her last retirement and his or her compensation shall be that provided for the rank or grade in which he or she is restored to service. It shall be the duty of the Commissioner of Police or the Board of Fire Commissioners to restore such Member to duty forthwith.
- (b) If the Board of Trustees determines that a disabled Old Plan Member is engaged in a gainful occupation, paying more than the difference between his or her Final Compensation as of the earlier of (i) the date of disability or (ii) June 30, 2014 and his or her disability Pension, or disability Retirement Allowance, the amount of his or her Pension shall be reduced to an amount, which together with the amount earned by the Member, shall equal the amount of such Final Compensation. If the Board of Trustees determines that a disabled New Plan Member is engaged in a gainful occupation, paying more than the difference between his or her base salary at the earlier of (i) the time of disability or (ii) June 30, 2014, increased by two and twenty-five one hundredths percent (2.25%) for each full year from the date of disability and his or her disability Pension, or disability Retirement Allowance, the amount of his or her Pension shall be reduced to an amount, which together with the amount earned by him or her, shall equal the amount of such final compensation. Should his or her earnings be later changed, the amount of his or her Pension may be further modified in like manner.
- (c) A disability retiree who shall be reinstated to active service prior to July 1, 2014 as provided in this Section, shall from the date of such restoration again become a Member of the Retirement System, and he or she shall contribute to the Retirement System thereafter in the same manner and at the same rate as he or she paid prior to his or her disability retirement. A disability retiree who shall be reinstated to active service after June 30, 2014, shall from the date of such restoration become an active

Member of the Retirement System and shall accrue future benefits pursuant to Component I. He or she shall contribute to the Retirement System at the rate required of active Members pursuant to Component I. Any Prior Service and Membership Service on the basis of which his or her service was computed at the time of his or her disability retirement shall be restored to full force and effect, and he or she shall be given service credit under Component I or Component II, as applicable, for the period of time he or she was in retirement due to such disability, except in the case of nonservice connected disability.

## **Part L — Withdrawal of Accumulated Contributions**

### **Sec. F-28. Member With Twenty or Twenty-Five Years of Service.**

Effective July 1, 1982, a Member with twenty-five years or more of creditable service (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) shall be allowed to withdraw either a portion or the full amount of his or her Accumulated Contributions, one time only, whether or not the Member retires. A Member shall make such election prior to the receipt of his or her first retirement benefit check.

### **Sec. F-29. Disabled Member**

A Member who is receiving disability benefits (duty or non-duty) from the Retirement System and who has twenty-five years (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) or more of creditable service shall have the right to withdraw the full amount of his or her Accumulated Contributions. If such Member withdraws his or her Accumulated Contributions, his or her retirement benefit shall be actuarially reduced to reflect such withdrawal.

### **Sec. F-30. Optional Annuity Withdrawal**

- (a) A Member shall have the right to elect to receive on the effective date of his or her service retirement a partial or total refund of his or her Accumulated Contributions. If a Member makes such an election, an Annuity payable under any Retirement Allowance or reduced Retirement Allowance shall be reduced proportionally. If the total Accumulated Contributions are withdrawn, no Annuity shall be payable.

The limitation of fifteen twenty-seconds of the maximum earnable compensation of a Police Employee and Fire Employee continues in effect. For purposes of determining the fifteen twenty-seconds limitation, a computation based on the Annuity which is an Actuarial Equivalent of the Accumulated Contributions standing to a Member's credit in the Annuity Savings Fund prior to any partial or total refund will be used.

On or after July 1, 1974, Members or former Members who are entitled to begin to receive the 40 & 8 benefit provided under Section F-6 will be entitled to the annuity refund withdrawal option.

On or after July 1, 1974, non-duty disability retirees represented by DFFA, DPCOA and DPLSA who retired pursuant to Article D, Section D-1(a), (b) or (c) prior to



having twenty-five years of service credit, shall be entitled to the annuity refund withdrawal option on the date he or she would have had twenty-five years of service credit had he or she continued as an active employee. Said option shall only apply to the balance of Accumulated Contributions, if any, remaining to such retiree's credit in accordance with the existing annuity refund provisions.

Survivor benefit beneficiaries as defined in Title IX, Chapter VII, Article VI, Part E, Section 2, parts (a), (b) and (c) of the 1918 City Charter in effect as of June 30, 1974, and continued in effect by Section 11-102 of the City Charter shall be entitled to the annuity withdrawal refund option subject to the same rules that would have been applicable to the deceased Member or Members had he or she not died. Said option shall only apply to the balance of Accumulated Contributions, if any, remaining to the applicable former Member's credit.

In any case of doubt, the Board of Trustees shall decide whether a Member or Beneficiary is entitled to an annuity refund withdrawal option.

- (b) A Member shall have the right on or after the effective date of his becoming eligible for a full service Retirement Allowance (Members who have either twenty or twenty-five years of creditable service depending upon the applicable bargaining unit) to elect to receive a partial or total refund of his or her Accumulated Contributions to the Annuity Savings Fund. If a Member makes such an election, an Annuity payable under any Retirement Allowance or reduced Retirement Allowance shall be reduced proportionally. If the total Accumulated Contributions are withdrawn, no Annuity shall be payable.

If a Member makes such an election, the Retirement Allowance shall be reduced to reflect the value of the Annuity withdrawn. The amount of the Annuity at the time of such election shall be the amount used at the time of retirement for purposes of computing the Retirement Allowance.

All members (except DPOA members retiring prior to July 1, 1982) who complete their required years of service, shall have the right to withdraw all or part of their Accumulated Contributions whether they choose to retire or not.

Effective July 21, 2000 for DFFA members having a parity relationship with the DPOA and for the DPCOA Inspector, and effective July 1, 2003 for DPLSA members, and effective July 21, 2000 for DPOA members, a Member who has elected to retire and elected to withdraw his or her Annuity for the purposes of calculating his or her Retirement Allowance (thereby lowering the Retirement Allowance), may nevertheless choose to leave the Annuity in the Retirement System collecting regular annuity interest with the option of a one-time withdrawal of the Annuity funds at a later date.

For a DPCOA, DPLSA or DFFA member or an employee with a parity relationship with the DPLSA and for the DPCOA Inspector who retires on or after July 1, 1990, and who has made or makes an election to receive a total or partial refund of his or

her accumulated contribution to the Annuity Savings Fund, there shall be no reduction of Retirement Allowances due to the portion of withdrawal representing interest credits. For members of DFFA and DPLSA, this Subsection shall be controlled by the requirements of the Act 312 arbitration award issued June 25, 1990 (MERC Case No. B89 C-0622, page numbers 22 and 23).

Effective January 15, 2010 for members of DPCOA and fire equivalents, or December 15, 2008 for DPLSA and fire equivalents, or March 8, 2007 for DPOA members and fire equivalents, a Member who retires and elects to leave a balance in the Annuity Savings Fund shall have the option of receiving a quarterly payment of interest earnings only or to take periodic withdrawals of principal, in addition to a one time complete withdrawal. Members of DPCOA and DPLSA and their fire equivalents must make their elections a minimum of thirty days before the beginning of a quarter; quarter defined as beginning March 1, June 1, September 1, and December 1.

An employee represented by DFFA, DPCOA or DPLSA who is entitled to a Retirement Allowance under Article F, Part A, Section F-5 of the Retirement System and who leaves the employ of the Police or Fire Department of the City on or after July 1, 1982 shall have the right to elect to receive on the effective date of termination a partial or total refund of his Accumulated Contributions. The Pension portion of his Retirement Allowance shall be computed as if the Member had not withdrawn his or her Accumulated Contributions from the Annuity Savings Fund until the date he or she was eligible to retire had he or she continued in City employment.

- (c) Effective in accordance with the specific date and terms of the DPOA award in Act 312 No. D98 E-0840 (Chairman Donald F. Sugerman, dated July 21, 2000), a DPOA member shall have the right to leave his or her withdrawn Annuity in the Pension system and accumulating interest, as provided therein.



## **ARTICLE G. METHOD OF FINANCING.**

### **Sec. G-1. General.**

The funds of the Retirement System shall be the Annuity Savings Fund, Annuity Reserve Fund, Pension Accumulation Fund, Pension Reserve Fund, Expense Fund and the Survivors Benefit Fund.

### **Sec. G-2. Annuity Savings Fund.**

- (a) The Annuity Savings Fund shall be the fund in which shall be accumulated at Regular Interest, the contributions deducted from the compensation of Members to provide for their Annuities. Subject to Section B-1(c), the contributions of a Member as defined in Article D, Section D-1(a), (b) or (c) shall be five percent of a Member's compensation until the Member has acquired twenty-five years of creditable service. Subject to Section B-1(c), the contribution of a Member as defined in Article D, Section D-1(d) shall be five percent of his or her compensation until he or she has acquired at least twenty-five years of creditable service (effective as of March 8, 2007, twenty years for DPOA members and fire equivalents) and attained age fifty-five. No Member shall have the option of choosing to receive the compensation required to be contributed hereunder directly instead of having such amounts paid by the City to the Annuity Savings Fund.
- (b) The City shall cause the contributions provided for in paragraph (a) above to be deducted from the compensation of each Member on each and every payroll, for each and every payroll period, from the date of his or her entrance in the System to the earlier of (i) the date he or she ceases to be a Member or (ii) the last payroll date occurring in July 2014.
- (c) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any Member shall be reduced thereby. Every Member shall be deemed to consent and agree to the deductions made and provided for herein, and payment of his or her salary or compensation, less said deduction, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payments, except as to the benefits provided under this Retirement System. The amounts to be deducted shall be deducted by the City Treasurer and when deducted shall be paid into the Annuity Savings Fund and shall be credited to the individual account of the Member from whose compensation said deduction was made.
- (d) If, under the provisions of this Component II, any person shall withdraw or be paid any part or all of his Accumulated Contributions and shall thereafter again become a Member on or before June 30, 2014, he or she shall, in addition to the contributions provided for in paragraph (a) above, redeposit in the Annuity Savings Fund, by an increased rate of contribution to be determined by the Board of Trustees, or by a single payment, such amount that his or her Accumulated Contributions at the date of

his or her eligibility for retirement will be the same amount it would have been had no withdrawal or payment been made therefrom.

- (e) Except as is otherwise provided in this Component II, upon the death or retirement of a Member, his or her Accumulated Contributions shall be transferred from the Annuity Savings Fund to the Annuity Reserve Fund.
- (f) In any Plan Year during the period beginning on or after July 1, 2014 and ending June 30, 2023 in which the annual rate of return credited to the accounts of Members investing in the Annuity Savings Fund as provided in paragraph (a) is less than the actual rate of return net of expenses of the Retirement System's invested assets for the second Plan Year immediately preceding the Plan Year in which the annual rate of return is credited ("ASF Return Excess"), an amount equal to the value of the ASF Return Excess shall be transferred to the Pension Accumulation Fund maintained under Component I of the Combined Plan and shall be used to fund the Transition Cost relating to Component I. The Transition Cost is a measure of the liability that Component I of the Retirement System has at its inception; due to the fact that at its inception, Members in Component I of the Retirement System receive vesting and eligibility credit under Component I for service that was earned prior to July 1, 2014 and is otherwise credited to Members under Component II of the Retirement System, as such Transition Cost is calculated by the Plan Actuary. In the event there is an ASF Return Excess for a Plan Year following the Plan Year in which such transfers have fully funded the Transition Costs relating to Component I, fifty percent (50%) of such ASF Return Excess shall be transferred to the Pension Accumulation Fund maintained under Component II and the remaining fifty percent (50%) of such ASF Return Excess shall be transferred to Component I and credited to the Rate Stabilization Fund maintained under Component I. "Transition Cost" shall be determined by the Plan Actuary.

### **Sec. G-3. Annuity Reserve Fund.**

The Annuity Reserve Fund shall be the fund from which shall be paid all Annuities payable as provided in this Component II, except Annuities which are payable from the Survivors Benefit Fund. Should a disability retiree be restored to active service, his or her Annuity Reserve at the time shall be transferred from the Annuity Reserve Fund to the Annuity Savings Fund and credited to his or her individual account therein.

### **Sec. G-4. Alternative Financing Method.**

Except as provided regarding the Survivors Benefit Fund, the Pension Accumulation Fund shall be the fund in which shall be accumulated reserves for the Pensions and other benefits payable from contributions made by the City, and from which transfers shall be made as provided in this section.

- (a) *Accrued Liability Fund.* Pursuant to *Ordinance No. 05-05*, which authorized the creation of the Detroit Police and Fire Retirement System Service Corporation, the City entered into a transaction ("the Pension Funding Transaction") to obtain funds as

an alternative to those available through the traditional funding mechanism described in Section G-5. The proceeds generated by the Pension Funding Transaction (or any Additional Pension Funding Transaction, as described below) that were deposited into the Retirement System will be termed the "Funding Proceeds." The Funding Proceeds were deposited into a new Fund in the Retirement System called the Accrued Liability Fund. The purpose of the Funding Proceeds is to fund all or part of the heretofore unfunded accrued liabilities ("UAAL") of the Retirement System. The Funding Proceeds are the assets of the Retirement System and will be applied, together with all other assets of the Retirement System, to fund the Retirement System's obligation to pay accrued benefits, as adjusted in the Plan of Adjustment.

This Accrued Liability Fund shall contain only the Funding Proceeds of the Pension Funding Transaction, and any earnings thereon. Prior to Fiscal Year 2013, funds were transferred each Fiscal Year (or monthly portion thereof) from the Accrued Liability Fund to the Pension Accumulation Fund as provided in the documents governing the Retirement System, including *Ordinance No. 5-05*.

- (b) As soon as practicable following the effective date of the Plan of Adjustment, any amounts remaining credited to the Accrued Liability Fund shall be transferred to the Pension Accumulation Fund and the Accrued Liability Fund shall cease to exist.

#### **Sec. G-5. Contributions to and payments from Pension Accumulation Fund.**

Contributions to and payments from the Pension Accumulation Fund shall be made as follows:

- (a) For Fiscal Years commencing prior to July 1, 2014, upon the basis of such assumptions as to future financial experiences as the Board of Trustees shall from time to time adopt, the Actuary annually computed the City's contribution, expressed as a percent of active Member contributions, to provide the Pension Reserves covering the Pensions or other City-financed benefits to which Members might be entitled or which might be payable at the time of their discontinuances of City employment; provided, such contribution percents shall not be less than amounts which, expressed as percents of active Member compensation will remain level from generation to generation of Detroit citizens. Upon the retirement or death of a Member, the Pension Reserve for any benefits payable on his or her behalf shall be transferred from the Pension Accumulation Fund to the Pension Reserve Fund, to the extent of there being assets in the Pension Accumulation Fund.
- (b) For Fiscal Years commencing prior to July 1, 2014, the Board of Trustees annually ascertained and reported to the Mayor and the Council the amount of contributions due the Retirement System by the City, and the Council may have appropriated and the City may have paid such contributions to the Retirement System during the ensuing Fiscal Year. When paid, such contributions were credited to the Pension Accumulation Fund.

- (c) For Fiscal Years commencing after June 30, 2014, the City shall make contributions to the Pension Accumulation Fund only as provided in the Plan of Adjustment.

**Sec. G-6. Retiree payments from Pension Reserve Fund; reinstatement of disability retirees to active service.**

Except as to the Survivor's Benefit Fund, the Pension Reserve Fund shall be the fund from which shall be paid Pensions on account of Members. Should a disability retiree be reinstated to active service, the Member's Pension Reserve, at that time, shall be transferred from the Pension Reserve Fund to the Pension Accumulation Fund.

**Sec. G-7. Expense Fund.**

The Expense Fund shall be the fund to which shall be credited all money provided by the City, if any, to pay the administration expenses of Component II, and from which shall be paid all the expenses necessary in connection with the administration and operation of Component II.

**Sec. G-8. Appropriations prior to July 1, 2014.**

- (a) The Board of Trustees shall certify the amount of the appropriation necessary to pay to the various funds of Component II of the Retirement System the amounts payable by the City as enumerated in this Component II, according to legal budget procedure.
- (b) To cover the requirements of Component II prior to July 1, 2014, such amounts as shall have been necessary to cover the needs of Component II prior to July 1, 2014 shall be paid into the Pension Accumulation Fund and the Expense Fund by special appropriations or transfers to the Retirement System; provided, however that no transfers can be made from the Accrued Liability Fund other than the annual transfer of the scheduled amortizing amount, or transfers under special circumstances pursuant to Section G-4 (as in effect prior to July 1, 2014).

**Sec. G-9. Maintenance of reserves.**

The maintenance of the Annuity Reserves in the Annuity Reserve Fund and the Pension Reserves in the Pension Reserve Fund are hereby made obligations of the Pension Accumulation Fund. All income, interest, and dividends derived from deposits and investments authorized by this Component II, which are not required for the allowance of interest to the funds of the Retirement System as provided herein, shall be credited to the Pension Accumulation Fund. Prior to July 1, 2014, the moneys credited to the Accrued Liability Fund were credited to the Pension Accumulation Fund only to the extent authorized pursuant to the terms of the Retirement System as in effect prior to July 1, 2014. Any contributions by the City to the System from any fund impressed by law with a certain and definite purpose shall be accounted for separately.

**Sec. G-10. Survivors Benefit Fund.**

- (a) The Survivors Benefit Fund shall be the fund in which shall be accumulated, at Regular Interest, the reserves for survivors benefits provided for in Article F, Part E, Section F-18, hereof, and from which such benefits shall be paid, but only to the

extent sufficient assets are credited to the fund at the time a claim for benefits is made. In the event there are insufficient assets credited to the Survivor's Benefit Fund to pay the benefits provided under this Section G-10, such benefits thereafter shall be payable from the Pension Reserve Fund.

- (b) After June 30, 1965 and prior to July 1, 1986, each Member shall contribute to the Survivors Benefit Fund one per cent of his or her compensation paid by the City until he or she has acquired twenty-five years of creditable service. The City shall cause the said contributions to be deducted from the Member's compensation, on each and every payroll, for each and every payroll period so long as he or she remains a Member and has not acquired twenty-five years of creditable service. Each and every Member shall be deemed to consent and agree to the said deductions. Said contributions, when deducted, shall be credited to the Survivors Benefit Fund and shall in no case become a part of the said Member's Accumulated Contributions, nor be subject to refund.
- (c) Each Member who retires after June 30, 1965, under Part B, Section F-7 of Article F shall, prior to July 1, 1986, contribute to the Survivors Benefit Fund one per cent of his or her final compensation as defined until he or she would have had a total of twenty-five years of creditable service had he or she continued in active service. The Retirement System shall cause the said contribution to be deducted from the Pension of each such retired Member on each and every retirement roll, for each and every retirement roll period, so long as he or she is receiving a Pension under Part B, Section F-8(a) of Article F. Each and every such retired Member who is receiving a Pension under Part B, Section F-8(a) of Article F shall be deemed to consent and agree to said deductions. Said contributions, when deducted, shall be credited to the Survivors Benefit Fund and shall in no case become a part of said Member's Accumulated Contributions, nor be subject to refund.
- (d) Effective July 1, 1986, the contributions, required by Article G, Section G-10(b) and G-10(c), to the Survivors Benefit Fund were eliminated for union members. For Fiscal Years ending prior to July 1, 2014, the City shall make the contributions necessary to maintain the benefit level by contributing that amount necessary to replace the contributions of members of DFFA and DPOA to the Survivor's Benefit Fund.
- (e) For Fiscal Years ending prior to July 1, 2014, upon the basis of such mortality and other tables of experience, and Regular Interest, as the Board of Trustees shall from time to time adopt, the Actuary shall annually compute the liabilities for benefits being paid from the Survivors Benefit Fund. The Board of Trustees shall report to the Mayor and the Council the amount of contributions to be made by the City to the Survivors Benefit Fund, and the Council shall appropriate and the City shall pay such amount to the Retirement System during the ensuing Fiscal Year. When paid, such appropriations shall be credited to the Survivors Benefit Fund. For Fiscal Years commencing prior to July 1, 2014, if the balance in the fund is not sufficient to fully cover the liabilities so computed, the City shall appropriate and pay, in the ensuing Fiscal Year, the amount of such insufficiency. For Fiscal Years commencing on and

after July 1, 2014, the City shall not make any contributions to the Survivor's Benefit Fund.

- (f) Upon the death of a Member, on whose account survivors benefits become payable as provided in Article F, Part B, Section F-8, hereof, his or her Accumulated Contributions standing to his or her credit in the Annuity Savings Fund at the time of his or her death shall be transferred from the Annuity Savings Fund to, and shall become a part of, the Survivors Benefit Fund, notwithstanding any provisions in this Component II to the contrary.

**Sec. G-11. Computation of Annuity and Pension Reserve liabilities for Members, Retirees and Beneficiaries.**

In computing the Annuity and Pension Reserve liabilities for Members, retirees and beneficiaries, the Board of Trustees shall cause the following annual Decrement Probabilities, Salary Factors and interest assumption to be used.

- (a) The annual Decrement Probabilities and Salary Factors to be used in evaluating the Annuity and Pension liabilities for Members shall be as shown in Tables 1 and 2 hereinafter set forth.
- (b) The total of active Member annual compensation shall be assumed to increase three percent per annum, compounded annually.
- (c) The mortality assumption for retirees and beneficiaries shall be the mortality rates contained in the 1971 group annuity male mortality table, without setback for men and set back five years for women.
- (d) The investment return assumption shall be five percent per annum, compounded annually, for Fiscal Years commencing prior to July 1, 2014.
- (e) For Fiscal Years commencing on or after July 1, 2014, the Annuity and Pension Reserve liabilities shall be calculated in a manner which is consistent with the Plan of Adjustment.



**TABLE 1.**

**City of Detroit Policemen and Firemen  
Retirement System  
Active Member Annual**

**Probabilities  
and Salary Factors**

Age	Withdrawal from Service	Death in Service	Salary Factors
18	.04120	.00098	.10561
19	.04090	.04099	.11327
20	.04030	.00100	.12126
21	.04000	.00101	.12988
22	.03960	.00102	.13913
23	.03910	.00103	.14913
24	.03890	.00104	.15971
25	.03840	.00105	.17068
26	.03800	.00107	.18204
27	.03700	.00108	.19347
28	.03600	.00111	.20527
29	.03480	.00113	.21712
30	.03340	.00117	.22916
31	.03200	.00121	.24124
32	.03000	.00126	.25321
33	.02730	.00133	.26522
34	.02370	.00143	.27753
35	.01990	.00154	.29015
36	.01500	.00168	.30306
37	.01160	.00184	.31637
38	.00850	.00204	.32995
39	.00600	.00227	.34405
40	.00390	.00252	.35851
41	.00210	.00281	.37333
42	.00090	.00313	.38861
43	.00000	.00348	.40435
44	.00000	.00387	.42051
45	.00000	.00429	.43709
46	.00000	.00475	.45395
47	.00000	.00526	.47144
48	.00000	.00582	.48929
49	.00000	.00643	.50750
50	.00000	.00710	.52639
51	.00000	.00783	.54560
52	.00000	.00864	.56535



Age	Withdrawal from Service	Death in Service	Salary Factors
53	.00000	.00953	.58548
54	.00000	.01051	.60612
55	.00000	.01157	.62711
56	.00000	.01270	.64867
57	.00000	.01392	.67066
58	.00000	.01520	.69319
59	.00000	.01656	.71610
60	.00000	.01802	.73939
61	.00000	.01959	.76316
62	.00000	.02133	.78747
63	.00000	.02322	.81211
64	.00000	.02526	.83715
65	.00000	.02750	.86258
66	.00000	.03000	.88848
67	.00000	.03277	.91514
68	.00000	.03584	.94264
69	.00000	.03919	.97094
70	.00000	.04278	1.00000

**TABLE 2.**

**City of Detroit Policemen and Firemen  
Retirement System  
Annual Probabilities of Age and Service  
Retirement Applicable to Members  
Who Are Eligible to Retire**

Age	Probabilities of Retirement
45	25%
46	25
47	25
48	25
49	25
50	25
51	25
52	25
53	25
54	20
55	20
56	15
57	10
58	15
59	30
60	100

**Sec. G-12. Determination of City's annual contribution — Disability Pension liabilities.**

For Fiscal Years commencing prior to July 1, 2014, the City's annual contribution, expressed as a percent of active Member compensation, to finance disability Pensions shall be determined by dividing the average of the Pension Reserve liabilities for disability retirements incurred, during the three Fiscal Years ending with the date of the valuation by one percent of the active Members' annual compensation used in the valuation.

**Sec. G-13. Determination of City's annual contribution — Death Pension liabilities.**

For Fiscal Years commencing prior to July 1, 2014, the City's annual contribution, expressed as a percent of active Member compensations, to finance death-in-service Pensions shall be determined by dividing the average of the Pension reserve liabilities for death-in-service claims incurred during the three Fiscal Years ending with the date of the valuation by one percent of the active Member's annual compensations used in the valuation.

**Sec. G-14. Determination of City's annual contribution — Actuarial evaluation of annuity and Pension Reserve liabilities.**

The Annuity and Pension Reserve liabilities for Members, retirees and beneficiaries shall be actuarially evaluated as set forth in this Article G and the Plan of Adjustment.

**Sec. G-15. Determination of City's annual contribution — Service Pension liabilities for Fiscal Years commencing prior to July 1, 2014.**

- (a) The service Pension liabilities for Members shall be determined using the entry age-normal cost method of actuarial valuation.
- (b) The City's annual contribution, expressed as a percent of active Member compensations, to finance the prospective service Pension liabilities shall be determined by dividing the total of the individual annual normal costs of the active Members by one percent (1%) of the active Members' annual compensation used in the valuation.
- (c) The City's annual contribution, expressed as a percent of active Member compensation, to finance any unfunded Accrued Service Pension liabilities, including instances in which assets exceed liabilities, shall be determined by dividing such unfunded Accrued Service Pension liabilities by one percent (1%) of the present value of future compensation payable during a period of future years. Such period of future years shall be thirty years for the actuarial valuation as of June 30, 1974, decreasing one (1) year at each subsequent June 30th until a twenty year period is reached, which twenty year period shall be used in each subsequent actuarial valuation until June 30th, 2004 when the period shall again be thirty years.

**Sec. G-16. Board of trustees to compute City's annual contribution.**

Based upon the provisions of this Article, including any amendments, the Board of Trustees shall compute the City's annual contributions for Fiscal Years commencing prior to July 1, 2014, expressed as a percent of active Member compensation, to the Retirement System for the Fiscal Year beginning July 1, 1975, using actuarial valuation data as of June 30, 1974, and for each subsequent Fiscal Year prior to July 1, 2014 using actuarial valuation data as of the June 30th date which date is a year and a day before the first day of such Fiscal Year. The Board shall report to the Mayor and to the City Council the contribution percents so computed, and such contribution percents shall be used in determining the contribution dollars to be appropriated by the City Council and paid to the Retirement System. For each Fiscal Year beginning July 1, 1975 and each Fiscal Year thereafter and prior to July 1, 2014, such contribution dollars shall be determined by multiplying the applicable contribution percent for such Fiscal Year by the Member compensation paid for such Fiscal Year; provided that for the one Fiscal Year beginning July 1, 1975 and ending June 30, 1976, such Member compensation so used shall not exceed 106.09 percent of the active Members' annual compensation used in the actuarial valuation determining such contribution percent.

#### **Sec. G-17. Refunds for certain Members.**

Effective July 1, 1974, a Member who holds the rank of police inspector and above and who is not covered by a collective bargaining agreement shall, notwithstanding any other provisions of Component II to the contrary, have the right to elect to receive on the effective date of his or her service retirement a partial or total refund of his or her Accumulated Contributions. Effective as of March 8, 2007, a DPOA and fire equivalent retiree who elects not to withdraw his or her Accumulated Contributions as of the effective date of his or her service retirement shall have the option of receiving a quarterly payment of interest credited to his or her Accumulated Contributions or to receive periodic withdrawals of the contributions such Retiree made to Component II of the Retirement System. If a Member makes such an election, an Annuity payable under any Retirement Allowance or reduced Retirement Allowance shall be reduced proportionately. If the total Accumulated Contributions are withdrawn no Annuity shall be payable with respect to such withdrawn amounts.

#### **Sec. G-18. Employer Contribution**

Effective January 1, 1987 for members of DFFA and DPLSA or upon issuance of the 1986-89 Act 312 Award for members of DPOA, the employee contributions to the Annuity Fund, although designated as employee contributions, shall be paid by the City in lieu of contributions by the Employee. The Employee shall not have the option of choosing to receive the contributed amount directly instead of having them paid by the City to the Annuity Fund. There shall be no additional contribution expense to the City, and the amounts so contributed by the City on behalf of the Employee shall be treated, for tax purposes, as employer contributions and thus shall not be taxable to the Employee until these amounts are distributed or made available to the Employee.

This provision shall not affect the amount or benefit level of the Retirement Allowance, or the City's obligation with respect thereto.

## **ARTICLE H. MISCELLANEOUS.**

### **Sec. H-1. Recall of Retirees during emergencies.**

During an emergency declared by the Commissioner of Police or the Board of Fire Commissioners, the Commissioner or the Board of Fire Commissioners, as the case may be, shall have power, with the consent of a Retiree, to recall to active duty a Retiree for such period of service as the commissioner or the Board of Fire Commissioners shall deem advisable; provided, however, that the foregoing power shall not apply in the case of a Retiree who has reached the age of sixty-four years, and provided further, that any Retiree so recalled may, at any time, separate from active duty on his or her own application or by order of the Commissioner or the Board of Fire Commissioners. A Retiree so recalled shall serve in the rank at which he or she retired, or a higher rank, and shall receive the pay of such rank without deduction. On subsequent separation from active duty, such Retiree shall resume the Retiree status held by him prior to such recall.

## **ARTICLE I. DEFERRED RETIREMENT OPTION PLAN.**

### **Sec. I-1. General provisions.**

For periods on and after July 1, 2014, the Deferred Retirement Option Plan ("DROP") Program under Component II shall be available to Members who are covered by collective bargaining agreements with the City that permit such Members to participate in the DROP program and non-union executives of the Police Department and the Fire Department.

- (a) In lieu of terminating employment and accepting a Retirement Allowance under the Component II, any Member of the Retirement System who is eligible for the DROP program and who is eligible to immediately receive a twenty-five year (or twenty year) Retirement Allowance may elect to participate in the DROP program and defer the receipt of his or her Retirement Allowance in accordance with the provisions of this Article I. Any such election shall be irrevocable.
- (b) Participation in the DROP program for Members for who elected to participate in the DROP program prior to July 1, 2014 shall be limited to ten years. Participation for Members who elect to participate in DROP program after June 30, 2014 shall be limited to five years. At the end of such five (or ten) year period of participation in the DROP program, the Member shall be retired from employment.

### **Sec. I-2. Conversion to Retirement Allowance**

Upon the effective date of a Member's participation in the DROP program, the Member shall cease to accrue a Retirement Allowance under Component I and shall elect a form of payment for his Retirement Allowance pursuant to Part H of Article F. Seventy-five percent (75%) of the monthly Retirement Allowance (including applicable variable Pension Improvement Factor (Escalator) increases) that would have been payable, had the Member elected to terminate employment with the City on the effective date of his or her DROP election and receive an immediate Retirement Allowance, shall be paid into a DROP Account established on behalf of the Member under the Retirement System or in an entity selected by the Board.

### **Sec. I-3. Investment of DROP assets**

- (a) ING was previously selected by the Board as the DROP administration and investment entity for Members who elect to participate in the DROP program. ING shall continue to be the DROP administration and investment entity, unless and until such time as the Board terminates the agreement with ING as provided in paragraph (d) or determines that it is administratively feasible for the DROP program to be administered and invested under the Retirement System.
- (b) As soon as possible after July 1, 2014, the Board shall determine whether it is administratively feasible for the DROP program to be administered and the assets in DROP accounts to be invested under the Retirement System. If the Board determines that it is feasible to administer the DROP program under the Retirement System, the Board shall promptly take appropriate steps to implement such decision.

- (c) If amounts credited to DROP accounts are invested under the Retirement System, such amounts shall be comingled with the assets of the Retirement System for investment purposes and shall be invested by the Trustees. A Member's DROP account shall be credited with annual earnings at a rate equal to seventy-five percent (75%) of the actual net earnings rate of the assets of the Retirement System; however, in no event shall the earnings rate applied to a Member's DROP account for any Plan Year be less than zero percent (0%) nor greater than seven and three-quarters percent (7.75%).
- (d) The Board of Trustees entered into an administrative services agreement with ING. Such agreement shall remain in effect until such time as it is terminated by the Board as provided therein.
- (e) The Board of Trustees may replace ING with a trust type vehicle or the Board may determine that amounts subject to a DROP election will be invested with Retirement System assets as provided above.
- (f) Any fees associated with the maintenance of DROP Accounts outside of the Retirement System shall be paid by the Members by means of deduction from their DROP Accounts.

#### **Sec. I-4. Distribution of amounts credited to DROP Account**

A Member shall not receive a distribution of amounts credited to his DROP Account prior to his termination of employment with the City. Upon termination of employment, a Member who is a participant in the DROP program shall receive, at his or her option either a lump sum payment from the DROP Account equal to the amount then credited to the DROP Account or an annuity based upon the amount credited to his DROP Account. In addition, one hundred percent (100%) of the Member's monthly Retirement Allowance that otherwise would have been paid upon the Member's retirement had he or she not elected to participate in the DROP program (together with any applicable variable Pension Improvement Factor (Escalator) increases) shall commence to the Member in accordance with the form of payment selected by the Member at the commencement of his or her participation in the DROP program. Termination of employment includes termination of any kind, such as resignation, retirement, discharge or disability.

#### **Sec. I-5. Death of Member while participating in the DROP program**

If a Member dies while participating in the DROP program, a lump sum payment equal to the Member's DROP Account balance shall be paid to the Beneficiary named by the Member, or if no Beneficiary has been designated, to the Member's estate; provided, notwithstanding anything to the contrary herein, the Member's adjusted DROP Account balance under Component II upon the Member's death while participating in the DROP program shall not be less than total system DROP payments into his or her account (not including earnings and losses). In addition, one hundred percent (100%) of the Member's Retirement Allowance (together with any applicable variable Pension Improvement Factor (Escalator) increases) that would have been paid to the Member but for the Member's decision to participate in the DROP



program will be restored. Survivor benefits, if any, shall be paid in accordance with the payment option elected by the deceased Member at the time the Member elected to participate in the DROP program.

#### **Sec. I-6. Disability of Member While Participating in the DROP Program**

If a Member becomes Totally Disabled while participating in the DROP program and while still an Employee and his employment with the City is terminated because he is Totally Disabled, such Member (a) shall be immediately retired and one hundred percent (100%) of the Retirement Allowance) that would have been paid to the Member but for the Member's decision to participate in the DROP program (together with any applicable variable Pension Improvement Factor (Escalator) increases) will commence in accordance with the payment option selected by the Member at the commencement of the Member's participation in the DROP program as provided in Section I-2, and (b) shall be entitled to receive payment of the funds in his DROP Account (in the form of a lump sum or other form of payment described in Part H of Article F). Such Member shall not be entitled to disability retirement benefits under Article F hereof.

#### **Sec. I-7. Cost Neutrality**

- (a) The DROP program shall be effective only for as long as it is cost-neutral to the City, provided however, that the DROP program shall continue during the pendency of proceedings, described in paragraph (2) below, designed to restore the Retirement System to cost neutrality.
- (b) If the City contends that the DROP program is not cost-neutral, including, but not limited to, making the City's annual contribution to the Retirement System higher than it would be if the DROP program was not in effect, the Board and the City, along with the Plan Actuary as well as an actuary appointed by the City (who will be an associate or a fellow of the Society of Actuaries and a member of the American Academy of Actuaries) shall meet and confer in good faith regarding the cost. If the Board and the City are unable to reach an agreement as to cost, the matter shall be submitted to a third, independent, actuary, chosen or agreed upon by the Plan Actuary and the City's actuary. This actuary, when rendering a decision, will be limited to ordering implementation of changes necessary to make the DROP program cost-neutral. Upon the implementation of changes necessary to make the DROP program cost-neutral, Members shall have thirty days to elect to either (a) retire from active employment with the City or (b) withdraw from the DROP program and resume active participation in Component I of the Retirement System. The Board shall notify DROP participants of these changes prior to implementation. Those DROP participants resuming participation in Component I of the Retirement System shall not accumulate Credited Service for any time that they were participating in the DROP program (under either Component I or Component II). Those not making either election shall remain participants in the DROP program.
- (c) In the event the DROP program cannot be changed to restore cost neutrality, it shall be discontinued and Members participating in the DROP program at that time shall have the option to either (i) retire or (ii) continue active employment with the City

and resume active participation in Component I of the Retirement System. DROP participants resuming participation in Component I of the Retirement System shall not accumulate Credited Service for the time during which such DROP participants participated in the DROP program (under Component I or Component II).

## **ARTICLE J. PARTICIPANT ANNUITY SAVINGS FUND LOAN PROGRAM**

### **Sec. J-1. Participant Annuity Savings Fund Loan Program**

A Participant Annuity Savings Fund Loan Program (Participant Loan Program) will be established and available to bargaining unit Members. Its terms will be as follows:

- (a) Any loans granted or renewed shall conform to the requirements of Section 72(p) of the Internal Revenue Code. Such loan program shall be established in writing by the Board of Trustees in conformity with the terms of the Combined Plan document and applicable collective bargaining agreements, and must include, but need not be limited to the following:
  - (1) The identity of the administrator of the Participant Loan Program;
  - (2) A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
  - (3) The procedure under the program for determining a reasonable rate of interest;
  - (4) The events constituting default and the steps that will be taken to preserve plan assets.
- (b) The Participant Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the Retirement System for Members. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective participating Members of the Retirement System in the offices of the Retirement System.
- (c) Subject to the rules and procedures established by the Board, loans may be made to Members from such Member's contributions to the Annuity Savings Fund. Former Members, spouses of Members, and Beneficiaries are not eligible to receive any loans from the Retirement System. Subject to rules and procedures established by the Board, a Member who has been in the Retirement System for twelve (12) months or more is eligible to apply for a loan. No Member shall have more than two (2) outstanding loans from the Retirement System (Component I and/or Component II) at any time. A Member who has previously defaulted on a loan under either Component I or Component II of the Combined Plan shall not be eligible for a loan from the Retirement System.
- (d) A Member who has satisfied applicable rules and procedures may borrow from his or her Annuity Savings Fund account an amount, which does not exceed fifty percent (50%) of the Member's vested accumulated balance, up to fifteen thousand dollars (\$15,000.00) reduced by the excess, if any, of: (1) the highest outstanding balance of loans from the Retirement System during the one (1) year period ending on the day before the date on which the loan is made (under both Component I and Component II), or (2) the outstanding balance of loans from the Retirement System on the date on

which the loan is made (under both Component I and Component II), whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).

- (e) In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:
  - (1) Loan applications shall be in writing.
  - (2) All loans shall be memorialized by a promissory note made to the Retirement System and properly executed by the Member.
  - (3) Loan shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period.
  - (4) Each loan granted under Component II shall be made against the assignment of the Member's entire right, title, and interest in and to the Annuity Savings Fund supported by the Member's collateral promissory note for the amount of the loan, including interest payable to the order of the Board of Trustees.
  - (5) Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among Members in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the Retirement System's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the Retirement System of administering the Retirement System. The loan interest rate shall be calculated in a manner that will not negatively affect the City's costs relating to the Retirement System or the return to Members.
  - (6) Loan repayments shall be suspended under this Retirement System as permitted by Section 414(u)(4) of the Internal Revenue Code. A Member who has an outstanding loan balance from the Retirement System who is absent from employment with the City, and who has satisfied the requirements of Section 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the Retirement System during said periods of absence.
- (f) Any loans granted or renewed shall be made and administered pursuant to the participant loan program and Section 72(p) of the Internal Revenue Code and the regulations thereunder.
- (g) A Member's outstanding loan balance shall be considered a directed investment by the Member and interest payments shall be credited to the Member's account balance (provided that the interest credited shall be reduced appropriately to cover the

administrative cost of the loan program and avoid negatively affecting the City's costs or the Retirement System's investment returns), and shall not be part of net investment income or part of the Member's account balance for the purpose of allocation of net investment income under Article G.

- (h) No distributions shall be made to a Member, former Member, or Beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been repaid or offset against the distributable Annuity Savings Fund account balance.
- (i) The Retirement System shall include, in its annual report to all Members, an accounting of the loan program established by this section, which contains the number and amount of loans made, the costs of administering the program, the amount of payments made including interest received by the Retirement System, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in the Fiscal Year covered the costs of administering the program.

## **ARTICLE K. SPECIAL PLAN OF ADJUSTMENT PROVISIONS**

### **Sec. K-1. Benefit Changes implemented in accordance with the terms of the Plan Of Adjustment**

Notwithstanding anything in Articles A, C, D or E to the contrary, as of the effective date of the Plan of Adjustment and during the period that ends no earlier than June 30, 2023, the following changes in benefits provided under Component II of the Combined Plan shall be implemented:

- (1) Elimination or Reduction in Pension Improvement Factor (Escalator). With respect to all Pension benefits payable on or after the effective date of the Plan of Adjustment, the Pension Improvement Factor (Escalator) that will be applied to the monthly Pension benefit of a Member, Retiree, surviving Beneficiary or vested former employee will be equal to 1.0125%; provided, however, that the Board and the Investment Committee shall determine on the effective date of the Plan of Adjustment and not less frequently than annually thereafter that the “Funding Conditions” as defined herein have been satisfied, and in the event that such Funding Conditions have not been satisfied then the Pension Improvement Factor (Escalator) that will be applied to the monthly Pension benefit of a Member, Retiree, surviving Beneficiary or vested former employee will be reduced in proportion to the funding which is not received by the Retirement System (“Adjusted Pension Benefit”).

For purposes of this Section K-1, the term “Funding Conditions” shall mean that (i) Class 10 and Class 11 voted in favor of the Plan of Adjustment in accordance with the procedures for such vote under the Plan of Adjustment, (ii) the Plan of Adjustment is confirmed by the U.S. Bankruptcy Court, and (iii) the funds that are pledged to be contributed to the Retirement System pursuant to the terms of the State Contribution Agreement and the DIA Settlement Documents have been received.

- (2) Effect of Payment Default. In the event that all or a portion of the funds pledged to be contributed to the Retirement System pursuant to the terms of the DIA Settlement Agreement are not received by the Retirement System, the Board shall proportionately reduce the Pension Improvement Factor (Escalator) to be applied to the monthly Pension benefit of any retirees, surviving beneficiaries, employees and former employees to the extent of such default.

### **Sec. K-2. Income Stabilization Benefits**

- (1) The provisions of this Section K-2 shall become effective only if each of the Conditions Precedent (as that term is defined in the State Contribution Agreement) have been met to the satisfaction of the Authority and the Treasurer, unless any one or more of such conditions are waived in writing executed by the Authority and the Treasurer.

- (2) Beginning not later than 120 days after the Effective Date, Component II of the Combined Plan shall pay, in accordance with this Section K-2, an annual supplemental pension income stabilization benefit (“Income Stabilization Benefit”) to each Eligible Pensioner (as defined in Section G-3(5)) equal to the lesser of either (i) the amount needed to restore an Eligible Pensioner’s reduced annual pension benefit to 100% of the amount of the annual pension benefit that the Eligible Pensioner received from the Retirement System in 2013; or (ii) the amount needed to bring the total annual 2013 household income of the Eligible Pensioner up to 130% of the Federal Poverty Level for 2013. The Income Stabilization Benefit as determined under this Section K-2(2) will not increase after the date on which the Income Stabilization Benefit is determined. The Income Stabilization Benefit payable to an Eligible Pensioner will terminate immediately at such time as the Eligible Pensioner ceases to qualify as an Eligible Pensioner.
- (3) To the extent an Eligible Pensioner’s Estimated Adjusted Annual Household Income (as defined in this Section K-2) in any calendar year after the first year that the Eligible Pensioner receives a benefit under this Section K-2 is less than 105% of the Federal Poverty Level in that year, the Eligible Pensioner will receive an additional “Income Stabilization Benefit Plus” benefit commencing as of the next following July 1.
- a. The Income Stabilization Benefit Plus benefit for a calendar year will be equal to the lesser of either (i) the amount needed to restore 100% of the Eligible Pensioner’s Pension benefit, as increased by any Pension Improvement Factor (Escalator), under Component II of the Combined Plan; or (ii) the amount needed to bring the Eligible Pensioner’s Estimated Adjusted Annual Household Income in that calendar year up to 105% of the Federal Poverty Level in that year.
- b. An Eligible Pensioner’s “Estimated Adjusted Annual Household Income” for any year will be the sum of (i) the Eligible Pensioner’s 2013 total household income (per his or her (or in the case of a minor child, his or her legal guardian’s) 2013 income tax return or equivalent documentation), less the Pension benefit paid to the Eligible Pensioner by the Retirement System in 2013, as adjusted for inflation or Social Security COLA increases; (ii) the Adjusted Pension Benefit that is payable to the Eligible Pensioner for that year as determined under Section K-1, (iii) any pension restoration payment to the Eligible Pensioner as determined under Section K-3; and (iv) the Eligible Pensioner’s Income Stabilization Benefit.
- (4) A separate recordkeeping fund called the “Income Stabilization Fund” shall be established by the Board for the sole purpose of paying the Income Stabilization Benefits and Income Stabilization Benefits Plus to Eligible Pensioners. Any funds received by the Retirement System that is designated by the City as UTGO Bond Tax Proceeds or a contribution to the Income Stabilization Fund shall be



credited by the Board to the Income Stabilization Fund. The assets credited to the Income Stabilization Fund will be invested on a commingled basis with assets of the Retirement System and will be credited with a pro-rata portion of the earnings and losses of the Retirement System. Amounts credited to the Income Stabilization Fund may not be used for any purpose other than the payment of Income Stabilization Benefits and Income Stabilization Benefit Plus benefits to Eligible Pensioners, except as expressly provided in Section K-2(6).

- (5) For purposes of this Section K-2, an “Eligible Pensioner” is a retiree or surviving spouse who is at least 60 years of age or a minor child receiving survivor benefits, each as of the effective date of the Plan of Adjustment, whose benefit will be reduced as provided in Section K-1, and who is eligible to receive Income Stabilization Benefits because (i) such individual is receiving monthly pension benefits from the Retirement System as of the effective date of the Plan of Adjustment, and (ii) such individual has a total annual household income equal to or less than 140% of the federal poverty level in 2013 (per his or her (or in the case of a minor child, his or her legal guardian’s) 2013 income tax return or equivalent documentation).
- a. An eligible individual must apply for an Income Stabilization Benefit in accordance with procedures established by the Authority and provide such substantiation of the individual’s aggregate annual household income as is required by the State in its sole discretion.
  - b. The initial determination of Eligible Pensioners, and amount of the Income Stabilization Benefit payable to each Eligible Pensioner shall be made by the State in its sole discretion. The State shall transmit the list of Eligible Pensioners to the Investment Committee and the Board. The Board, with the assistance of the Investment Committee shall be responsible for administering the Income Stabilization Fund and annually certifying to the State Treasurer that it has administered the requirements for eligibility and payment of benefits with respect to Eligible Pensioners in accordance with the terms of the State Contribution Agreement.
  - c. After the initial determination of Eligible Pensioners is made, no new individuals will be eligible to receive an Income Stabilization Benefit or an Income Stabilization Benefits Plus benefit at any time in the future.
  - d. An Eligible Pensioner will cease to be an Eligible Pensioner as of the earlier of (i) the Eligible Pensioner’s death or (ii) with respect to any minor child receiving survivor benefits, the date the minor child reaches the age of 18 years.
- (6) For purposes of this Section K-2, the “Federal Poverty Level” means the poverty guidelines published each year in the Federal Register by the United States Department of Health and Human Resources.

- (7) In the event that, in 2022 (provided that the State has not issued a Certificate of Default (as defined in the State Contribution Agreement) with respect to the Retirement System at any time prior to 2022), it is the opinion of at least 75% of the independent members of the Investment Committee that the assets of the Income Stabilization Fund exceed the Income Stabilization Benefits and Income Stabilization Benefits Plus benefits anticipated to be made to Eligible Pensioners by the Retirement System in the future (“Excess Assets”), the Investment Committee may, in its sole discretion, recommend to the Board that all or a portion of the Excess Assets, in an amount not to exceed \$35 million, be used to fund the Adjusted Benefits payable by the Retirement System. The Investment Committee shall have the right to engage professional advisers to assist in making this determination and such expenses shall be paid by the Retirement System.
- (8) In the event that any funds remain in the Income Stabilization Fund on the date upon which there are no Eligible Pensioners under the Retirement System, such funds shall be used to fund the Adjusted Benefits payable by the Retirement System.

### **Sec. K-3. Restoration of Pension Benefits**

The following rules shall govern how Pension Improvement Factor (Escalator) (“COLA”) benefits, that are reduced as part of the Plan of Adjustment, shall be restored during the thirty year period following the confirmation order issued by the Bankruptcy court in *In Re City of Detroit, Michigan*, Case No. 13-53846. The pension restoration process shall be supervised, and restoration decisions undertaken by the Investment Committee and in accordance with the pension governance provisions set forth in the State Contribution Agreement and exhibits thereto. The pension restoration program shall be deemed a part of this Component II, but in the event of any conflict between the language set forth herein and the pension restoration agreement attached to and made a part of the Plan of Adjustment (“Pension Restoration Agreement”), the terms of the Pension Restoration Agreement will govern.

#### **(1) *Waterfall Classes.***

There will be three Waterfall Classes:

- a. Waterfall Class 1 – Retirees, in retirement benefit pay status as of June 30, 2014, and their surviving spouses and Beneficiaries.
- b. Waterfall Class 2 – Retirees, who entered into retirement benefit pay status after June 30, 2014, and their surviving spouses and Beneficiaries, and who are in pay status as of the end of the Fiscal Year prior to the year in which the restoration decision is made.
- c. Waterfall Class 3 – All retirees, surviving spouses, and beneficiaries in pay status and all other Members who as of June 30, 2014 are not in retirement benefit pay status.

(2) *Restoration of Benefits Through June 30, 2023.*

- a. Each year in conjunction with the annual actuarial valuation report, the Plan Actuary will project the funded ratio of the Retirement System as of 2023 based upon the market value of plan assets relative to the actuarial accrued liabilities (the "Funded Level"). This projection will be further based upon a 6.75% assumed rate of investment return which is net of expenses (administrative and investment), future employer contributions as set forth in the Plan of Adjustment (subject to conditions in the Plan of Adjustment), and such other actuarial assumptions as utilized by the Plan Actuary. For purposes of restoration of benefits through June 30, 2023, the Funding Target will be a 75% funded ratio, and the Restoration Target will be a 78% funded ratio, both projected to June 30, 2023. For purposes of calculating the funded ratio, the assets in the Restoration Reserve Account will be excluded. Each year, if the Plan Actuary projects that the Funded Level as of 2023 (excluding Restoration Reserve Account assets to avoid double counting) exceeds the Restoration Target (i.e., exceeds 78%), a credit of assets for bookkeeping purposes will be made into a new notional Restoration Reserve Account. The notional credit will be an amount equal to the excess of assets above the amount projected to be needed to satisfy the Restoration Target. Once the Restoration Reserve Account is established, each year thereafter, Restoration Account assets will be credited with interest in an amount equal to the net return on Retirement System investments but capped at the actuarially assumed rate of investment return (i.e., 6.75% for the period through June 30, 2023). In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses and any required transfer to the PFRS Pension Reserve Fund as provided herein.
- b. Actual restoration payments and restoration credits will work as follows: each year, in conjunction with the preparation of the annual actuarial valuation report and following establishment of the Restoration Reserve Account, the Plan Actuary will determine whether there are sufficient funds in such account to restore COLA benefits in a minimum incremental amount of 10% or more. For example: if a retiree's then current COLA benefit is a 1.0% annual compounded COLA, the minimum incremental restoration would increase the COLA benefit to 1.225%. COLA restoration only will occur if the funding level in the Restoration Reserve Account can fund 100% of the COLA increase over the actuarially-projected lives of the eligible recipient Waterfall Class. If the Plan Actuary certifies that the Restoration Reserve Account as of the end of the prior Fiscal Year satisfies the required funding level for one or more increments of restoration, then in the next immediate Fiscal Year actual COLA restoration payments will be made to PFRS Waterfall Class 1 members in such increments until an amount sufficient to fund 66% of the value of their future COLA payments (e.g., a 1.5% compound COLA, or as otherwise applicable) has been funded. At that juncture, and to the

extent that additional assets in the Restoration Reserve Account would fully fund COLA restoration in at least one minimum 10% increment (i.e., amounts equal to 10% of the value of future COLA payments), Waterfall Class 2 members will receive COLA restoration, until an amount sufficient to fund 66% of the value of their future COLA payments has been funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account would fully fund COLA restoration in at least one minimum 10% increment (i.e., amounts equal to 10% of the value of future COLA payments), Waterfall Class 3 members will receive COLA restoration on a pro-rata basis. For Waterfall Class 3 members who are in pay status at that time of restoration, they will receive COLA payments; for active employees at the time of restoration, they will receive credits granting them a right upon retirement to receive COLA restoration equal to the 10% increments that are fully funded to Waterfall Class 3 members. For example: assume there are sufficient assets credited to the Restoration Reserve Account as of the end of a Fiscal Year to fully fund 66% of the value of the COLA for all Waterfall Class 1 and Class 2 members for their actuarially projected lives. To the extent additional assets remain in the Restoration Reserve Account to fully fund at least a 10% COLA increment for Waterfall Class 3 members for their actuarially projected lives, then (i) all retirees would receive a restoration payment of 76% of the value of their COLAs (their having already received by virtue of their membership in Waterfall Classes 1 and 2 an increase to 66% of the value of their COLAs) and also a 10% COLA increment would be credited to eligible active employees which would be included in their benefit payments upon retirement (thus causing their COLAs to increase in value from 45% to 55%). Restoration amounts actually paid from the Restoration Reserve Account will be debited from such account. Restoration payments will be calculated and paid on a prospective basis only.

- c. Once restoration payments and credits begin, as long as the Restoration Reserve Account continues to have assets to fund 100% of an incremental COLA restoration amount for such Waterfall Class for their actuarially projected lives, the restoration payments and credits will continue; provided, however, that in the event the Restoration Reserve Account, after having sufficient assets to fund 100% of two or more increments, falls below 100% for the second or greater increment, the annual amounts to pay such second or greater increment can continue until the Restoration Reserve Account lacks any assets to fund such additional increment. For example, assume a 10% increment in Waterfall Class 1 requires \$10 million in assets to be fully funded for the Waterfall Class members' actuarially projected lives, and that based on Fiscal Year 2018 results the Restoration Reserve Account has assets of \$22 million so as to fund two increments of restoration in Fiscal Year 2019. Assume further that in the following year the Restoration Reserve Account drops in value to \$17 million; in such event two increments could still be paid, and the second

increment would cease being paid only if the value of assets in the Restoration Reserve Account dropped to or below \$10 million (in the event they dropped below \$10 million, the first increment also would cease being paid). For purposes of restoration reduction, restoration increments will be taken away in reverse order in which they were granted (i.e. last in, first out).

- d. If the Funded Level (excluding Restoration Reserve Assets) projected to 2023 falls below 76% (hereinafter, "Restoration Reserve Suspension Trigger"), then, until such time as the projected Funded Level in 2023 is 76% or above, further interest credits to the notional Restoration Reserve Account will cease notwithstanding the actual net Retirement System investment returns for the Fiscal Year in question. Furthermore, if the Funded Level projected to 2023 falls below the Funding Target (i.e., 75%) then restoration payments to retirees and credits to active employees in the following year will be modified in the following manner: (1) funds previously credited to the Restoration Reserve Account will be notionally transferred and credited to the Pension Reserve Fund in sufficient amounts to restore the projected Funded Level in 2023 to 75%; (2) following such transfer, the remaining assets in the Restoration Reserve Account shall be applied to make restoration payments in accordance with and pursuant to the same mechanism described in paragraph c.
- e. In connection with preparation of the actuarial report for Fiscal Year 2023, the Plan Actuary will determine whether the Retirement System has satisfied the Permanent Restoration Target, which shall be 78%. Transfers from the Restoration Reserve Account for credit to the Pension Reserve Fund may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers, the Funded Level as of June 30, 2023 has satisfied the Permanent Restoration Target (i.e., 78%), then the residual amounts, if any, in the Restoration Reserve Account (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of COLA restoration payments for one or more Waterfall Classes for their actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the Pension Reserve Fund and the applicable incremental COLA payments shall be permanently restored for the applicable Waterfall Class and shall no longer be variable from year to year.
- f. Following receipt of the actuarial reports for 2019, and in the event that the projected Funded Level of the Retirement System as of 2023 is less than 76%, the Plan Actuary shall revisit the restoration calculations that it made during each of the prior four (4) years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2023, or (ii) an amount of annual administrative expenses until 2023 equal to the average



annual normal course administrative expenses in the prior four (4) years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the Restoration Reserve Account than actually were transferred during such look back period, then the Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2023 Funded Level to 76%.

(3) *Restoration of Benefits from July 1, 2023 to June 30, 2033.*

- a. If and to the extent that all COLA payments have not been restored as of June 30, 2023 pursuant to Section (2)(e), then during this period and for purposes of variable restoration, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth below, all projected as of June 30, 2033:

<u>2023 Funded Level</u>	<u>2033 Funding Target/Restoration Target</u>
78%	81%/84%
77%	80%/83%
76%	79%/82%
75%	78%/81%
74% or lower	3% >than 2023 Funded Level %/81%

2033 Permanent Restoration Target - Same as 2033 Restoration Target

2033 Restoration Reserve Suspension Trigger – 1% higher than the projected Funding Target for all time periods

- b. The same rules for restoration payments that applied during the period ending June 30, 2023 shall apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers to the Pension Reserve Fund in the event the 2033 Funded Level falls below the 2033 Funding Target), except as follows. For purposes of determining whether the 2033 Restoration Target has been satisfied, the Plan Actuary shall project investment returns through June 30, 2033 using the then current investment return assumption which is assumed to be net of expenses (administrative and investment), and the then applicable actuarial assumptions as utilized in the annual actuarial valuation. Further, the Plan Actuary shall assume, merely for purposes of determining whether the Restoration Target is satisfied, that

the annual City contribution amount shall be the annual amount necessary to fund the Retirement System based upon an amortization of the actual 2023 UAAL (using the market value of assets) over 30 years (hereinafter, the “2023 UAAL Amortization”) and in such manner that the resulting annual contributions would achieve the applicable Funding Target (pursuant to paragraph b) as of 2033. Such projected, hypothetical contributions shall be for purposes only of making restoration determinations, and shall not necessarily be the actual contributions made or required to be made by the City or recommended during such period; all of which shall be determined independent of the restoration calculation process. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded.

- c. To the extent that the City’s actual contributions to the Retirement System in any of the Fiscal Years 2024 (i.e., the year ending June 20, 2024) through 2033 are greater than the projected annual contribution under the 2023 UAAL Amortization, such amounts, and any investment earnings thereon, shall be notionally credited to a new bookkeeping account in the Retirement System called the Extra Contribution Account. In determining pension restoration during the period from Fiscal Year 2024 through 2033, none of the amounts in the Extra Contribution Account shall be considered for purposes of determining the projected Funded Level for purposes of determining whether the Retirement System has attained the Restoration Target or the Permanent Restoration Target. To the extent that the City’s actual contributions in any of the Fiscal Years 2024 through 2033 are less than the City’s projected annual contribution under the 2023 UAAL Amortization, such difference and any investment earnings thereon shall be notionally allocated to the Pension Reserve Fund.
- d. Each year, in addition to the notional credit of amounts that exceed the amount necessary to satisfy the Restoration Target, existing notional Restoration Account assets will be credited with interest equal to the net return on Retirement System investments; however, such interest shall not exceed the then investment return assumption. In the event of net losses on the Retirement System’s investments, the notional assets credited to the Restoration Reserve Account will be reduced to reflect such losses.
- e. In connection with preparation of the actuarial report for Fiscal Year 2033, the Plan Actuary will determine whether the Retirement System has satisfied the applicable Permanent Restoration Target (i.e., the 2033 Restoration Target). Transfers from the Restoration Reserve Account for credit to the Pension Reserve Fund may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the funding level as of June 30, 2033 has satisfied the applicable Permanent Restoration Target, then the residual amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and



which fully fund one or more increments of COLA restoration payments for one or more Waterfall Classes, shall be transferred from the Restoration Reserve Account and credited to the Pension Reserve Fund and the applicable incremental COLA payments shall be permanently restored for the applicable Waterfall Class and shall no longer be variable from year to year.

- f. Following receipt of the actuarial report for 2028, and in the event that the projected Funded Level as of 2033 is less than 79%, the Plan Actuary shall revisit the restoration calculations that it made during each of the prior four (4) years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2033, or (ii) an amount of annual administrative expenses until 2033 equal to the average annual normal course administrative expenses in the prior four (4) years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the Restoration Reserve Account than actually were transferred during such look back period, then the Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the applicable look-back period) or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the applicable look-back period); or (iii) the amount required to increase the projected 2033 Funded Level to 79%.

(4) *Restoration of Benefits from July 1, 2033 to June 30, 2043.*

- a. If and to the extent that all COLA payments have not been restored pursuant to Section (3)(f) as of June 30, 2033, then during the period ending June 30, 2043 and for purposes of variable restoration, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth below, all projected as of June 30, 2043.

<u>2023 Funded Level</u>	<u>2043 Funding Target/Restoration Target</u>
78%	84%/87%
77%	83%/86%
76%	82%/85%
75%	81%/84%
74% or lower	3% > than 2023 Funded Level %/84%

2043 Permanent Restoration Target - Same as 2043 Restoration Target

2043 Restoration Reserve Suspension Trigger – 1% higher than the projected Funding Target  
for all time periods

- b. The same rules for restoration that applied during the period ending June 30, 2033 shall otherwise apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and the making of notional asset transfers from the Restoration Reserve Account to the Pension Reserve Fund in the event the 2043 Funded Level falls below the 2043 Funding Target) and shall be rolled forward. For example, for purposes of determining whether the 2043 Restoration Target has been satisfied, the Plan Actuary shall project annual contributions using the same 2023 UAAL Amortization. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded, and no Extra Contribution Account assets shall be included for purposes of determining whether the Funded Level meets the Restoration Target or Permanent Restoration Target, including any additions to such account after 2033.
- c. In connection with preparation of the annual actuarial valuation report for Fiscal Year 2043, the Plan Actuary will determine whether the Retirement System has satisfied the applicable Permanent Restoration Target, as set forth in paragraph a above. Transfers from the Restoration Reserve Account for credit to the Pension Reserve Fund may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the Funded Level as of June 30, 2043 is equal to or greater than the applicable Permanent Restoration Target, then the residual amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), shall be transferred from the Restoration Reserve Account and credited to the Pension Reserve Fund and the applicable incremental COLA payments shall be permanently restored for the applicable Waterfall Class and shall no longer be variable from year to year.

(5) *Modification of the Pension Restoration Program.*

If at any time after July 1, 2026, the Investment Committee by vote of five of its seven Members, or the Board of Trustees by a greater than 66% vote, determines that a change in relevant circumstances has occurred, or there was a mutual mistake of fact in developing the Pension Restoration Agreement attached to and made a part of the Plan of Adjustment, such that the continued operation of the Pension Restoration Agreement and this Section K-3 without amendment will: (a) materially harm the long-term economic interests of the City or Retirement System; (b) materially impair the City's ability to fully fund over a reasonable period the then existing frozen benefit liabilities; or (c) materially hinder the Restoration Program, if as of that juncture (and for purposes of applying this subsection K-3(5)(a)) annual funding levels (excluding the Extra Contribution Account) had materially exceeded the applicable Restoration Targets for a substantial period yet

without any material actual restoration of benefits as contemplated herein having been made, the Investment Committee or the Board, as the case may be, shall provide written notice to the other entity of such a determination and of the need to amend the Pension Restoration Agreement and this Section K-3 (it being understood that the post-Chapter 9, 40-year amortization period (to 2053) to fully fund frozen liabilities is, unless the relevant facts demonstrate otherwise, presumptively reasonable). The Investment Committee and the Board shall then meet to negotiate amendments to the Pension Restoration Agreement that address the identified risk of harm or impairment, but which also considers the Agreement's objective of providing pension restoration. Such negotiations shall take into account reasonable actions the City has pursued or could pursue to mitigate such harm or impairment. Any such amendments shall require the approval of a majority vote of the combined members of the Investment Committee and Board (persons who sit on both the Board and Investment Committee shall have one vote). Such parties shall consult with the Mayor, City Council and the Governor in connection with such negotiation.

If the Board, acting through a majority, and the Investment Committee, acting through a majority, cannot agree to such amendments within the 90-day period following the provision of such notice by the determining party, then the Board and Investment Committee shall proceed to mediation upon demand from either the Board or the Investment Committee. In this regard, within 30-days following expiration of the 90-day period the Board and the Investment Committee shall each select a mediator from the list of approved mediators for the United States District Court for the Eastern District of Michigan. The two selected mediators shall appoint a third neutral mediator from the approved list. Each party shall furnish a written statement to the mediators within 30 days of selection of the neutral mediator. Representatives of the Mayor and the Governor shall be consulted in connection with such mediations. If following a 90-day mediation period following submission of the written statements the matter is not settled, then either the Investment Committee or the Board can file an action in the United States District Court for the Eastern District of Michigan asking it to declare, *inter alia*, whether or in what manner to amend the Pension Restoration Agreement and this Section K-3.

## APPENDIX A

The following provisions shall also have general applicability to the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan:

### MCLS Const. Art. IX, § 24 (2003)

#### § 24. Public pension plans and retirement systems, obligation.

Sec. 24. The accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby.

Financial benefits arising on account of service rendered in each Fiscal Year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities.

**Relevant Provisions of  
January 1, 2012  
City of Detroit Charter**

**ARTICLE 11.  
RETIREMENT PLANS**

**Sec. 11-101. City's Duties.**

1. The City shall provide, by ordinance, for the establishment and maintenance of retirement plan coverage for city employees.
2. Financial benefits arising on account of service rendered in each Fiscal Year shall be funded during that year and that funding shall not be used for financing unfunded accrued liabilities.
3. The accrued financial benefits of active and retired city employees, being contractual obligations of the city, shall in no event be diminished or impaired.

**Sec. 11-102. Continuation of Existing Plans.**

The retirement plans of the city existing when this Charter takes effect, including the existing governing bodies for administering those plans, the benefit schedules for those plans and the terms for accruing rights to and receiving benefits under those plans shall, in all respects, continue in existence exactly as before unless changed by this Charter or an ordinance adopted in accordance with this article.

**Relevant Provisions of the  
Detroit City Code**

**Sec. 47-1-2. Detroit Police and Fire Retirement System.**

Notwithstanding any collective bargaining agreement or other documents governing terms of employment to the contrary, effective as of July 1, 2014, the Detroit Police and Fire Retirement System shall hereinafter be memorialized in a separate written document entitled “Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan,” which shall comprise the exclusive terms of the Detroit Police and Fire Retirement System and be kept in the Office of the City Clerk for the City of Detroit.

### **Collective Bargaining Agreements.**

Except to the extent otherwise provided in the Plan of Adjustment, under Michigan Law if there is any conflict between the Retirement System provisions and collective bargaining agreement provisions, the terms of the collective bargaining agreement control.

- (a) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the 2014-2019 collective bargaining agreement between the City of Detroit and the Detroit Police Officers Association with respect to police officers covered by said collective bargaining agreement.
- (b) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the 2014-2019 collective bargaining agreement between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association.
- (c) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the 2014-2019 collective bargaining agreement between the City of Detroit and the Detroit Police Command Officers Association.
- (d) The Board of Trustees shall administer the Retirement System consistent with the pension provisions of the 2014-2019 collective bargaining agreement between the City of Detroit and the Detroit Fire Fighters Association.



**EXHIBIT I.A.292**

RESTORATION TRUST AGREEMENT

## CITY OF DETROIT PENSION RESTORATION TRUST

THIS TRUST AGREEMENT, entered into effective \_\_\_\_\_, 2014, by and among, the City of Detroit ("Detroit" or the "City") acting by and through **[Kevyn Orr acting as the appointed Emergency Manager pursuant to PA 436, M.C.L. §141.1541 et seq./Mayor Michael E. Duggan]** and each member of the Board of Trustees named herein.

### WITNESSETH:

WHEREAS, Detroit filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 in the United States Bankruptcy Court for the United States Bankruptcy Court Eastern District of Michigan, Case No. 13-53846 (the "Court");

WHEREAS, pursuant to the Plan for the Adjustment of Debts of the City of Detroit (as confirmed by the Court, the "Plan of Adjustment"), the City agreed to establish a trust upon the Effective Date of the Plan of Adjustment (i) to hold the DWSD CVR (as defined in the Plan of Adjustment) and enforce rights related to its terms, and to consult with the trustees and investment committee of the Police and Fire Retirement System for the City of Detroit ("PFRS") and the General Retirement System for the City of Detroit ("GRS"), respectively in connection with General Restoration and Special Restoration relating to the DWSD CVR, each as defined below;

WHEREAS, Detroit hereby establishes this City of Detroit Pension Restoration Trust (the "Trust");

WHEREAS, the Board of Trustees shall be responsible for maintaining and administering this Trust and managing the property held by this Trust;

WHEREAS, the members of the Board of Trustees are willing to exercise the authority and rights of consultation granted to it herein with regard to the Trust; and

NOW THEREFORE, in consideration of the premises and the covenants contained herein, Detroit and the members of the Board of Trustees agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1 Board of Trustees or Board. The Board of Trustees is the body described in Article VII to which Detroit has delegated responsibility for: (i) maintaining and administering this Trust and managing the property held by this Trust; and (ii) exercising the duties and responsibilities of the Board of Trustees set forth in this Trust Agreement. The Board of Trustees shall be constituted in accordance with Article VII and shall have the duties and authorities described in Article V.

Section 1.2 Code. Means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.3 Beneficiaries. Means the beneficiaries of this Trust, which beneficiaries shall be the GRS, the PFRS and the participants in GRS and PFRS entitled to the benefits of the Restoration Plan.

Section 1.4 DWSD CVR. Has the meaning given to that term in the Plan of Adjustment.

Section 1.5 General Restoration. Means the potential restoration or replacement of benefit reductions imposed by the Plan of Adjustment pursuant to the terms of the Restoration Plan.

Section 1.6 GRS. Means the General Retirement System for the City of Detroit.

Section 1.7 Holder of Pension Claims. Has the meaning given to that term in the Plan of Adjustment.

Section 1.8 Plan of Adjustment. Means the Plan for the Adjustment of Debts of the City of Detroit, as confirmed by order of the Court dated [---], a copy of which is attached hereto as Exhibit A.

Section 1.9 PFRS. Means the Police and Fire Retirement System for the City of Detroit.

Section 1.10 Qualifying DWSD Transaction. Has the meaning given to that term in the Plan of Adjustment.

Section 1.11 Restoration Plan. Means the general rules governing pension benefit restoration to the PFRS and the GRS as set forth in Exhibit II.B.3.q.ii.C and Exhibit II.B.3.r.ii.C of the Plan of Adjustment. A copy of the Restoration Plan is attached hereto as Exhibit B.

Section 1.12 Retiree Committee. Has the meaning given to that term in the Plan of Adjustment.

Section 1.13 Special Restoration. Means the potential restoration or replacement of benefit reductions imposed by the Plan of Adjustment in connection with a Qualifying DWSD Transaction, as described in Section IV.F of the Plan of Adjustment.

Section 1.14 Trust Agreement. This agreement as it may be amended hereafter from time to time by the parties hereto.

Section 1.15 Trust or Trust Fund. The City of Detroit Pension Restoration Trust established by this Trust Agreement, comprising all property or interests in property held by, or under the custody and control of, the Board from time to time under this Trust Agreement.

## ARTICLE II ESTABLISHMENT OF TRUST

Section 2.1 Purpose. The Trust is established to receive and hold the DWSD CVR and enforce rights related to its terms, and to consult with the trustees and investment committee of the PFRS and the GRS, respectively in connection with General Restoration and Special Restoration relating to the DWSD CVR.

Section 2.2 Receipt of Funds. The Board shall accept all sums of money and other property contributed to the Trust by Detroit pursuant to Article III. The Board shall hold, manage and administer the Trust Fund without distinction between principal and income.

Section 2.3 Inurement and Reversion Prohibited. At no time shall any part of the principal or income of the Trust Fund be used for, or diverted to, any purpose other than distributing proceeds from the DWSD CVR in the manner described by Section IV.F of the Plan of Adjustment. Nothing in this Trust Agreement shall be construed in such a way as to prohibit the Board from using the assets of the Trust Fund to pay reasonable fees and other expenses and obligations incurred in maintaining and administering the Trust or to maintain a reserve of funds needed to pay reasonable fees and expenses expected to be incurred in the future.

Section 2.4 No Residual Interest. Detroit shall not have any legal or equitable interest in the assets of the Trust Fund at any time, including following the termination of the Trust.

## ARTICLE III CONTRIBUTIONS TO THE TRUST FUND

Section 3.1 Detroit Contributions. The Board will accept the City's contribution of the DWSD CVR to the Trust Fund pursuant to the Plan of Adjustment. Apart from the contribution of the DWSD CVR (and any amounts payable to the Trust Fund pursuant to the terms of the DWSD CVR), Detroit shall have no further obligation to contribute to the Trust.

## ARTICLE IV PAYMENTS FROM THE TRUST FUND

Section 4.1 Payments from the Trust Fund.

(a) Subject to paragraph (b) below, the Board shall within a reasonable time after receiving proceeds from the DWSD CVR distribute such proceeds (less the amount retained by the Trust Fund in the sole discretion of the Board to pay reasonable fees and expenses previously incurred or expected to be incurred to maintain and administer the Trust) directly to the GRS and PFRS in the manner described in Section IV.F of the Plan of Adjustment.

(b) The Board may retain or withhold all or any part of any payment as the Board in the exercise of its reasonable discretion may deem proper, to protect the Board and the Trust against any liability or claim on account of any income or other tax whatsoever; and with all or any part of any such payment so retained or withheld, may discharge any such liability. Any part of any such payment so retained or withheld by the Board that may be determined by

the Board to be in excess of any such liability will upon such determination by the Board be paid to the GRS and PFRS in the manner described in Section IV.F of the Plan of Adjustment.

Section 4.2 Excessive Payments. If the payment of any distributions under the Trust is determined to have been excessive or improper, and the recipient thereof fails to make repayment to the Board or Board's agent of such excessive or improper payment upon the Board's request, the Board shall deduct the amount of such excessive or improper payment from any other benefits thereafter payable to such person. Until repaid to the Board or Board's agent, the amount of said excessive or improper payment shall not be included in the Trust Fund.

## **ARTICLE V BOARD POWERS AND DUTIES**

Section 5.1 Powers of the Board Generally. The Board has whatever lawful powers are required to discharge its obligations and to accomplish any of the purposes of this Trust Agreement, including (but not limited to) the powers specified in the following Sections of this Article, and the powers and authority granted to the Board under other provisions of this Trust Agreement. The enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Board.

Section 5.2 Powers Exercisable by the Board. The Board is authorized and empowered to exercise the following powers at its discretion in satisfaction of the duties imposed on it under this Trust Agreement:

(a) To place securities orders, settle securities trades, hold securities in custody, deposit securities with custodians or securities clearing corporations or depositories or similar organizations, and other related activities as shall be necessary and appropriate in performing its duties under this Trust Agreement. Trades and related activities conducted through a broker shall be subject to reasonable fees and commissions established by the broker, which may be paid from the Trust Fund or netted from the proceeds of trades.

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(c) To cause any investment in the Trust Fund to be registered in, or transferred into, the name of any institutional custodian appointed by the Board, or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Board shall at all times show that all such investments are part of the Trust Fund, and the Board shall be fully responsible for any misappropriation in respect of any investment held by its nominee or held in unregistered form; and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States;

(d) To receive, hold, invest and reinvest Trust Fund assets and income under provisions of law from time to time existing and in accordance with Article V;

(e) To exercise or abstain from exercising any option, privilege or right attaching to any Trust Fund assets;

(f) To make payments from the Trust Fund in accordance with Article IV and for the payment of expenses as provided in Section 5.5;

(g) To employ suitable agents and depositaries (domestic or foreign), public accountants, brokers, custodians, ancillary trustees, appraisers, legal counsel and other expert advisors as shall be necessary and appropriate, and to pay their reasonable expenses and compensation;

(h) To pay any income or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on income of the Trust, if any, out of the Trust Fund;

(i) To file all reports and returns that are required to be made with respect to the Trust:

(j) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund; and

(k) To accept, compromise or otherwise settle any obligations or liability due to or from the Trust as the Board hereunder, including any claim that may be asserted for taxes, assessments or penalties under present or future laws, or to enforce or contest the same by appropriate legal proceedings.

Notwithstanding the foregoing, the Board shall not (i) assign, transfer, convey or sell its interest in the DWSD CVR except for an assignment due to the appointment of successors to members of the Board in accordance with Section 7.2; and (ii) invest any assets in real estate or real estate securities

Section 5.3 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Board.

Section 5.4 General Duties and Obligations of Board.

(a) In accordance with Article II but subject to Section 4.1, the Board shall hold all property received by it and any income and gains thereupon. In accordance with this Article, the Board shall manage, invest and reinvest the Trust Fund, shall collect the income therefrom, and shall make payments or disbursements in accordance with Section 4.1.

(b) The Board shall confer with the trustees and investment committee of the GRS and PFRS, respectively, with respect to the Special Restoration and General Restoration; provided, however, that the Board shall not have any right to initiate any enforcement

proceedings against the trustees or investment committee of either GRS or PFRS with respect to Special Restoration or General Restoration.

(c) The Board shall discharge its duties in the interests of the Beneficiaries and for the exclusive purpose of making distributions to the GRS and PFRS as provided in Section 4.1 and defraying reasonable expenses of administering the Trust and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims.

Section 5.5 Payment of Expenses. The Board shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses) reasonably incurred by the Board in connection with maintaining and administering the Trust, including attendance at meetings related thereto. The expenses of the Board shall constitute a lien on the Trust Fund.

Section 5.6 No Board Compensation. Except as provided in Section 5.5, the members of the Board shall serve without compensation.

## **ARTICLE VI BOARD ACCOUNTS**

Section 6.1 Records. The Board shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to the Trust, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by interested persons at the principal office of the Trust.

Section 6.2 Annual Audit. The Trust Fund shall be audited annually by an independent firm of certified public accountants, and a statement of the results of such audit shall be provided to the Board and also made available for inspection by interested persons at the principal office of the Trust.

Section 6.3 No Interest by Beneficiaries. In no event shall any Beneficiary have any interest in any specific asset of the Trust Fund. At no time shall any account or separate fund be considered a savings account or investment or asset of any particular Beneficiary, or class of Beneficiaries, and no Beneficiary shall have any right to any particular asset which the Board may have allocated to any account or separate fund for accounting purposes.

Section 6.4 Accounting Year, Cash Basis. The accounting year of the Trust shall be the calendar year. All accounts of the Board shall be kept on a cash basis.



## ARTICLE VII COMPOSITION OF AND PROCEDURES FOR THE BOARD OF TRUSTEES

Section 7.1 Number and Appointment of Members. The Board of Trustees shall consist of five (5) voting members. The Retiree Committee has selected the following initial members of the Board of Trustees:[\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.]

By execution of this Trust Agreement each Board member hereby acknowledges his or her appointment and acceptance of the duties and responsibilities set forth in this Trust Agreement.

Section 7.2 Term of Office. Each member of the Board shall serve a period of four years until the termination of the Trust, or if earlier, until his or her death, incapacity to serve hereunder, or resignation. In the event of a vacancy, the replacement Board member shall be appointed pursuant to procedures established by the Board.

Section 7.3 Resignation. A Board member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least ninety (90) days' advance written notice to the remaining Board Members stating a date when such resignation shall take effect, which notice or time period may be waived by the Board.

Section 7.4 Operation of the Board; Quorum. The Board shall select from among its members a chair and a vice chair. The Board shall hold regular meetings, and shall designate the time and place thereof in advance. The Board shall adopt its own rules of procedure and shall keep a record of proceedings. Each Board Member shall be entitled to one vote on each question before the Board. Three (3) members shall constitute a quorum at any meeting. A majority vote of the members present at a meeting of the Board at which a quorum exists shall be necessary for a decision by the Board.

Section 7.5 Reliance on Written Instruments. Each member of the Board shall be fully protected in acting upon any instrument, certificate or paper believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 7.6 No Individual Liability on Contracts. The members of the Board shall not be liable personally for any debts, obligations, or undertakings contracted by them, or for the breach of any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that the Board shall not be exempt from personal liability for willful misconduct, intentional wrongdoing, breach of applicable fiduciary duty, negligence or fraud, and the Trust shall not indemnify the Board for such liabilities, or to the extent that application of this sentence would violate any law.

Section 7.7 City Not Liable for Conduct of Board. The Board is not, in its capacity as the Board of Trustees, an officer, agent, employee, or representative of Detroit. In its capacity as the Board of Trustees, the Board is a principal acting independently of the City, which shall not be liable for any act, omission, contract, obligation, or undertaking of the Trust, the Board or its officers, agents, or representatives.

Section 7.8 Liability Insurance. The Board may obtain and keep current a policy or policies of insurance, insuring the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under this Trust Agreement or the Plan. To the extent permitted by applicable law, the premiums on such policies may be paid from the Trust Fund.

Section 7.9 Reimbursement for Defense of Claims. To the extent permitted by applicable law and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Board, employees of the Board and persons acting on the Board's behalf pursuant to an express written delegation (each separately, the "Indemnified Party") shall be reimbursed by the Trust Fund for reasonable expenses, including without limitation attorneys fees, incurred in defense of any claim that seeks a recovery of any loss to the Plan or Trust Fund or for any damages suffered by any party to, or beneficiary of this Trust Agreement (a) for which the Indemnified Party is adjudged not liable, or (b) which is dismissed or compromised in a final settlement, where the Board or, where required by applicable law, an independent fiduciary determines that the settling Indemnified Party was not primarily responsible (in such cases, all or only a portion of the settling Indemnified Party's reasonable expenses may be reimbursed, as directed by the Board or an independent fiduciary), provided that, the Board shall have the right to approve of the retention of any counsel whose fees would be reimbursed by the Trust Fund, but such approval shall not be withheld unreasonably.

## **ARTICLE VIII AMENDMENT, TERMINATION AND MERGER**

Section 8.1 Duration of the Trust. Unless terminated earlier pursuant to Section 8.3, this Trust Agreement shall terminate automatically on the earlier of: (a) the eighth anniversary of the Effective Date of the Plan of Adjustment if the City and the Board shall have agreed in writing that no Qualifying DWSD Transaction has occurred; or (b) the later of (i) written notice from GRS and PFRS of the death of the last individual who was a participant in such pension plans on the Effective Date of the Plan of Adjustment or (ii) the 90th anniversary of the effective date of this Trust Agreement.

Section 8.2 Amendment. The Trust Agreement may be amended at any time in writing by the Board or by Court order upon proper motion by the Board or the City, provided, however, that no amendment may impose a contribution obligation on the City beyond that specified in Section 3.1. No amendment to the Trust Agreement shall modify the responsibilities of the Board hereunder unless the Board has first consented to such amendment.

### Section 8.3 Termination.

(a) Notwithstanding Section 8.1, the Trust and this Trust Agreement may be terminated at any time in writing by the Board with a copy of such written instrument to be provided to the City, or by Court order upon proper motion. Upon termination of this Trust Agreement, the assets of the Trust Fund, if any, shall be paid out at the direction of the Board to the GRS and PFRS as provided in Section IV.F of the Plan of Adjustment. Neither Detroit nor the Board shall have any beneficial interest in the Trust Fund. If the Trust Fund has assets at the time of its termination, it shall remain in existence only until all such assets have been distributed.

(b) Upon termination of the Trust pursuant to Section 8.1 or 8.3, the Board shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

## ARTICLE IX MISCELLANEOUS

Section 9.1 Rights in Trust Fund. No Beneficiary or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right against the Board, the Board, or Detroit, except as may be otherwise expressly provided in this Trust Agreement.

Section 9.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Beneficiary to any future distributions under the provisions of the GRS or PFRS shall not be subject to attachment or garnishment or other legal process by any creditor of any such Beneficiary, nor shall any such Beneficiary have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingent or otherwise, under GRS or PFRS.

Section 9.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 9.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.

Section 9.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 9.6 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of receipt if served personally or by confirmed facsimile or other similar confirmed electronic communication; (b) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (c) on the fourth business

day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the City:

**[insert name and address]**

If to the Board:

**[insert name and address]**

IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

**CITY OF DETROIT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**MEMBERS OF THE BOARD OF TRUSTEES**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,  
Signature \_\_\_\_\_  
Printed name \_\_\_\_\_

Notary public, State of Michigan, County of  
My commission expires \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,  
Signature \_\_\_\_\_  
Printed name \_\_\_\_\_

Notary public, State of Michigan, County of  
My commission expires \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,  
Signature \_\_\_\_\_  
Printed name \_\_\_\_\_

Notary public, State of Michigan, County of  
My commission expires \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,

Signature \_\_\_\_\_

Printed name \_\_\_\_\_

Notary public, State of Michigan, County of \_\_\_\_\_

My commission expires \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Acknowledged by me on the \_\_\_\_\_ day of \_\_\_\_\_,

Signature \_\_\_\_\_

Printed name \_\_\_\_\_

Notary public, State of Michigan, County of \_\_\_\_\_

My commission expires \_\_\_\_\_

**EXHIBIT A**  
**PLAN OF ADJUSTMENT**



**EXHIBIT B**  
**RESTORATION PLAN**

**EXHIBIT C**  
**CONFIRMATION ORDER**

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**EXHIBIT I.A.298**

RETIREE HEALTH CARE SETTLEMENT AGREEMENT

## SETTLEMENT AGREEMENT

Plaintiffs, the Official Committee of Retirees of the City of Detroit, Michigan (the “Committee”), Detroit Retired City Employees Association, Retired Detroit Police and Fire Fighters Association, and AFSCME Sub-Chapter 98, City of Detroit Retirees (collectively with the Committee, the “Plaintiffs”) and Defendants, the City of Detroit, Michigan (the “City”) and Kevyn Orr, individually and in his official capacity as Emergency Manager of the City of Detroit, Michigan (collectively with the City, the “Defendants”), hereby enter into this Settlement Agreement as of the 14<sup>th</sup> day of February, 2014 (the “Agreement”), which contains the following terms:

### I. GENERAL PROVISIONS

1. **Agreement Modifies March 1, 2014 Plan.** The City agrees to make the changes listed in Part II herein to the City of Detroit Retiree Health Care Plan for the period March 1, 2014 through December 31, 2014. The changes enumerated in Part II are modifications to the City of Detroit Retiree Health Care Plan described in the 2014 Health Care Plan Options Booklet (“Booklet”) distributed approximately January 2, 2014. These modifications are premised on the terms summarized in the Booklet going into effect on March 1, 2014, subject only to the modifications set forth in this Agreement, which resolves the Plaintiffs’ claims in Adversary Proceeding No. 14-04015 (the “Adversary Proceeding”).

2. **Modifications Will Not Decrease Benefits Offered in March 1, 2014 Plan.** None of the modifications in Part II reduces or eliminates any of the benefits in the City of Detroit Retiree Health Care Plan for the period March 1, 2014 through December 31, 2014 as described in the Booklet, except as specified in Part II(4)(a) and (b) below.

3. **Effective Date of Plan Modifications.** The modifications listed in Part II of this Agreement shall be effective with the beginning of the plan on March 1, 2014 unless otherwise noted in the Agreement.

4. **Aggregate Caps.** Unless specifically noted below, there is no cap on the amount that the City will spend to fulfill the modifications listed in Part II. For the two modifications listed in Part II(3)(a)/(b) and (d)/(e) that expressly include capped funds of \$2,500,000 and \$3,000,000, respectively, the City shall aggregate those caps to a total of \$5,500,000 such that if one capped fund is exhausted the City must draw from the other capped fund to the extent that the other capped fund has not been exhausted.

5. **Conditions on Agreement.** This Agreement, and the additional benefits set forth herein, are conditioned upon the City receiving debtor in possession financing that can be used for quality of life purposes on or before May 1, 2014 (the “DIP”). In the event the DIP is not in effect on or before May 1, 2014 and the City is unable to otherwise perform under this

Agreement, this Agreement shall be null and void and the parties shall be returned to their respective positions.

## **II. MODIFICATIONS TO THE CITY'S RETIREE HEALTH CARE PLAN FOR THE PERIOD MARCH 1, 2014 THROUGH DECEMBER 31, 2014**

### **1. Modification of Dental and Vision Coverage.**

- (a) **Dental Coverage.** The City will make available an additional dental benefits option in addition to the dental benefits coverage option described in the Booklet. The additional option will be offered by Golden Dental Inc. ("Golden"). The premium charged for this group coverage option will be no greater than \$23.73 per month for single coverage, \$38.83 per month for two-person coverage, and \$57.17 per month for family coverage, and the benefits will be as described in Exhibit 1 hereto; provided, however, that the amount charged to the retiree shall be increased to include an additional administrative charge, which administrative charge shall not exceed 20% of the applicable premium. The enrolling retiree will be fully responsible to pay the premium associated with this dental option, including the additional administrative charge, and the City shall allow the retirees to utilize the pension reduction feature for payment of the monthly premium. The City will use Reasonable Efforts to have such coverage effective June 1, 2014, including taking Reasonable Efforts to notify retirees by mail of this option as soon as practicable, and taking Reasonable Efforts to minimize the administrative charge. Reasonable Efforts, as used in this Agreement, requires the City to use good faith and reasonable diligence in light of its capabilities.
- (b) **Vision Coverage.** The City will make available an additional vision benefits option in addition to the vision benefits coverage option described in the Booklet. The additional option will be offered by Heritage Vision Plans, Inc. ("Heritage"). The premium for this group coverage option will be no greater than \$6.95 per month for single coverage and \$13.75 per month for 2 or more person coverage; provided, however, that the amount charged to the retiree shall be increased to include an additional administrative charge, which administrative charge shall not exceed 20% of the applicable premium. The option shall be a national network vision option similar to the option that the City provides to active employees. The enrolling retiree will be fully responsible to pay the premium associated with this vision option, including the additional administrative charge, and the City shall allow the retirees to utilize the pension reduction feature for payment of the monthly premium. The City will use Reasonable Efforts to have such coverage effective June 1, 2014, including taking Reasonable Efforts to notify retirees by mail of this option as soon as practicable, and taking Reasonable Efforts to minimize the administrative charge.

### **2. Modifications for Retirees Eligible for Medicare.**

- (a) **Extension of Enrollment Deadline to Opt Out of Medicare Advantage Plan Coverage.** For retirees of the City who are enrolled in Medicare and receive

coverage under a City-sponsored Medicare Advantage Plan through February 28, 2014, the date to opt out of such coverage was extended to February 7, 2014. Such retirees may opt out by hand delivery (no later than close of business February 7) or first-class mail delivery (post-marked on or before February 7) of the designated opt out form to the City Benefits Administration Office at Suite 1026, 2 Woodward Avenue, Detroit MI 48226. Retirees were permitted to request the designated opt out form by calling the City's Benefit Administration Customer Service Line or contacting the City Benefits Administration Office at the address above. The City will use Reasonable Efforts to process any such opt outs for which it receives timely notice in a manner so as to eliminate such Medicare Advantage Plan coverage effective March 1, 2014. To the extent the City is not able to process the timely sent opt out notices in a manner so as to eliminate such coverage effective March 1, 2014, such coverage shall be eliminated effective April 1, 2014. Retirees who did not opt out by February 7, 2014 will be enrolled in a City-sponsored Medicare Advantage Plan as described in the Booklet.

- (b) **HRA Contribution for Medicare-Eligible Retirees Who Opt Out.** For each Medicare-eligible retiree who opted out of coverage under the City-sponsored Medicare Advantage Plans on or prior to February 7, 2014, the City shall automatically enroll such retiree in a City-sponsored Health Reimbursement Arrangement ("HRA"). The HRA shall be administered by Flex Plan, Inc. The City will provide each electing enrollee with a vested \$115 monthly contribution credit to his or her HRA during the remainder of 2014, which will carry forward until used by the retiree or otherwise forfeited under terms to be negotiated by the parties hereto. The City will make all Reasonable Efforts to implement the HRA credits effective May 1, 2014, retroactive to March 1, 2014. The initial monthly credit for May 2014 shall be in an amount equal to the total of \$115 multiplied by the number of months starting March 2014 for which the enrolled retiree did not have Medicare Advantage Plan coverage (e.g., if John Smith had City-sponsored Medicare Advantage Plan coverage until February 28, 2014, the initial monthly credit for May 2014 will be \$345, covering March, April, and May; thereafter, the payments shall be \$115 per month for each month in 2014).
- (c) **Medicare Advantage Plan Catastrophic Drug Expenses.** Each of the Medicare Advantage Plans sponsored by the City for the period March 1, 2014 through December 31, 2014 include Medicare Part D prescription drug coverage, under which, once the \$4,550 out-of-pocket threshold is met, the participant's cost sharing obligation is limited to the greater of 5% of the cost of the prescription, or \$2.55 per prescription for generic and preferred multi-source drugs or \$6.35 per prescription for all other prescription drugs; provided, that the participant's cost sharing obligation shall never be greater than the cost sharing that applied prior to the participant meeting such threshold. For each participant who meets the \$4,550 out-of-pocket threshold while enrolled in one of the City's Medicare Advantage Plans during the period March 1, 2014 through December 31, 2014, the City will reimburse the amount of this cost sharing obligation to the related

retiree. For the avoidance of doubt, participant means both retiree and any retiree's spouse who is covered by the City's Medicare Advantage Plans.

**3. Modifications for Retirees Not Eligible for Medicare.**

- (a) **Additional Stipend to Retirees With \$75,000 or Lower Household Income Who Acquire Health Care Coverage on an Exchange.** The City will provide non-duty disabled retirees who are not eligible for Medicare a \$125 stipend that they may use to purchase health care coverage. The City will increase this stipend by \$50 for any non-Medicare eligible retiree who either (i) was enrolled in the City's retiree health program on December 31, 2013 or (ii) transitioned from active City benefits to retiree City benefits on or after November 1, 2013; but only to the extent such retiree described in (i) or (ii) above meets the following requirements:

- i) Not eligible for Medicare or Medicaid;
- ii) Not eligible for a benefit under Part II(4);
- iii) Not a duty-disabled retiree (duty-disabled retirees are eligible for higher stipends as provided for in the Booklet);
- iv) Under 65 years old (non-Medicare eligible retirees age 65 and older may receive an increased stipend under Part II(3)(c) below);
- v) Household income is \$75,000 or less, as demonstrated by satisfaction of the process set forth in Part II(3)(b);
- vi) Does not acquire a City-offered group health plan as set forth in Part II(3)(f); and
- vii) Purchases or is covered by a health insurance policy acquired through a health insurance exchange ("Exchange") established pursuant to the Patient Protection and Affordable Care Act.

**(b) Process to Obtain Additional \$50 Monthly Stipend.**

- i) The City will retain Aon Hewitt to administer the eligibility process for the additional \$50 monthly stipend set forth above in Part II(3)(a). Retirees will be given a 30-day notice period, to expire no later than April 30, 2014, during which they shall provide to Aon Hewitt the following:
  - (1) Submission of having purchased an insurance policy through an Exchange that covers such retiree. Such submission shall include information necessary to validate the retiree's eligibility, including the name of the insurer, monthly premium amount, and the amount of federal



subsidy, if any, that the retiree is to receive in connection with such Exchange-acquired coverage; and

- (2) If the proof of Exchange-acquired coverage shows that the retiree's premium does not also include a federal subsidy amount, such retiree shall also submit a copy of his or her most recently filed federal income tax return with proof of filing, but in no event a return prior to the 2011 tax year. If such federal income tax return shows household income in excess of \$75,000 and the retiree believes that household income in 2013 was below \$75,000, the retiree shall also submit – along with a copy of the most recently filed federal income tax return – proof sufficient for Aon Hewitt to conclude that his or her household income in 2013 was less than \$75,000.
- ii) Aon Hewitt shall submit to the City its list of retirees eligible for the additional \$50 monthly stipend and the monthly stipends shall be paid to the approved eligible retirees beginning in the month of June 2014 or as soon thereafter as administratively practical, with payments retroactive to March 1, 2014. For example, if the first payment is made in June 2014, it will be in the amount of \$200 for the months of March, April, May, and June; thereafter, the payments shall be \$50 per month for each succeeding month in 2014. The list provided by Aon Hewitt shall be final and no changes shall be made to such list for the remainder of 2014.

*The City shall cap the amount that it pays for this additional \$50 stipend during the period from March through December 2014 at \$3,000,000. In the event that there are more retirees meeting the requirements in Part II(3)(a) and (b) (i.e., retirees listed on the final list) than can be paid in full for \$3,000,000, each retiree will have his or her stipend amount reduced pro rata, unless there are additional funds that can be used as detailed in Part I(4).*

- (c) **Additional Payment to Non-Medicare Eligible Retirees Age 65 and Older.**  
The City will increase the stipend that it gives non-Medicare eligible retirees who are 65-years-old and older to \$300/month. For such purposes, a non-Medicare eligible retiree is any retiree age 65 or older who is not – directly or through his or her spouse – eligible to automatically enroll in and obtain premium-free coverage under Part A of Medicare as evidenced by a denial letter from the Centers for Medicare and Medicaid Services (“CMS”). Retirees who have previously submitted such a letter to the City will not be required to resubmit it. Non-Medicare eligible retirees who are duty-disabled will not be eligible for this increase because their stipend is already \$300 or more. The City will coordinate with Blue Cross Blue Shield of Michigan to determine the number of non-Medicare eligible retirees who are eligible for this \$300 stipend. The increased stipend will apply for each month from March 2014 through December 2014. The City will make all Reasonable Efforts to implement the \$300 increased

monthly stipend beginning April 1, 2014, with payment of the increased amount over the stipend otherwise paid for prior months being retroactive to March 1, 2014; thereafter, the stipend shall be \$300 per month for each succeeding month in 2014. Such eligible retirees will not receive any other stipend amounts from the City that are described in the Booklet or this Agreement.

(d) **\$125 Monthly Stipend For City Retirees' Spouses Who are Under Age 65, With \$75,000 or Lower Household Income, and Are Enrolled in Health Care Coverage on an Exchange.**

The City will provide a \$125 stipend to certain married retirees whose spouses either (i) were enrolled in the City's retiree health program on December 31, 2013 or (ii) transitioned from active City benefits to retiree City benefits on or after November 1, 2013; but only to the extent such spouse described in (i) or (ii) above meets the following requirements:

- i) Not eligible to enroll in one of the City's Medicare Advantage Plans;
- ii) Not eligible for Medicaid;
- iii) Not eligible for a benefit under Part II(4);
- iv) Under 65 years old;
- v) Household income is \$75,000 or less, as demonstrated by satisfaction of the process set forth in Part II(3)(e);
- vi) Does not acquire a City-offered group health plan as set forth in Part II(3)(f); and
- vii) Purchases or is covered by a health insurance policy acquired through an Exchange.

(e) **Process to Obtain \$125 Monthly Spouse Stipend.**

- i) The City will retain Aon Hewitt to administer the eligibility process for the \$125 monthly spouse stipend. Retirees will be given a 30-day notice period, to expire no later than April 30, 2014, during which they shall provide to Aon Hewitt the following proof:
  - (1) Submission of proof that their spouse is covered under an insurance policy purchased through an Exchange, including information necessary to validate the retirees' eligibility, including the name of the insurer, monthly premium amount, and the amount of federal subsidy, if any, that the spouse is to receive in connection with such Exchange-acquired coverage; and
  - (2) If the proof of Exchange-acquired coverage shows that the spouse's premium does not also include a federal subsidy

amount, such retiree shall also submit a copy of his or her most recently filed federal income tax return with proof of filing, but in no event a return prior to the 2011 tax year. If such federal income tax return shows household income in excess of \$75,000 and the retiree believes that household income in 2013 was below \$75,000, the retiree shall also submit – along with a copy of the most recently filed federal income tax return – proof sufficient for Aon Hewitt to conclude that his or her household income in 2013 was less than \$75,000.

- ii) Aon Hewitt shall submit to the City its list of retirees who are eligible for this \$125 monthly stipend and the monthly stipends shall be paid to the approved married retirees beginning in the month of June 2014 or as soon thereafter as administratively practical, with payments retroactive to March 1, 2014. For example, if the first payment is made in June 2014, it will be in the amount of \$500 for the months of March, April, May, and June; thereafter, the payments shall be \$125 per month for each succeeding month in 2014. The list provided by Aon Hewitt shall be final and no changes shall be made to such list for the remainder of 2014, except as follows:

- (1) if an eligible retiree ceases to be married (whether by death or divorce), the retiree's spouse will cease to be eligible for this stipend and the retiree shall be removed from the list effective as of the month immediately following such event; and
- (2) if a retiree's spouse transitions from active City benefits to retiree City benefits during 2014 and meets the eligibility provisions described in Part II(3)(d) and is approved as eligible pursuant to the process described in Part II(3)(e), the related retiree shall be added to the list effective as of the month in which the transition to retiree City benefits occurs, provided there is sufficient availability under the Aggregate Caps as described below.

*The City will cap the amount that it pays for spousal stipends at \$2,500,000.* In the event that there are more retirees initially satisfying the requirements in Part II(3)(e) (*i.e.*, retirees listed on the first list submitted by Aon Hewitt to the City) than can be paid in full for \$2,500,000, each such retiree will have his or her stipend amount reduced pro rata, provided that if there are additional funds that can be used as detailed in Part I(4), each such retiree will only have his or her stipend amount reduced pro rata to the extent the aggregate amount is not sufficient to satisfy the full amount of such stipends. Retirees who become eligible for this spousal stipend during the year, as described above, shall only be eligible for a stipend to the extent there is sufficient availability under the

Aggregate Caps detailed in Part I(4). The addition or removal of retirees from the list shall not impact the amount of the stipend being paid to other eligible retirees.

- (f) **City Group Plan.** In 2014, the City agrees to contract with Blue Cross Blue Shield of Michigan to offer a fully-insured group health plan option to retirees who are not eligible for Medicare. Such plan option shall be reasonably equivalent to the coverage offered by the City to active employees in 2014. The enrolling retiree will be fully responsible to pay the monthly premium associated with this option. The premium cost to retirees of such policy will include the cost to the City of enrollment and administration related to this policy option, so that the City will not incur any additional expense in offering this policy. The parties will use Reasonable Efforts to have such coverage effective May 1, 2014. The City shall provide a monthly stipend of \$100 to each retiree who enrolls in the City group plan, beginning with the May 1, 2014 payment. No other stipend amounts from the City that are described in the Booklet or this Agreement shall be available to retirees enrolling in this group option, unless either (i) the retiree is duty-disabled, in which case, he or she will instead receive the stipend available to duty-disabled retirees described in the Booklet, or (ii) the retiree is eligible for the stipend described in Part II(3)I, in which case, he or she will instead receive such stipend.

**4. Modifications for Retirees Below the Federal Poverty Level.**

- (a) **Coverage for Michigan Resident Retirees Eligible For Medicaid Coverage On or After April 1, 2014.** The parties recognize that CMS has approved the State of Michigan's request to operate the "Healthy Michigan" program for adults who will become eligible for Medicaid under Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, and that on April 1, 2014 Michigan will provide Medicaid coverage to all adults residing in the State with income up to and including 133% of the Federal Poverty Level. "Federal Poverty Level" means the applicable poverty guideline based on state of residence and household size issued annually by the U.S. Department of Health and Human Services. For those retirees who are eligible for Medicaid under the scheduled April 1, 2014 expansion, the City will facilitate their transition in the following manner: Within 10 days of the effective date of this Agreement, the City shall contact by letter those non-Medicare eligible retirees, who, according to the Retirement Systems' records, reside in Michigan and whose annual pension income is in an amount less than 100% of the Federal Poverty Level. Such retirees will be given a 30 day opportunity to submit to Aon Hewitt proof that their income falls below the Federal Poverty Level. Upon receipt by Aon Hewitt of a list of such retirees falling below the Federal Poverty Level, the City shall provide payment to such retirees of the amount equal to the value of the federal subsidy for the month of March that they would have received in connection with the second lowest cost Exchange-purchased silver plan, had such retiree, and to the extent the retiree is married, such retiree's spouse, been eligible for such subsidy for the month of March 2014 for such plan based on a determination of household income at 100% of the Federal Poverty Level. A similar payment will be made by the City in

connection with insurance coverage for April 2014 if such retiree and spouse are not covered by Medicaid. To the extent that the Medicaid expansion rules in Michigan have not provided such retirees the opportunity to migrate into the Michigan Medicaid program by May 1, 2014, the City shall cease its continued payment but the parties agree to negotiate in good faith an additional reasonable accommodation to such retirees that balances the City's and such retirees' interests. *Retirees eligible for payments under this subsection are not eligible for any other payment offered by the City as set forth in the Booklet or as set forth in this Agreement.*

- (b) **Coverage for Non-Medicare Eligible Retirees in States that Have Not Expanded Medicaid.** The City recognizes that not all States have chosen to expand Medicaid coverage in accordance with Title II of the Patient Protection and Affordable Care Act, and certain non-Medicare eligible retirees residing outside the State of Michigan whose incomes fall below 133% of the Federal Poverty Level will not be eligible for Medicaid coverage. Accordingly, in connection with such retirees, the City will pay a monthly amount equal to the lesser of: (1) the second lowest cost monthly premium for a silver plan for such retiree and spouse purchased through an Exchange in their place of residence; or (2) the ratable monthly amount necessary to increase the retiree's annual household income to 100% of the Federal Poverty Level. Within 10 days of the effective date of this Agreement, the City shall contact by letter those retirees, who, according to the Retirement Systems' records, reside in states that do not provide Medicaid coverage to adults up to the Federal Poverty Level, and whose annual pension income is in an amount less than 100% of the Federal Poverty Level. Such retirees will be given a 30 day opportunity to submit to Aon Hewitt proof that their income falls below the Federal Poverty Level. The City shall commence such payments as soon as reasonably practicable after receiving a list of such retirees from Aon Hewitt. *Retirees eligible for payments under this subsection are not eligible for any other payment offered by the City as set forth in the Booklet or as set forth in this Agreement.*

### III. RELEASES, FUTURE LEGAL PROCEEDINGS, AND MISCELLANEOUS

1. **Future Claims in City Plan Confirmation Proceedings.** This Agreement is entered into without prejudice to any party to this litigation with respect to any issue involving the rights, claims, obligations, and payments of health care and other post-employment benefits ("OPEB"); provided that the City will not seek to recover directly from the retirees any postpetition OPEB payments made to or on behalf of retirees. Each party expressly reserves its rights on OPEB issues in connection with negotiations of a plan of adjustment, and the Plaintiffs are free to pursue, and the City to oppose, their position that the postpetition OPEB payments the City made to or on behalf of retirees were a business necessity.

2. **Release.** Following the execution of this Agreement, the Plaintiffs will promptly dismiss the lawsuit – which solely addresses 2014 retiree health care benefits – with prejudice; provided, however, that any party to the lawsuit may bring an action in the Bankruptcy Court to enforce the terms of this Agreement resolving the lawsuit (an "Enforcement Action") and if the

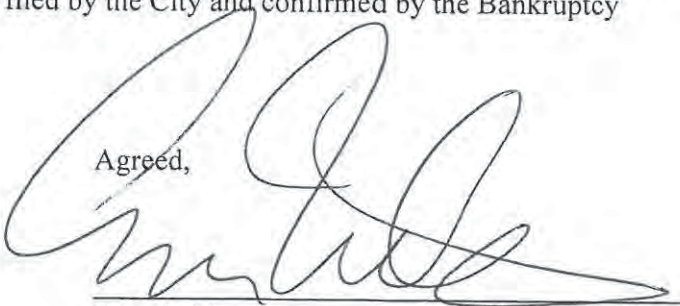


conditions contained in the last sentence of Part I(5) occur, then Plaintiffs are free to reinstate the Adversary Proceeding. Solely for purposes of an Enforcement Action, the City consents, pursuant to 11 U.S.C. § 904, to the Bankruptcy Court's hearing and deciding such Enforcement Action.

3. **Counterparts.** This Agreement may be signed in counterparts, and each counterpart shall be treated as an original.

4. **Good Faith.** As evidenced by the undersigned acknowledgment of Judge Wiley Daniel, Mediator, this Agreement was negotiated and entered into by all parties in good faith.

5. **Plan of Adjustment.** The terms of this Agreement, including Part III(4), shall be incorporated into any plan of adjustment filed by the City and confirmed by the Bankruptcy Court in 2014 in this bankruptcy case.

Agreed,  
  
Evan Miller, attorney for Defendants

\_\_\_\_\_  
Sam J. Alberts, attorney for the Committee

\_\_\_\_\_  
Brian O'Keefe, attorney for Detroit Retired City  
Employees Association and Retiree Police and  
Fire Fighters Association

\_\_\_\_\_  
Richard Mack, attorney for AFSCME Sub-  
Chapter 98, City of Detroit Retirees

Acknowledged:

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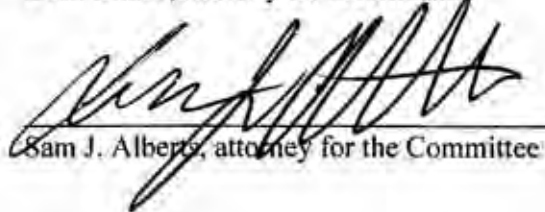
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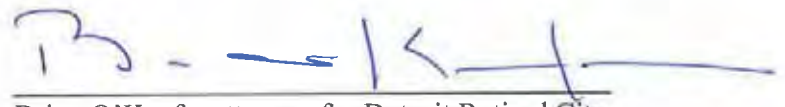
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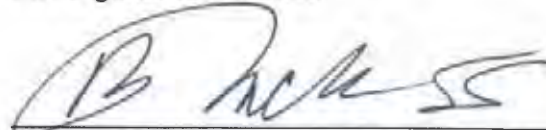
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Richard Mack, attorney for AFSCME Sub-Chapter 98, City of Detroit Retirees

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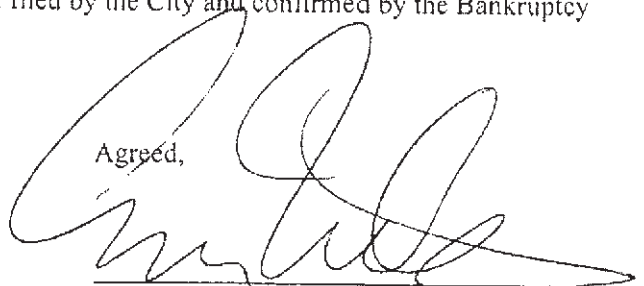
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Chapter 98, City of Detroit Retirees

Acknowledged:



Judge Wiley Daniel, Mediator

## EXHIBIT 1

(See next page)

January 2014



## Certificate of Coverage City of Detroit Retirees

### **CLASS I**

#### **Diagnostic and Preventive:**

Exams, X-Rays, Prophylaxis, Fluoride -up to age 19 **100%**

### **CLASS II**

#### **Restorative:**

Fillings, Root Canals, Routine Extractions **100%**

### **CLASS III**

#### **Prosthetics:**

Crowns, Bridges, Partials, Dentures, Space Maintainers **80%**

### **CLASS IV**

#### **Specialty Care:**

Periodontics  
Endodontics  
Oral Surgery **70%**

### **ORTHODONTICS** (Interceptive excluded)

Lifetime Benefit Maximum: Dependents up to age 19 **\$3,000**

Lifetime Benefit Maximum: Subscriber and Spouse **\$3,000**

### **Out-Of-Area Emergency Coverage \$100 reimbursement**

**Annual Maximum:** \$1,600.00

**Annual Renewal:** 07/01

**Membership Card Reads:** Detroit Retirees

Rate Type	Current Rates
Single Person	\$23.73
Family of two	\$38.83
Family	\$57.17

**EXHIBIT I.A.305**

SCHEDULE OF SECURED GO BOND DOCUMENTS

**SCHEDULE OF SECURED GO BOND DOCUMENTS**

<b>Secured GO Bond Documents</b>	<b>Series of Secured GO Bonds</b>	<b>Balance as of Petition Date</b>
<p>Resolution of the City Council adopted February 23, 2010</p> <p>Finance Director's Order dated March 11, 2010</p> <p>Master Debt Retirement Trust Indenture dated as of March 1, 2010, as supplemented and amended (the "<u>Master Indenture</u>"), between the City of Detroit and U.S. Bank National Association, as trustee</p>	<p>Distributable State Aid General Obligation Limited Tax Bonds, Series 2010</p>	<p>\$252,475,366</p>
<p>Resolution of the City Council adopted July 20, 2010</p> <p>Finance Director's Order dated December 9, 2010</p> <p>Master Indenture</p>	<p>Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds – Direct Payment)</p>	<p>\$101,707,848</p>
<p>Resolution of the City Council adopted March 27, 2012</p> <p>Finance Director's Order dated March 28, 2012 (Series 2012(A2) and Series 2012(B2))</p> <p>Finance Director's Order dated July 3, 2012 (Series 2012 (A2) and Series 2012(B2))</p> <p>Finance Director's Order dated August 16, 2012 (Series 2012(A2-B), Series 2012 (A2) and Series 2012(B2))</p> <p>Master Indenture</p>	<p>Self Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A2)</p>	<p>\$39,254,171</p>
<p>Resolution of the City adopted March 27, 2012</p> <p>Finance Director's Order dated August 16, 2012 (Series 2012(A2-B), Series 2012 (A2) and Series 2012(B2))</p> <p>Master Indenture</p>	<p>Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B)</p>	<p>\$31,037,724</p>



Secured GO Bond Documents	Series of Secured GO Bonds	Balance as of Petition Date
Resolution of the City Council adopted March 27, 2012 Finance Director's Order dated March 28, 2012 (Series 2012(B)) Finance Director's Order dated July 3, 2012 (Series 2012(B)) Finance Director's Order dated August 16, 2012 (Series 2012(B)) Master Indenture	General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation), Series 2012(B)	\$6,469,135
Resolution of the City Council adopted March 27, 2012 Finance Director's Order dated March 28, 2012 (Series 2012(A2) and Series 2012(B2)) Finance Director's Order dated July 3, 2012 (Series 2012 (A2) and Series 2012(B2)) Finance Director's Order dated August 16, 2012 (Series 2012(A2-B), Series 2012 (A2) and Series 2012(B2)) Master Indenture	Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2)	\$54,055,927

EXHIBIT I.A.332

STATE CONTRIBUTION AGREEMENT

**EXECUTION VERSION**

**CONTRIBUTION AGREEMENT**

This Contribution Agreement (“Agreement”), dated as of \_\_\_\_\_, 2014, is made by and among the Michigan Settlement Administration Authority, a Michigan body public corporate (the “Authority”), the General Retirement System of the City of Detroit, the Police and Fire Retirement System of the City of Detroit and the City of Detroit (the “City”).

**RECITALS**

A. The City filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code on July 18, 2013 (the “Chapter 9 Case”) in the United States Bankruptcy Court for the Eastern District of Michigan (the “Court”).

B. During the course of the Chapter 9 Case, the City has asserted that the City’s Police and Fire Retirement System (the “PFRS” or a “System”) and the General Retirement System (the “GRS” or a “System” and collectively with the PFRS, the “Systems”) are underfunded.

C. During the course of the Chapter 9 Case, there have been suggestions that the State of Michigan (the “State”) may be obligated to pay all or a portion of the underfunding of pension benefits payable to retirees, a suggestion the State vigorously disputes.

D. As part of the mediation process in the Chapter 9 Case, the mediators asked the State and other parties to assist in reducing the amount of underfunding in the PFRS and GRS pension funds by providing settlement funds for the benefit of pensioners that would not be otherwise available.

E. As part of its determination that the City was eligible to file the Chapter 9 Case, the Court determined that pension obligations of the City can be impaired or diminished in the Chapter 9 Case and are not protected from such impairment or diminution by the State Constitution.

F. In support of confirmation of the City’s Fourth Amended Plan of Adjustment dated May 5, 2014 (as may be further amended from time to time, the “Plan”), the State has agreed, subject to satisfaction of the terms and conditions set forth herein and in the Plan, to make a contribution to the GRS and PFRS in return for releases from, among others, the GRS and PFRS as set forth in the Support and Release Agreement entered into by the State and each of the Systems in connection with this matter.

G. On June 20, 2014, the Authority was established as the disbursement agent for the State with respect to the State Contribution (as defined below).

H. Capitalized terms used in this Agreement but not defined have the same meanings as set forth in the Plan.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. State Contribution. On the later of (a) the date on which the Conditions Precedent have been satisfied, and (b) 60 days after the Effective Date of the Plan, the Authority shall disburse \$98,800,000 to GRS and \$96,000,000 to PFRS (collectively, the “State Contribution”) for the purpose of increasing the assets of the PFRS and GRS. The total aggregate State Contribution is equal to the net present value of \$350,000,000 payable over 20 years determined using a discount rate of 6.75%, which results in a total contribution by the State of \$194,800,000. The State Contribution shall only be used to fund payments to holders of GRS Pension Claims and PFRS Pension Claims, each as defined in the Plan.

2. Governance Requirements of the GRS and PFRS. At all times during the 20 year period following the disbursement of the State Contribution to the GRS and PFRS, the GRS and PFRS each must establish an investment committee (the “Investment Committee”) for the purpose of making recommendations to, and approving certain actions by, the respective System's board of trustees and/or making determinations and taking action under and with respect to Investment Management, as set forth in the terms and conditions enumerated on **Exhibit A** and **Exhibit B**, respectively, each attached to and incorporated by reference into this Agreement. Further, the Emergency Manager for the City and any subsequently appointed emergency manager for the City, appointed under PA 436 or under any successor or replacement statutes to PA 436, shall not seek to exercise any powers granted under section 12(1)(m) of PA 436 (or equivalent provision under any successor or replacement statute) against the Board of GRS or the Board of PFRS until the earlier of (a) one year following entry of an order confirming the Plan, and (b) December 31, 2015.

3. Income Stabilization Funds and Income Stabilization Payments. The City, GRS and PFRS shall establish an income stabilization program and amend the governing documents for GRS and the governing documents for PFRS to include the following:

- a. A supplemental pension income stabilization payment (the “Income Stabilization Payments”) payable on an annual basis beginning not later than 120 days after the Effective Date, to each Eligible Pensioner equal to the lesser of (a) the amount needed to restore the Eligible Pensioner's reduced pension benefit to the amount of the pension benefit that the Eligible Pensioner received from GRS or PFRS in 2013, or (b) the amount needed to bring the total annual household income of the Eligible Pensioner up to 130% of the Federal Poverty Level in 2013.
- b. In addition, to the extent an Eligible Pensioner's Estimated Adjusted Annual Household Income in any calendar year is less than 105% of the Federal Poverty Level in that year, the Eligible Pensioner will receive an additional benefit (“Income Stabilization Benefit Plus”). The Income Stabilization Benefit Plus shall be equal to the lesser of either (a) 100% restoration of pension benefits, including escalators and cost of living adjustments; or (b) the amount needed to bring the Eligible Pensioner's Estimated Adjusted Annual Household Income in that calendar year up to 105% of the Federal Poverty Level in that year.

- c. An Eligible Pensioner's "Estimated Adjusted Annual Household Income" shall be calculated as follows: (i) the annual pension benefit amount paid in 2013 shall be subtracted from the Eligible Pensioner's 2013 total household income (per their (or in the case of minor children, their legal guardian's) 2013 income tax returns or equivalent documentation) as adjusted for inflation or Social Security COLA increases to create a base additional income amount, plus (ii) the following three items as applicable, (x) the reduced pension benefit that GRS will pay the Eligible Pensioner for that year, (y) any GRS pension restoration due to an improved GRS funding level, and (z) the Eligible Pensioner's Income Stabilization Benefit. Notwithstanding the foregoing, Income Stabilization Payments, including the Income Stabilization Benefit Plus, under both GRS and PFRS shall not exceed \$20 million in aggregate.
- d. A separate recordkeeping sub-account called the "Income Stabilization Fund" will be set up under each of GRS and PFRS for the sole purpose of paying the Income Stabilization Payments to Eligible Pensioners. The assets credited to the sub-accounts will be invested on a commingled basis with the applicable System's assets and will be credited with a pro-rata portion of the System's earnings and losses.
- e. Amounts credited to the Income Stabilization Fund, including the Assigned UTGO Bond Tax Proceeds, may not be used for any purpose other than the payment of Income Stabilization Payments to Eligible Pensioners, except as expressly provided in subparagraph (f) below.
- f. In 2022, provided that the State has not issued a certificate of default with respect to a System at any time prior to 2022, the Investment Committee for that System shall conduct a valuation to determine the Income Stabilization Payments anticipated to be made from the System in the future, in order for the System to fulfill the obligation to make Income Stabilization Payments (the "Estimated Future Liability"). In the event that 75% of the independent members of the Investment Committee determine that the GRS or PFRS Income Stabilization Fund is credited with assets in excess of its Estimated Future Liability (the "Excess Assets"), the Investment Committee may, in its sole discretion, recommend to the Board of Trustees that the Excess Assets, but not more than \$35 million, be used to fund each System's payment of Adjusted Pension Amounts. The Investment Committee shall have the right to engage professionals to assist in this task as necessary, and such expenses shall be paid by the Systems. If any funds remain in the GRS or PFRS Income Stabilization Fund on the date upon which no Eligible Pensioners under their respective System are living, the remainder of each System's Income Stabilization Fund shall be used to fund each System's payment of Adjusted Pension Amounts.

- g. “Eligible Pensioners” are those retirees or surviving spouses who are at least 60 years of age or those minor children receiving survivor benefits from GRS or PFRS, each as of the Effective Date, whose pension benefit from GRS or PFRS will be reduced by the confirmed Plan, and who have a total household income equal to or less than 140% of the Federal Poverty Line in 2013 (per their (or in the case of minor children, their legal guardian’s) 2013 income tax returns or equivalent documentation). No new persons will be eligible to receive an Income Stabilization Payment at any time in the future, and any minor child receiving survivor benefits shall cease to be an Eligible Pensioner after he or she turns 18 years of age.
- h. The initial determination of Eligible Pensioners, and the amounts of Income Stabilization Payments payable to Eligible Pensioners shall be made by the State in its sole discretion. The State shall transmit the list of Eligible Pensioners to the Investment Committee and the Board of Trustees of GRS and PFRS, as applicable. The Board of Trustees, with the assistance of the Investment Committee of GRS and PFRS, shall be responsible for properly administering the respective Income Stabilization Fund and annually certifying to the Treasurer that it has properly administered the requirements for eligibility and payment of benefits with respect to Eligible Pensioners.

4. Conditions Precedent. The Authority’s obligations under this Agreement are not effective or enforceable until each of the following conditions (the “Conditions Precedent”) have been met to the satisfaction of the Authority and the Treasurer, unless any one or more of such conditions are waived in a writing executed by the Authority and the Treasurer:

- a. The Authority receives the State Contribution from the State.
- b. An endorsement of the Plan by the Official Retiree Committee which will include a letter from the Official Retiree Committee as part of the Plan solicitation package recommending to Classes 10 and 11 a vote in favor of the Plan, or equivalent assurances from member organizations representing a majority of retirees in the respective classes.
- c. Cessation of all litigation, including the cessation of funding of any litigation initiated by any other party, as it relates to the City (a) challenging PA 436 or any actions taken pursuant to PA 436, including but not limited to, a dismissal with prejudice of the cases set forth on **Exhibit D**, or (b) seeking to enforce Article IX, Section 24 of the Michigan Constitution; provided, however, (i) until the State Contribution is received by the Systems, the Systems agree to stay any pending litigation described in this subparagraph, and (ii) that as a condition precedent to the GRS and the PFRS dismissing any pending litigation described in this subparagraph that they are prosecuting, the GRS and the PFRS have the right to receive written confirmation from the Authority

that the Authority is prepared and authorized to disburse the State Contribution in accordance with this Agreement and the Plan, subject only to the dismissal by the GRS and PFRS of any pending litigation described in this subparagraph that they are prosecuting.

- d. Active support of the Plan by, a release of and covenant not to sue the State from, and an agreement not to support in any way (including funding) the litigation described in subparagraph 4(c) by the parties listed on **Exhibit C**, or equivalent assurance of litigation finality (which, as to the Systems, shall be deemed satisfied by the execution of the Support and Release Agreement to be entered into by the State and each of the Systems in connection with this matter).
- e. Classes 10 and 11 accept the Plan.
- f. By December 31, 2014, the Court enters a final, non-appealable order confirming the Plan that includes, at a minimum, the following:
  - i. A release of the State and State Related Entities by each holder of a Pension Claim of all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities.
  - ii. A requirement that the governing documents of GRS and the governing documents of PFRS be amended to include:
    - a) the governance terms and conditions set forth in Paragraph 2, Exhibit A and Exhibit B of this Agreement; and
    - b) the Income Stabilization Payments and Income Stabilization Fund described in Paragraph 3 of this Agreement.
  - iii. Approval of, and authority for the City to enter into, the UTGO Settlement.
  - iv. A requirement that the City irrevocably assigns the right to receive not less than an aggregate amount of \$20,000,000 of the payments on the Reinstated Stub UTGO Bonds to the Income Stabilization Funds of the GRS and PFRS. Such payments will be made to the Income Stabilization Funds in the form of annual installment payments over a 14 year period, pursuant to a payment schedule approved by the State.



- v. Approval of, and authority for the City to enter into, the DIA Settlement.
- vi. Agreement to and compliance with MCL 141.1561 and cooperation with the transition advisory board appointed pursuant to MCL 141.1563, or compliance with any new legislation that is enacted regarding post-bankruptcy governance.
- g. Evidence satisfactory to the State of an irrevocable commitment by:
  - i. The Foundations to fund \$366,000,000 (or the net present value thereof) as part of the DIA Settlement; and
  - ii. The DIA Corp. to fund \$100,000,000 (or the net present value thereof) as part of the DIA Settlement.
- h. The Plan Effective Date occurs on or before April 1, 2015.

5. Non-occurrence of Conditions Precedent. If the Conditions Precedent are not met to the satisfaction of the Authority and the Treasurer on or before April 1, 2015, upon written request of the Treasurer, the Authority shall remit the State Contribution to the Department and shall have no further obligations under this Agreement.

6. Default by GRS and PFRS; Cure Period; Remedies.

- a. A System will be in default if the System has not materially complied with any of the terms and conditions set forth in (i) the Plan, (ii) the Governing Documents, or (iii) this Agreement, including, but not limited to, failing to make the required Income Stabilization Payments or using funds in the Income Stabilization Fund for unauthorized purposes. For the purposes of this Agreement, “Governing Documents” shall mean, (x) for the GRS, the Combined Plan for the General Retirement System of the City of Detroit, Michigan, and (y) for the PFRS, the Combined Plan for the Police and Fire Retirement System of the City of Detroit, Michigan. Notwithstanding subparagraph ‘e’ below, there shall not be an event of default for purposes of this paragraph 6 unless and until the Treasurer delivers to the alleged defaulting System a written notice declaring and specifically identifying the facts of an alleged default (the “Default Notice”). Nothing herein shall prohibit the subject System from contesting the alleged default; provided, however, until the contest over the alleged default is resolved, the subject System may not include its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored.
- b. In the event of a default by a System, the System shall have 100 days after receiving the Default Notice in accordance with subparagraph ‘a’ above (the “Cure Period”) to cure such default by remedying the damages sustained as a result of the default, as well as making any delinquent

Income Stabilization Payments, and restoring any funds improperly removed from any other fund maintained by the System, including the Income Stabilization Fund, as applicable. Prior to the expiration of the Cure Period, at least six of the seven total aggregate votes of the Investment Committee for the defaulting System must certify to the Treasurer that (i) the default has been cured, and (ii) that no material damages have been caused by the default that have not otherwise been remedied (the “Cure Certification”). During the Cure Period, the defaulting System may not include its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored.

- c. If the Investment Committee for the defaulting System provides the Cure Certification to the Treasurer in accordance with subparagraph ‘b’ above, then the default will be deemed cured and the defaulting System may once again include its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored.
- d. If the Investment Committee for the defaulting System fails to provide the Cure Certification to the Treasurer in accordance with subparagraph ‘b’ above, then no portion of the total State Contribution to the defaulting system, as adjusted for earnings and losses, may be taken into consideration by the System during the remainder of the 20 year period following the date of such default for purposes of determining whether benefits reduced by the Plan may be restored. Notwithstanding the foregoing, if at any time during or after the Cure Period the Investment Committee certifies by a simple majority vote, that (i) the default has been cured; and (ii) that no material damages have been caused by the default that have not otherwise been remedied, then the Treasurer may consent to the defaulting System once again including its State Contribution, as adjusted for earnings and losses, for purposes of determining whether benefits reduced by the Plan may be restored, which consent shall not be unreasonably withheld.
- e. Each Investment Committee shall provide compliance reports to the Treasurer on a semi-annual basis and at such other times as the Treasurer reasonably may request (each, a “Compliance Report”) that certifies that the Investment Committee is not aware of any defaults, or, if the Investment Committee is aware of a default, specifically identifying the facts of such default. After review of a Compliance Report, the Treasurer shall provide to the System either a certificate of compliance or a Default Notice.
- f. Notwithstanding the foregoing, in the event of a default, the Treasurer and the Authority shall have the right to pursue all available legal and

equitable remedies against the Board of Trustees for the defaulting System, the Investment Committee, or any other person.

7. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

8. Governing Law/Jurisdiction. This Agreement shall be construed in accordance with the laws of the State of Michigan, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws. The Bankruptcy Court of the Eastern District of Michigan shall have exclusive jurisdiction over any action or proceeding solely with respect to this Agreement, and each party, to the extent permitted by law, agrees to submit to such jurisdiction and to waive any defense based on venue or jurisdiction of such court.

9. Amendment. This Agreement may be amended, modified, superseded or canceled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived only by an instrument in writing signed by each of the Parties.

10. Limitation of Liability. The obligation to make the State Contribution is not a general obligation or indebtedness of the State or the Authority and is subject to satisfaction of the conditions described herein. Furthermore, neither the State nor the Authority has any liability or obligation arising from or related to the contributions and funding of the Income Stabilization Fund of each System. Notwithstanding anything contained herein to the contrary, no State Related Entity or board member of the Authority shall have any liability for the representations, warranties, covenants, agreements or other obligations of the State or the Authority hereunder or in any of the certificates, notices or agreements delivered pursuant hereto.

11. Severability. If any one or more of the covenants, agreements or provisions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of any such covenants, agreements and provisions shall in no way affect the validity or effectiveness of the remainder of this Agreement, and it shall continue in force to the fullest extent permitted by law.

12. Headings. Any headings preceding the text of the several articles and sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

[Remainder of Page Intentionally Left Blank – Signatures on Following Page]

**MICHIGAN SETTLEMENT ADMINISTRATION  
AUTHORITY**

By: \_\_\_\_\_  
Title: Authorized Officer

**GENERAL RETIREMENT SYSTEM OF THE  
CITY OF DETROIT**

By: \_\_\_\_\_  
Title: Authorized Officer

By: \_\_\_\_\_  
Title: Authorized Officer

**POLICE AND FIRE RETIREMENT SYSTEM OF  
THE CITY OF DETROIT**

By: \_\_\_\_\_  
Title: Authorized Officer

By: \_\_\_\_\_  
Title: Authorized Officer

**CITY OF DETROIT**

By: \_\_\_\_\_  
Title: Emergency Manager

## EXHIBIT A – GRS Governance Terms

*In re City of Detroit, Michigan*

INVESTMENT COMMITTEE GOVERNANCE  
FOR GENERAL RETIREMENT SYSTEM

PREAMBLE	<p>This document was prepared to set forth the pension governance requirements under the State Contribution Agreement (as that term is defined in the City's Fourth Amended Plan for the Adjustment of Debts of the City of Detroit, as amended from time to time) applicable to the General Retirement System of the City of Detroit (GRS).</p>
SCOPE OF SETTLEMENT	<p>The GRS is currently administered by a ten (10) member Board of Trustees (the "Board") that is vested with the fiduciary authority for the general administration, management and operation of the Retirement System. The Board currently makes all administrative, actuarial and investment related decisions for the GRS. Upon the Effective Date under the POA, but subject to consummation of the State Contribution Agreement, there shall be established, by appropriate action and amendments to governing documents, an Investment Committee ("IC") at GRS which shall be vested with the authority and responsibilities as outlined herein for a period of twenty (20) years after the Effective Date of the POA. All administrative, managerial, and operational matters not addressed in this Term Sheet shall continue to be addressed by the Board in the ordinary course of its affairs.</p>
INVESTMENT COMMITTEE	<p>The IC shall consist of seven (7) voting members consisting of:</p> <ul style="list-style-type: none"><li>i. Five (5) Independent Members;</li><li>ii. One (1) Employee Member; and</li><li>iii. One (1) Retiree Member.</li></ul> <p>Collectively, or individually, "Members" or "Member."</p> <p>At least two (2) of the five (5) Independent Members of the committee shall be residents of the State of Michigan. None of the Independent Members shall be a party in interest as defined by MCL 38.1132d (4) to the City or the GRS.</p> <p>Each Independent Member of the IC shall have expert knowledge or extensive experience with respect to either: (a) economics, finance, or institutional investments; or (b) administration of public or private retirement plans, executive management, benefits administration or actuarial science. At least one (1) of the IC Independent Members shall satisfy the requirements of (a) above and at least one (1) of the IC Independent Members shall satisfy the requirements of (b) above.</p> <p>The five (5) initial IC Independent Members shall be selected by mutual agreement of the appropriate representatives of the State, the City and the Board, in consultation with the Foundation for Detroit's</p>

	<p>Future. The initial Independent Members and their terms of office will be as follows: Ken Whipple (2 years), David Sowerby (3 years), Robert Rietz (4 years), Doris Ewing (5 years) and Kerrie VandenBosch (6 years). Successor Independent Members shall be recommended by a majority of the remaining Independent Members and confirmed by the Board and the State Treasurer in consultation with the Foundation for Detroit's Future, in accordance with such rules and regulations as may be adopted by the IC, provided such rules and regulations are not inconsistent with the POA and this agreement. In the event the Board and the State Treasurer cannot agree on the successor Independent Member within thirty (30) days of the receipt of the recommendation of the IC, the remaining Independent Members of the IC shall appoint the successor Independent Member.</p> <p>If no mutual agreement is reached as to the selection of one or more of the initial IC Independent Members by the time of confirmation of the City's Plan of Adjustment, then the Bankruptcy Court shall select the Independent Members necessary to fill the five (5) initial IC Independent Member positions for which no agreement has been reached.</p> <p>In the event the Bankruptcy Court selects the initial Independent Members as described immediately above, successor Independent Members shall be appointed in the same manner as the Independent Member being replaced, as described immediately above, after three (3) weeks' notice to the Board of the individuals chosen, in accordance with such rules and regulations as may be adopted by the IC, provided such rules and regulations are not inconsistent with the POA and this agreement.</p> <p>The Employee Member shall be an employee-elected Member from the Board appointed by the Board. The initial Employee Member will be June Nickleberry.</p> <p>The Retiree Member shall be a retiree-elected Member from the Board appointed by the Board. The initial Retiree Member will be Thomas Sheehan.</p> <p>The terms of office of the initial IC Independent Members shall be staggered at the time of appointment so that Independent Members shall have varying initial terms of office, with one each having a 2, 3, 4, 5 and 6 year term. Each initial Independent Member shall serve until the expiration of his/her initial term. After the initial term of office, the term of office of the IC Independent Members shall be six years. Each successor Independent Member shall be selected in accordance with the provisions above and shall serve until his or her death, incapacity, resignation or removal in accordance with the paragraph below. Upon expiration of his or her term of office, an Independent Member shall continue to serve until his or her successor is appointed. Nothing herein shall bar an initial Independent Member from becoming a successor Independent Member after his/her initial</p>
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	<p>term.</p> <p>The terms of office of the Employee Members and Retiree Members of the IC shall conform to their respective terms of office on the Board.</p> <p>A Member may be removed by the remaining Members for any of the following reasons: (a) the Member is legally incapacitated from executing his or her duties as a Member of the IC and neglects to perform those duties, (b) the Member has committed a material breach of GRS provisions, policies or procedures and the removal of the Member is in the interests of the system or its participants or its participants' beneficiaries, (c) the Member is convicted of a violation of law and the removal shall be accomplished by a vote of the IC in accordance with the voting procedures in this agreement, (d) if the Member holds a license to practice and such license is revoked for misconduct by any State or federal government, or (e) if an IC Member shall fail to attend scheduled meetings of the IC for four (4) consecutive meetings, unless in each case excused for cause by the remaining Members attending such meetings, the Member shall be considered to have resigned from the IC, and the IC shall, by resolution, declare the office of the Member vacated as of the date of adoption of such resolution. In addition, a Member of the IC may have voting privileges temporarily suspended by a 70% or higher vote of the other members if the Member is indicted or sued by a State or federal government for an alleged violation of the law that relates to his or her service on the IC, or for other alleged financial crimes, including fraud. Any vacancy occurring in the office of Member shall be filled within sixty (60) days following the date of the vacancy, for the unexpired portion of the term, in the same manner in which the office was previously filled.</p> <p>All members of the IC shall be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to the administration of the IC, including but not limited to the purchase of insurance, shall be payable out of the assets of the GRS. The IC may retain actuarial, legal counsel, audit or other professional or support personnel to provide advice to the IC as it deems reasonably necessary to perform its functions and such parties or persons may be reasonably compensated from the assets of the Plan; such engagements shall not be subject to the approval of the Board.</p> <p>The IC shall be an investment fiduciary to the GRS. An IC Member or other fiduciary under the GRS shall discharge his or her duties with respect to the GRS in compliance with the provisions of Public Act 314 of 1965, as amended. An IC Member shall discharge his or her duties with the care, skill, and caution under the circumstances then prevailing which a prudent person, acting in a like capacity and familiar with those matters, would use in the conduct of an activity of like character and purpose. Members of the IC shall comply with all Board governance policies and procedures, including the Ethics and</p>
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	Code of Conduct Policies, unless such compliance violates the Member's fiduciary duties or conflicts with the terms and conditions of this agreement.
IC MEETINGS	<p>The IC shall meet at least once every other month. The Members shall determine the time for the regular meetings of the IC and the place or places where such meetings shall be held. The Secretary or his or her designee shall be responsible for giving notice of the time and place of such meetings to the other Members.</p> <p>Notice and conduct of all meetings of the IC, both regular and special, shall be held within the City of Detroit and in accordance with applicable law including the Michigan Open Meetings Act (MCL §15.261 <u>et seq.</u>).</p> <p>The IC shall adopt its own rules of procedure and shall keep a record of its proceedings. Five (5) Members shall constitute a quorum at any meeting of the IC, so long as at least three (3) Independent Members are present. Each Member shall be entitled to one vote on each question before the IC and at least four (4) concurring votes shall be necessary for a decision of the committee except as otherwise provided in this Term Sheet.</p>
INVESTMENT COMMITTEE - RESPONSIBILITY	<p>The IC shall serve in a fiduciary capacity with respect to the Investment Management of all GRS Plan Assets, determination of the investment return assumption, and Board compliance with benefit plan provisions, as set forth more fully below. The IC shall have all the powers as a fiduciary under the first sentence of MCL §38.1133(5) and (6).</p> <p>All Investment Management decisions approved by the Board shall require a recommendation by an affirmative vote of the IC, in accordance with the provisions of this agreement. All actions and recommendations of the IC shall be forwarded to the Board for consideration and are subject to Board approval. The Board shall take no action with respect to any matter for which the IC has responsibility and authority, including the Investment Management matters described in the next paragraph, unless and until such action has been approved by affirmative vote of the IC. If (a) the Board fails to approve or disapprove an Investment Management decision that has been recommended by an affirmative vote of the IC, and such failure continues for 45 days after the date that the recommendation was made to the Board, or (b) the Board disapproves an Investment Management decision within such 45-day period but fails to provide to the IC within such 45-day period a detailed written response outlining the reasons for such disapproval, then the IC and the Chief Investment Officer are authorized to implement the decision. If the Board disapproves an Investment Management decision within such 45-day period and provides to the IC within such 45-day period a detailed written</p>

	<p>response outlining the reasons for such disapproval, then the IC shall have 45 days after the receipt of the Board response to either (a) withdraw the recommended Investment Management decision, or (b) request, in writing, a conference with the Board to be held within ten (10) days, but not less than five (5) business days, of such request by the IC, unless a later date is agreed to in writing by the Board and the IC, to discuss the disapproval by the Board described in the written response. Any such conference shall be conducted with at least three (3) Independent Members present in person or by phone. Within ten (10) days of the commencement of the conference, or twenty (20) days following the IC's request for a conference if no conference is held, the IC shall either withdraw the recommended Investment Management decision or provide the Board a written explanation of the IC's decision to proceed with the recommended Investment Management decision. After delivery of such written explanation by the IC, the IC and the Chief Investment Officer are authorized to implement the decision. Any action taken by the Board or the IC in violation of the terms of this agreement shall constitute an ultra vires act and the IC or the Board, whichever is applicable, is granted the express right to seek to preliminarily enjoin such violation of the breaching party without the need to show irreparable harm.</p> <p>“Investment Management” with respect to plan assets shall mean:</p> <ol style="list-style-type: none"> <li>1. Developing an Investment Policy Statement with sound and consistent investment goals, objectives and performance measurement standards which are consistent with the needs of the Plan.</li> <li>2. Within 120 days after the Effective Date of the POA, all of the plan assets not already under qualified management, if any, must be managed by qualified managers selected by the IC.</li> <li>3. Evaluating, retaining, terminating, and selecting qualified managers to invest and manage the plan assets.</li> <li>4. Reviewing and affirming or rejecting the correctness of any and all calculations, actuarial assumptions and/or assessments used by the Plan Actuary including, but not limited to, (i) those underlying the restoration of pension benefits, funding levels and amortization thereof, all in accordance with the Pension Restoration Program attached to the City's Plan of Adjustment, (ii) those underlying the determination of annual funding levels and amortization thereof, and (iii) on or after fiscal year 2024 the recommended annual contributions to GRS in accordance with applicable law.</li> <li>5. In accordance with approved actuarial work as provided in the immediate preceding paragraph and based on the annual actuarial valuation reports and</li> </ol>
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	<p>any other projections or reports as applicable from the Plan Actuary or other professional advisors, the determination of the extent of restoration of pension benefits, including but not limited to the payment of a portion of the 4.5% reduction in base monthly pension amounts and the payment of lost COLA payments, all in conformance to the Pension Restoration Program between the City and the Board attached to the Plan of Adjustment.</p> <ol style="list-style-type: none"> <li>6. Communicating the investment goals, objectives, and standards to the investment managers; including any material changes that may subsequently occur.</li> <li>7. Determining and approving the Plan's investment and asset allocation guidelines, taking into account the appropriate liquidity needs of the Plan.</li> <li>8. Any interpretation of Plan documents, existing law, the POA or other financial determination that could affect funding or benefit levels.</li> <li>9. Taking whatever corrective action is deemed prudent and appropriate when an investment manager fails to perform as expected.</li> <li>10. Complying with the provisions of pertinent federal, state, and local laws and regulations, specifically Public Act 314 and Plan Investment Guidelines.</li> <li>11. Reviewing and approving, prior to final issuance, the annual audit and all financial reports prepared on behalf of the GRS and meet and confer with the Plan's outside auditor or other professional advisors as necessary prior to approving the annual audit or other financial reports.</li> <li>12. Causing an asset/liability valuation study to be performed for GRS every three (3) years, or as requested by the IC or Board.</li> </ol> <p>The IC shall give appropriate consideration to and have an understanding of the following prior to the adoption of the investment guidelines and asset allocation policies, the selection of manager(s), and/or the adoption of investment return assumptions:</p> <ol style="list-style-type: none"> <li>1. The fiduciary best practices and institutional standards for the investment of public employee retirement system plan assets.</li> <li>2. The objective to obtain investment returns above the established actuarial investment return assumption to support the restoration of benefits under the Pension Restoration Program, to the extent that is prudent and consistent with the overall funding, liquidity needs and actuarial</li> </ol>
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	<p>assumptions governing the Plan.</p> <p>3. The liquidity needs of the GRS Plan.</p>
CHIEF INVESTMENT OFFICER (CIO)	<p>The IC shall evaluate and select the CIO, set and approve any and all compensation for, and terms of employment of, the CIO. With respect to plan assets, the CIO shall report directly to the IC and the Executive Director of the Board. The CIO shall be responsible for assisting the IC and the Board in overseeing the GRS's investment portfolio.</p> <p>The initial CIO is Ryan Bigelow [subject to State due diligence.]</p>
PLAN ACTUARY	<p>The current Plan Actuary is Gabriel Roeder Smith &amp; Company. In the event the Board desires to retain a new actuary, the Board and IC shall collectively participate in the evaluation and selection of a qualified Plan Actuary. The Plan Actuary shall be responsible for assisting the Board and IC in performing its actuarial duties and shall comply with all requests for information or modeling requested by the IC, and shall attend meetings of the IC as requested, so as to allow the IC to perform satisfactorily the rights and duties set forth herein. Furthermore, the Board shall not act on any recommendation made by the Plan Actuary based on any calculation, assumption or assessment rejected by the IC.</p> <p>Nothing herein shall be interpreted as limiting the IC's authority to engage an actuarial consulting firm other than the Plan Actuary to perform actuarial services deemed necessary to fulfill its fiduciary duties to the GRS and other duties to GRS as set forth herein.</p>
CONSISTENCY WITH PLAN OF ADJUSTMENT	<p>Nothing herein shall be interpreted as permitting the IC or the Board to alter or depart from the requirements set forth in the confirmed Plan of Adjustment.</p>

DETROIT 56620-1 1315511v11

## EXHIBIT B – PFRS Governance Terms

*In re City of Detroit, Michigan*

INVESTMENT COMMITTEE GOVERNANCE  
FOR POLICE AND FIRE RETIREMENT SYSTEM

PREAMBLE	<p>This document was prepared to set forth the pension governance requirements under the State Contribution Agreement (as that term is defined in the City's Fourth Amended Plan for the Adjustment of Debts of the City of Detroit, as amended from time to time) applicable to the Police and Fire Retirement System of the City of Detroit (PFRS).</p>
SCOPE OF SETTLEMENT	<p>The PFRS is currently administered by a seventeen (17) member Board of Trustees (the "Board") that is vested with the fiduciary authority for the general administration, management and operation of the Retirement System. The Board currently makes all administrative, actuarial and investment related decisions for the PFRS. Upon the Effective Date under the POA, but subject to consummation of the State Contribution Agreement, there shall be established, by appropriate action and amendments to governing documents, an Investment Committee ("IC") at PFRS which shall be vested with the authority and responsibilities as outlined herein for a period of twenty (20) years after the Effective Date of the POA. All administrative, managerial, and operational matters not addressed in this Term Sheet shall continue to be addressed by the Board in the ordinary course of its affairs.</p>
INVESTMENT COMMITTEE	<p>The IC shall consist of nine (9) voting members consisting of:</p> <ul style="list-style-type: none"><li>i. Five (5) Independent Members;</li><li>ii. Two (2) Employee Members; and</li><li>iii. Two (2) Retiree Members.</li></ul> <p>Collectively, or individually, "Members" or "Member."</p> <p>At least two (2) of the five (5) Independent Members of the committee shall be residents of the State of Michigan. None of the Independent Members shall be a party in interest as defined by MCL 38.1132d (4) to the City or the PFRS.</p> <p>Each Independent Member of the IC shall have expert knowledge or extensive experience with respect to either: (a) economics, finance, or institutional investments; or (b) administration of public or private retirement plans, executive management, benefits administration or actuarial science. At least one (1) of the IC Independent Members shall satisfy the requirements of (a) above and at least one (1) of the IC Independent Members shall satisfy the requirements of (b) above.</p> <p>The five (5) initial IC Independent Members shall be selected by mutual agreement of the appropriate representatives of the State, the</p>



	<p>City and the Board, in consultation with the Foundation for Detroit's Future. The initial Independent Members and their terms of office will be as follows: Rebecca Sorenson (2 years), Joseph Bogdahn (3 years), Robert C. Smith (4 years), McCullough Williams III (5 years) and Woodrow S. Tyler (6 years). Successor Independent Members shall be recommended by a majority of the remaining Independent Members and confirmed by the Board and the State Treasurer in consultation with the Foundation for Detroit's Future, in accordance with such rules and regulations as may be adopted by the IC, provided such rules and regulations are not inconsistent with the POA and this agreement. In the event the Board and the State Treasurer cannot agree on the successor Independent Member within thirty (30) days of the receipt of the recommendation of the IC, the remaining Independent Members of the IC shall appoint the successor Independent Member.</p> <p>If no mutual agreement is reached as to the selection of one or more of the initial IC Independent Members by the time of confirmation of the City's Plan of Adjustment, then the Bankruptcy Court shall select the Independent Members necessary to fill the five (5) initial IC Independent Member positions for which no agreement has been reached.</p> <p>In the event the Bankruptcy Court selects the initial Independent Members as described immediately above, successor Independent Members shall be appointed in the same manner as the Independent Member being replaced, as described immediately above, after three (3) weeks' notice to the Board of the individuals chosen, in accordance with such rules and regulations as may be adopted by the IC, provided such rules and regulations are not inconsistent with the POA and this agreement.</p> <p>The Employee Members shall consist of one active police member and one active fire member from the Board, appointed by the Board. The initial Employee Members will be Mark Diaz and Sean Neary.</p> <p>The Retiree Members shall consist of one retiree-elected police member and one retiree-elected fire member from the Board, each receiving a pension from PFRS and appointed by the Board. The initial elected Retiree Members will be Michael Simon and Louis Sinagra.</p> <p>Each of the four (4) uniformed Members shall have one-half (1/2) vote.</p> <p>The terms of office of the initial IC Independent Members shall be staggered at the time of appointment so that Independent Members shall have varying initial terms of office, with one each having a 2, 3, 4, 5 and 6 year term. Each initial Independent Member shall serve until the expiration of his/her initial term. After the initial term of office, the term of office of the IC Independent Members shall be six years. Each successor Independent Member shall be selected in</p>
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	<p>accordance with the provisions above and shall serve until his or her death, incapacity, resignation or removal in accordance with the paragraph below. Upon expiration of his or her term of office, an Independent Member shall continue to serve until his or her successor is appointed. Nothing herein shall bar an initial Independent Member from becoming a successor Independent Member after his/her initial term.</p> <p>The terms of office of the Employee Members and Retiree Members of the IC shall conform to their respective terms of office on the Board.</p> <p>A Member may be removed by the remaining Members for any of the following reasons: (a) the Member is legally incapacitated from executing his or her duties as a Member of the IC and neglects to perform those duties, (b) the Member has committed a material breach of PFRS provisions, policies or procedures and the removal of the Member is in the interests of the system or its participants or its participants' beneficiaries, (c) the Member is convicted of a violation of law and the removal shall be accomplished by a vote of the IC in accordance with the voting procedures in this agreement, (d) if the Member holds a license to practice and such license is revoked for misconduct by any State or federal government, or (e) if an IC Member shall fail to attend scheduled meetings of the IC for four (4) consecutive meetings, unless in each case excused for cause by the remaining Members attending such meetings, the Member shall be considered to have resigned from the IC, and the IC shall, by resolution, declare the office of the Member vacated as of the date of adoption of such resolution. In addition, a Member of the IC may have voting privileges temporarily suspended by a 70% or higher vote of the other members if the Member is indicted or sued by a State or federal government for an alleged violation of the law that relates to his or her service on the IC, or for other alleged financial crimes, including fraud. Any vacancy occurring in the office of Member shall be filled within sixty (60) days following the date of the vacancy, for the unexpired portion of the term, in the same manner in which the office was previously filled.</p> <p>All members of the IC shall be reimbursed for the reasonable, actual and necessary expenses incurred in the performance of their duties. All reasonable and proper expenses related to the administration of the IC, including but not limited to the purchase of insurance, shall be payable out of the assets of the PFRS. The IC may retain actuarial, legal counsel, audit or other professional or support personnel to provide advice to the IC as it deems reasonably necessary to perform its functions and such parties or persons may be reasonably compensated from the assets of the Plan; such engagements shall not be subject to the approval of the Board.</p> <p>The IC shall be an investment fiduciary to the PFRS. An IC Member or other fiduciary under the PFRS shall discharge his or her duties with respect to the PFRS in compliance with the provisions of Public Act</p>
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	<p>314 of 1965, as amended. An IC Member shall discharge his or her duties with the care, skill, and caution under the circumstances then prevailing which a prudent person, acting in a like capacity and familiar with those matters, would use in the conduct of an activity of like character and purpose. Members of the IC shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance violates the Member's fiduciary duties or conflicts with the terms and conditions of this agreement.</p>
IC MEETINGS	<p>The IC shall meet at least once every other month. The Members shall determine the time for the regular meetings of the IC and the place or places where such meetings shall be held. The Secretary or his or her designee shall be responsible for giving notice of the time and place of such meetings to the other Members.</p> <p>Notice and conduct of all meetings of the IC, both regular and special, shall be held within the City of Detroit and in accordance with applicable law including the Michigan Open Meetings Act (MCL §15.261 <u>et seq.</u>).</p> <p>The IC shall adopt its own rules of procedure and shall keep a record of its proceedings. Five (5) Members shall constitute a quorum at any meeting of the IC, so long as at least three (3) Independent Members are present. Each Member shall be entitled to one vote on each question before the IC and at least four (4) concurring votes shall be necessary for a decision of the committee, except as otherwise provided in this Term Sheet.</p>
INVESTMENT COMMITTEE - RESPONSIBILITY	<p>The IC shall serve in a fiduciary capacity with respect to the Investment Management of all PFRS Plan Assets, determination of the investment return assumption, and Board compliance with benefit plan provisions, as set forth more fully below. The IC shall have all the powers as a fiduciary under the first sentence of MCL §38.1133(5) and (6).</p> <p>All Investment Management decisions approved by the Board shall require a recommendation by an affirmative vote of the IC, in accordance with the provisions of this agreement. All actions and recommendations of the IC shall be forwarded to the Board for consideration and are subject to Board approval. The Board shall take no action with respect to any matter for which the IC has responsibility and authority, including the Investment Management matters described in the next paragraph, unless and until such action has been approved by affirmative vote of the IC. If (a) the Board fails to approve or disapprove an Investment Management decision that has been recommended by an affirmative vote of the IC, and such failure continues for 45 days after the date that the recommendation was made to the Board, or (b) the Board disapproves an Investment Management decision within such 45-day period but fails to provide to the IC within</p>

	<p>such 45-day period a detailed written response outlining the reasons for such disapproval, then the IC and the Chief Investment Officer are authorized to implement the decision. If the Board disapproves an Investment Management decision within such 45-day period and provides to the IC within such 45-day period a detailed written response outlining the reasons for such disapproval, then the IC shall have 45 days after the receipt of the Board response to either (a) withdraw the recommended Investment Management decision, or (b) request, in writing, a conference with the Board to be held within ten (10) days, but not less than five (5) business days, of such request by the IC, unless a later date is agreed to in writing by the Board and the IC, to discuss the disapproval by the Board described in the written response. Any such conference shall be conducted with at least three (3) Independent Members present in person or by phone. Within ten (10) days of the commencement of the conference, or twenty (20) days following the IC's request for a conference if no conference is held, the IC shall either withdraw the recommended Investment Management decision or provide the Board a written explanation of the IC's decision to proceed with the recommended Investment Management decision. After delivery of such written explanation by the IC, the IC and the Chief Investment Officer are authorized to implement the decision. Any action taken by the Board or the IC in violation of the terms of this agreement shall constitute an ultra vires act and the IC or the Board is granted the express right to seek to preliminarily enjoin such action without the need to show irreparable harm.</p> <p>"Investment Management" with respect to plan assets shall mean:</p> <ol style="list-style-type: none"> <li>1. Developing an Investment Policy Statement with sound and consistent investment goals, objectives and performance measurement standards which are consistent with the needs of the Plan.</li> <li>2. Within 120 days after the Effective Date of the POA, all of the plan assets not already under qualified management, if any, must be managed by qualified managers selected by the IC.</li> <li>3. Evaluating, retaining, terminating and selecting qualified managers to invest and manage the plan assets.</li> <li>4. Reviewing and affirming or rejecting the correctness of any and all calculations, actuarial assumptions and/or assessments used by the Plan Actuary including, but not limited to, (i) those underlying the restoration of pension benefits, funding levels and amortization thereof, all in accordance with the Pension Restoration Program attached to the City's Plan of Adjustment, (ii) those underlying the determination of annual funding levels and amortization thereof, and (iii) on or after fiscal year 2024, the recommended annual contributions to PFRS in accordance with applicable law.</li> </ol>
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	<ol style="list-style-type: none"> <li>5. In accordance with approved actuarial work as provided in the immediate preceding paragraph and based on the annual actuarial valuation reports and any other projections or reports as applicable from the Plan Actuary or other professional advisors, the determination of the extent of restoration of pension benefits, including but not limited to the payment of lost COLA payments, all in conformance to the Pension Restoration Program between the City and the Board attached to the Plan of Adjustment.</li> <li>6. Communicating the investment goals, objectives, and standards to the investment managers; including any material changes that may subsequently occur.</li> <li>7. Determining and approving the Plan's investment and asset allocation guidelines, taking into account the appropriate liquidity needs of the Plan.</li> <li>8. Any interpretation of Plan documents, existing law, the POA or other financial determination that could affect funding or benefit levels.</li> <li>9. Taking whatever corrective action is deemed prudent and appropriate when an investment manager fails to perform as expected.</li> <li>10. Complying with the provisions of pertinent federal, state, and local laws and regulations, specifically Public Act 314 and Plan Investment Guidelines.</li> <li>11. Reviewing and approving, prior to final issuance, the annual audit and all financial reports prepared on behalf of the PFRS and meet and confer with the Plan's outside auditor or other professional advisors as necessary prior to approving the annual audit or other financial reports.</li> <li>12. Causing an asset/liability valuation study to be performed for PFRS every three (3) years, or as requested by the IC or Board.</li> </ol> <p>The IC shall give appropriate consideration to and have an understanding of the following prior to the adoption of the investment guidelines and asset allocation policies, the selection of manager(s), and/or the adoption of investment return assumptions:</p> <ol style="list-style-type: none"> <li>1. The fiduciary best practices and institutional standards for the investment of public employee retirement system plan assets.</li> <li>2. The objective to obtain investment returns above the established actuarial investment return assumption to support the restoration of benefits under the Pension Restoration Program, to the</li> </ol>
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	<p>extent that is prudent and consistent with the overall funding, liquidity needs and actuarial assumptions governing the Plan.</p> <p>3. The liquidity needs of the PFRS Plan.</p>
CHIEF INVESTMENT OFFICER (CIO)	<p>The IC shall evaluate and select the CIO, set and approve any and all compensation for, and terms of employment of, the CIO. With respect to plan assets, the CIO shall report directly to the IC and the Executive Director of the Board. The CIO shall be responsible for assisting the IC and the Board in overseeing the PFRS's investment portfolio.</p> <p>The initial CIO is Ryan Bigelow [subject to State due diligence.]</p>
PLAN ACTUARY	<p>The current Plan Actuary is Gabriel Roeder Smith &amp; Company. In the event the Board desires to retain a new actuary, the Board and IC shall collectively participate in the evaluation and selection of a qualified Plan Actuary. The Plan Actuary shall be responsible for assisting the Board and IC in performing its actuarial duties and shall comply with all requests for information or modeling requested by the IC, and shall attend meetings of the IC as requested, so as to allow the IC to perform satisfactorily the rights and duties set forth herein. Furthermore, the Board shall not act on any recommendation made by the Plan Actuary based on any calculation, assumption or assessment rejected by the IC.</p> <p>Nothing herein shall be interpreted as limiting the IC's authority to engage an actuarial consulting firm other than the Plan Actuary to perform actuarial services deemed necessary to fulfill its fiduciary duties to the PFRS and other duties to PFRS as set forth herein.</p>
CONSISTENCY WITH PLAN OF ADJUSTMENT	<p>Nothing herein shall be interpreted as permitting the IC or the Board to alter or depart from the requirements set forth in the confirmed Plan of Adjustment.</p>

DETROIT 56620-1 1315534v8

## **EXHIBIT C**

1. General Retirement System
2. Police and Fire Retirement System
3. AFSCME
4. UAW
5. Detroit Police Officers Association
6. Detroit Police Command Officers Association
7. Detroit Police Lieutenants and Sergeants Association
8. Detroit Fire Fighters Association
9. Retired Detroit Police and Fire Fighters Association
10. Retired Detroit Police Members Association
11. Detroit Retired City Employees Association
12. Official Retirees Committee
13. City of Detroit



## EXHIBIT D

Cases to be dismissed:

1. GRS et al. v. Emergency Manager of Detroit (Ingham County Circuit Court)
2. Webster et al. v. State of Michigan, Governor, and State Treasurer (Ingham County Circuit Court)
3. Detroit Library Commission v. Governor, State Treasurer, and Detroit Public Schools Emergency Manager (Ingham County)
4. Flowers et al. v. Governor, State Treasurer, and State of Michigan (Ingham County Circuit Court)
5. DPOA v. City of Detroit (Michigan Court of Appeals)

The settling parties will not attempt to amend to include the City of Detroit or its Emergency Manager as a defendant, or collaterally or retroactively attack the Detroit bankruptcy or actions of Detroit or its EM, or otherwise participate, support, fund or appeal in the following cases:

1. Phillips et al v. Governor and State Treasurer (E.D. Mich.)
2. Michigan AFSCME Council 25 v. Governor, State Treasurer, et al. (E.D. Mich.)
3. NAACP v. Governor, State Treasurer, and Secretary of State (E.D. Mich.)
4. Robert Davis/Citizens United Against Corrupt Government v. Governor, State of Michigan, Dept. of Treasury, Dept. of State Police, et al. (Ingham County Circuit Court)
5. Robert Davis/Citizens United Against Corrupt Government v. Michigan Department of Treasury and Carla Robert (Wayne County Circuit Court)
6. Robert Davis v. Local Emergency Financial Assistance Loan Board (Ingham Court)
7. Robert Davis v. Weatherspoon, Governor, Attorney General, and State Treasurer (E.D. Mich.)
8. Allen Park Retirees v. EM Parker, City of Allen Park (Wayne Circuit)
9. Allen Park Retirees v. State (Court of Claims)
10. Deborah Moore-El v. Snyder (E.D. Mich.)
11. Faith, et al. v. Snyder (E.D. Mich.)
12. Sarella Johnson, et al. v. Snyder (E.D. Mich.)
13. United Retired Government Employees (URGE) et al. v. Governor, et al. (E.D. Mich.)

DETROIT 56620-1 1314985v13

**EXHIBIT I.A.340**

FORM OF SYNCORA DEVELOPMENT AGREEMENT

**DEVELOPMENT AGREEMENT**  
**OPTION TO PURCHASE AND DEVELOP LAND**  
**BY AND BETWEEN**  
**CITY OF DETROIT**  
**AND**  
**PIKE POINTE HOLDINGS, LLC**

**THIS AGREEMENT** (referred to herein as the “Agreement”) is entered into as of the \_\_\_\_ day of September, 2014 (the “Effective Date”), by and between the City of Detroit, a Michigan public body corporate (the “City”), acting through its Planning & Development Department (“PDD”), whose address is 2300 Cadillac Tower, Detroit, Michigan 48226, and Pike Pointe Holdings, LLC, a Delaware limited liability company (“Developer”), whose address is [\_\_\_\_\_] ]. The City and Developer are sometimes referred to in this Agreement as a “Party” and, collectively, as the “Parties.”

**Recitals:**

A. In consideration of the Parties’ various contractual arrangements entered into contemporaneously herewith, including without limitation, extension of the lease of the Windsor Tunnel between the City and affiliates of Developer, and the mutual desire of the Parties to promote economic growth in the City (the “Arrangement”), the City has agreed to grant an option to Developer to acquire various parcels of land located in the City of Detroit as described in the attached **Exhibit A** (each a “Property” and, collectively, the “Properties”). Unless otherwise set forth herein, references in this Agreement to a Property shall apply only to the applicable Property and not the other Properties.

B. If Developer exercises its option with respect to one or more of parcels of the Property as set forth herein, Developer shall develop such Property in accordance with the terms and provisions of this Agreement.

Accordingly, the Parties agree as follows:

## **Section 1. TERMS OF OPTION**

(A) Grant of Option. The City hereby grants to Developer an option (the “Option”) to, from time to time, acquire any or all of the Properties from the City upon the terms and conditions set forth in this Agreement. The Option shall be effective for five (5) years from the Effective Date, except with respect to that certain Property located at 2200 Franklin for which the Option shall be effective for seven (7) years from the Effective Date (the “Option Period”). The Parties agree and acknowledge that the sole and exclusive consideration for the Option and any subsequent acquisition of any Property hereunder is deemed to be the Arrangement, the sufficiency of which is hereby acknowledged. The City shall cause to be recorded and maintained of record against the Properties in the appropriate land records for the duration of the Option Period the memorandum of option attached hereto as **Exhibit B**. Notwithstanding the foregoing, the Option Period may be extended for a period not to exceed two (2) years upon written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed (the “Option Extension”). For purposes of the Option Extension, it shall be unreasonable for the City to withhold consent thereto to the extent that, (i) on the date of Developer’s request therefor, development in the immediate vicinity of the Property has materially decreased or the general economic condition of the City or geographic region in which the Property is located has deteriorated, in either instance from and after the Effective Date to such a level that it would not be economically feasible for the Developer to pursue development of the Property and/or (ii) the Option Extension is reasonable given the complexity of the development contemplated by the Developer. Any dispute between the Parties with regard to a request for Option Extension which cannot be resolved by the Parties within sixty (60) days following the Developer’s request therefor shall be brought in the Bankruptcy Court for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided, that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan; provided, further, by execution and delivery of this Agreement, each of the Parties irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

(B) Diligence Notice. If the Developer desires (in its sole discretion) to undertake Due Diligence Activities (as hereinafter defined) with respect to one or more of the Properties, the Developer shall, from time to time, give prior written notice of its intent thereof to the City not less than sixty (60) days prior to the expiration of the Option Period (each, a “Diligence Notice”). The Developer shall be entitled to deliver any number of Diligence Notices with respect to the various Properties during the Option Period; provided, however, that any such Diligence Notice shall indicate reference to the Property the Developer intends to subject to the Due Diligence Activities hereunder.

(C) Condition of Property.

(1) Due Diligence Activities. Subject to the requirements of Section 2 below, upon delivery of the Diligence Notice to the City with respect to any Property, Developer shall have a period commencing on the date of the Diligence Notice and continuing through and including the date that is sixty (60) days prior to the expiration of the Option Period (the “Due Diligence Period”) to conduct its due diligence activities on any Property that is the subject of a Diligence Notice. For purposes of this Agreement, “Due Diligence Activities” include but are not limited to the following:

(a) such physical inspections, surveys, soil borings and bearing tests, possible relocation of utilities, and such environmental due diligence on or for the Property as Developer deems appropriate, all of which shall be completed at Developer’s expense;

(b) investigations, environmental site assessments, including Phase I and Phase II site assessments, sampling and testing of soil, groundwater, surface water, soil vapors, indoor air, and building materials (such as Asbestos and lead-based paint), and/or a Baseline Environmental Assessment, (“BEA”), as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”), being MCL 324.20101 *et seq.*, and such other investigations and assessments as Developer may deem needed in its sole discretion to determine the condition of the Property and the Property’s compliance with Environmental Law and any other federal, state and local laws, rules, regulations and orders relating in any way to protection of human health, the environment and natural resources, all of which shall be completed at Developer’s expense; and

(c) a review of the title evidence, survey, entitlements, and payment of taxes and assessments, all of which shall be completed at Developer’s expense.

(d) a review of financing sources related to Developer’s proposed development and use of the Property, or any other matter that in Developer’s sole discretion is relevant to Developer’s acquisition of the Property.

(e) a review of all City Information and all publicly-available information with respect to the Property.

(f) a review of available public and private utilities and public accesses necessary for the proposed development of the Property.

(f) application and procurement of any zoning, site plan, elevation, special land use, environmental, conditional use or other municipal approvals or permits, or variances therefrom, required or appropriate for the proposed development of the Property. The City hereby authorizes the Developer to submit and apply for all such approvals, permits, and variances upon the commencement of the Due Diligence Period.

(2) City Information. The City shall use reasonable efforts to make available to Developer all information in the City's (or the City's agencies' or departments') possession or control related to the applicable Property within thirty (30) days following delivery to the City of a Diligence Notice for the applicable Property, including but not limited to existing leases, licenses, permits, approvals, contracts, warranties, title searches and policies, surveys, appraisals, environmental audits, Phase I environmental site assessments, Phase II reports or other testing or sampling data, asbestos surveys, reports, specifications, from the Planning, Building, Assessing, Environmental Affairs and Fire Departments, notices of violations of applicable laws, regulations and ordinances or other documents in the City's possession or control related to the applicable Property (collectively, the "City Information"). The City shall cooperate with the Developer and use reasonable efforts to facilitate the Developer's Due Diligence Activities, all at no material incremental cost to the City, including providing information, coordinating with tenants or other third party users of the Property as applicable, and executing such documentation as may be reasonable and necessary for Developer's access to the site and completion of the Due Diligence Activities including the preparation of a BEA.

(3) Insurance. Prior to entering onto any Property for any Due Diligence Activities, Developer or its contractors shall maintain the insurance coverage and comply with the insurance requirements specified in the City's Right-of-Entry, a form of which is attached as **Exhibit C** (the "Right-of-Entry").

(4) Indemnity. Developer shall defend, indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from Developer's (including its duly authorized employees, agents, engineers or other representatives) negligence or willful acts occurring in connection with the Due Diligence Activities; provided, however, that (i) in the event Developer provides an Objection Notice or otherwise elects not to proceed to Closing, the Developer shall in no circumstance have any obligation or liability with respect to any conditions pre-existing at the Property including without limitation any environmental condition, soil or groundwater contamination or other environmental conditions that may be discovered in the course of the Developer's Due Diligence Activities and thereafter disclosed to the City as required hereunder, except to the extent such conditions are materially exacerbated due to the negligence or willful acts of Developer or any of its duly authorized employees, agents, engineers or other representatives, and (ii) the Developer shall not be responsible for any loss, liability, cost, or expense resulting from the discovery of any adverse information or condition regarding the applicable Property or from the City's (or the City's agencies' or departments') negligence or misconduct.

(5) Results of Due Diligence Activities. If Developer concludes, in Developer's sole discretion, that a particular Property is satisfactory, then Developer shall so

notify the City in writing on or before the last day of the Due Diligence Period, by sending an “Election Notice,” and the parties shall proceed to closing the applicable Property subject to other terms and conditions of this Agreement. If Developer concludes, in Developer’s sole discretion, that, for any reason or for no reason, a particular Property is not satisfactory, then Developer shall so notify the City in writing on or before the last day of the Due Diligence Period, by sending a “Rejection Notice,” and the parties shall not proceed to Closing with respect to the applicable Property at such time. In the event the Developer issues a Rejection Notice with respect to any Property, Developer may not later elect to re-commence Due Diligence Activities with respect to the same Property and the Option granted hereunder with respect to such Property will be thereafter deemed released and of no further force or effect. If Developer concludes, in Developer’s sole discretion, as a result of the Due Diligence Activities that the condition of the Property is not satisfactory but Developer wants the City to cure such unsatisfactory conditions, then Developer shall notify the City in writing on or before the last day of the Due Diligence Period, by sending an “Objection Notice” setting forth with reasonable specificity the particular condition of the applicable Property which is unacceptable to Developer (each such condition referred to as a “Defect”). The City shall have the right, but not the obligation, within sixty (60) days of the Objection Notice (the “City Cure Period”), to cure such Defects; provided, however, that the City shall be required to cure any liens or encumbrances (collectively, a “Mandatory Cure”) (x) in favor of the City or any agency or department of the City or (y) result from a violation of Section 5(G) of this Agreement. If the City is unable or unwilling to cause any or all of the Defects (other than Mandatory Cures which the City shall be obligated to cure) during such City Cure Period, Developer shall have the right to either (i) elect not to exercise the Option with respect to the applicable Property by sending written notice to City of such election within two (2) days after the expiration of the City Cure Period, in which event the Developer may later elect to commence Due Diligence Activities with respect to the same Property by delivery of a Diligence Notice pursuant to the terms of Section 1(B) above; or (ii) waive its objection to such Defects and accept the Property subject to those Defects (Developer being deemed to have elected this option (ii) if it fails to make the election in the preceding option (i)). If Developer fails to provide an Election Notice or an Objection Notice within the Due Diligence Period, then Developer shall be deemed to have delivered a Rejection Notice with respect to the applicable Property. Notwithstanding any provision herein to the contrary, the City agrees to (1) cooperate with the Developer in clearing title to the Property to the extent that the title related Defects described in the Objection Notice are within the reasonable control of the City to address or eliminate and (2) cure all Mandatory Cure Defects. In the event that the expiration of the City Cure Period for a particular Property occurs (or would occur) after the expiration of the Option Period, the Option Period shall be extended for such Property until the date that is fifteen (15) days after the expiration of the applicable City Cure Period.

(6) As Is Condition of Property; City Cooperation. From time to time with respect to each Property, subject to the earliest to occur of (i) delivery by Developer of an Election Notice, (ii) written notice to Developer that the City has cured all Defects set forth in an Objection Notice provided prior to the expiration of the City Cured Period, or (iii) waiver by Developer of any Defects, each pursuant to Section 1(C)(5) above, closing of the transactions contemplated hereby with respect to a particular Property (each, a “Closing”) shall be on an “as-is, where-is” basis and the Developer shall take the applicable Property as it finds it at Closing



other than a matter resulting from a violation of the covenant set forth in Section 5(G) of this Agreement. The City makes no implied or express representations or warranties of any kind as to its condition, including its environmental condition and any other condition that may adversely affect the development, or its fitness for absolutely any purpose whatsoever. By proceeding to Closing after completion of its Due Diligence Activities, Developer will acknowledge that it is satisfied with the condition of the applicable Property, except as otherwise provided in this Agreement. By accepting title to the applicable Property at Closing, Developer shall be deemed to have waived any right to object to the status of title or to the condition of the applicable Property, regardless of the result of any Due Diligence Activities, and shall be deemed to have declared its full satisfaction with the status of title to and condition of the applicable Property, except as otherwise provided in this Agreement.

(7) Release of City from Liability. Upon Closing on any particular Property, Developer shall release the City and its officials, employees, and agents (but not any third party) from any and all claims or causes of action the Developer may have against the City for any liability, injury or loss as a result of any physical defects in or physical conditions of the applicable Property, including but not limited to any surface, subsurface, latent or patent conditions whether naturally occurring or by action of any party, including but not limited to environmental condition, other than a matter resulting from a violation of the City's covenant set forth in Section 5(G)(ii) of this Agreement.

(8) Security of Properties. In the event that a Property is vacant or otherwise not being utilized by the City, without imposing any liability or obligation with respect thereto, commencing on the commencement of Due Diligence Activities with respect to such Property, Developer shall have the right, but not the obligation, at its sole and absolute discretion, at Developer's cost and expense, to undertake any actions it deems reasonably necessary to secure the Property and prevent damage or unauthorized access to the applicable Property, including, without limitation, installing and maintaining fencing and/or signage on the applicable Property. As a condition to Developer exercising its right hereunder to secure any Property, the Developer must first obtain a general liability policy of insurance in connection with such activities in form and amount reasonably satisfactory to the City, with the City named as an additional insured thereto. In addition, Developer shall not be deemed to be in control of or operating the applicable Property as a result of Developer's undertaking of any security measures with respect to this section. Notwithstanding the foregoing, in exercising its right to secure the Property provided for herein, Developer shall not be deemed to have warranted to the City the effectiveness of the security measures so implemented.

(D) Manner of Conveyance. At the Closing, the applicable Property shall be conveyed to Developer (or its designee) by one or more quit claim deeds substantially in the form of the deed set forth in **Exhibit D** (the "Deeds") using legal descriptions approved by Developer and the City.

(E) Brokerage and Finder's Fees and Commission. Developer will defend and indemnify the City and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind that the City or Developer may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents claiming by, through or under Developer incident to this Agreement and the transaction contemplated hereby or any litigation

or similar proceeding arising therefrom unless the City has a written agreement with a broker, finder or agent providing for such payment in which case the City shall be responsible for such broker, finder or agents' commissions, fees, judgments or expenses. To the maximum extent permitted by applicable law, the City will defend and indemnify the Developer and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind that the City or Developer may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents claiming by, through or under the City incident to this Agreement and the transaction contemplated hereby or any litigation or similar proceeding arising therefrom unless the Developer has a written agreement with a broker, finder or agent providing for such payment in which case the Developer shall be responsible for such broker, finder or agents' commissions, fees, judgments or expenses.

(F) Taxes And Assessments.

(1) Property on Tax Rolls at Closing. All taxes and assessments which (i) have become a lien upon the Property or part thereof prior to the date of Closing, and (ii) have been discovered and specifically identified by Developer prior to the applicable Closing, shall be paid by the City and shall be a Mandatory Cure; provided, however, that all current property taxes shall be prorated and adjusted to the date of Closing on a due date basis. From and after each Closing, Developer shall be solely responsible for all taxes, liens, and assessments that become due and payable for the period after the applicable Closing against the applicable Property it acquires hereunder or any part thereof, whenever assessed, levied, or due, and shall have no claim against the City on account thereof.

(2) Approval of Requests for Economic Incentives/Entitlements and Land Use Approvals.

(i) The City agrees to consider any requests by Developer or its designee for any development or economic inducements (including tax abatements, tax credits, tax increment financing, grants, loans, cost reimbursements and like development incentives) for which any of the Properties are eligible, whether or not such requests are made as part of Developer's Due Diligence Activities or thereafter. The City also agrees to cooperate with and support Developer or its designee in any request to procure such development or economic inducements from other governmental authorities (whether or not related to or controlled by City).

(ii) The City agrees to consider requests or applications by Developer or its designee for approvals relating to zoning, site plans, special use permits, uses, variances or other municipal approvals that are necessary or appropriate to develop the Properties, provided that if the requests pertain to any of the Properties other than 1300 Beaubien, such requests are for uses that are consistent with the SD4 zoning classification as of the Effective Date or otherwise are consistent with residential, parking, retail or commercial uses permitted within the SD4 zoning classification as currently in effect or other uses suitable for the location.

(iii) The following shall apply to any consideration or cooperation by the City with respect to any formal requests made by Developer or its designee to the City, described in subsections (i) or (ii) of this Section: (a) the City agrees to process such requests pursuant

to its ordinary processes for the applicable requests, (b) the City shall not unreasonably withhold, condition or delay approvals of the applicable requests, and shall not unreasonably impede or interfere with development activities consistent with this Agreement, (c) the City shall not discriminate against Developer or its designee in the consideration or approval of such requests on account of the Arrangement, the events leading up to the Arrangement or this Agreement, and (d) the City shall use reasonable efforts to facilitate such requests, taking into consideration other similar requests for approvals or inducements, as applicable, of third parties granted by the City for similarly situated developments and uses as those contemplated by Developer for the Property; provided, however, the City shall process such requests pursuant to all then applicable rules, regulations, statutes and similar requirements.

(G) Inability to Convey. Subject to the Developer's rights under Section 6(D) below, if, for any reason, the City is unable to convey title to a particular Property to the Developer upon exercise of the Option and Developer's election to proceed to Closing with respect to the applicable Property pursuant to the terms of this Agreement, which shall include (i) if the City (or an agency or department of the City) does not own title to such Property, (ii) there is a Defect that is not cured or removed as of the Closing and such Defect materially hinders Developer's ability to develop the applicable Property in an economically viable manner, (iii) there are any uncured Mandatory Cure items, or (iv) if Developer determines that the scope or expense of any environmental remediation necessary to develop the applicable Property would make the development thereof, as contemplated by the Developer, economically unfeasible, the Developer and the City shall mutually agree upon alternate consideration commensurate to the undeveloped, fair-market value of the applicable Property (the "Alternate Consideration"); provided, however, that such value shall assume that any applicable Defects have been removed; provided, further, that, with respect to the applicable Property, the reasonable, actual and out-of-pocket acquisition and development costs incurred by Developer or its designee after the Effective Date and prior to the date upon which Developer or its designee obtains actual knowledge of the existence of the particular Defect or condition of such Property giving rise to Alternate Consideration, including, without limitation, costs associated with Due Diligence Activities, remediation activities, and architect, engineering, and design activities, shall be included in the amount of Alternate Consideration to the extent Alternate Consideration is required pursuant to Section 1(G)(i) or 1(G)(iii) above.

To the extent the Parties do not agree on the Alternate Consideration within sixty (60) days of establishing that Alternative Consideration is required, then, within thirty (30) days thereafter, the Developer and the City shall deliver to each other Developer's or City's, as the case may be, determination of the Alternate Consideration (which shall be in the form of an alternate parcel of real property or cash payment amount). Within ten (10) days after each Party delivers to the other party such Party's determination of the Alternate Consideration, the Developer and the City shall each appoint one disinterested appraiser having the qualifications set forth herein. Each such appraiser must be a Member of the Appraisal Institute (MAI) and have at least ten (10) years of experience appraising commercial or industrial property in the Detroit metropolitan area as a MAI appraiser. If either the Developer or the City fails to appoint an appraiser within such ten (10) day period, the appraiser appointed by the Developer or the City, as the case may be, shall appoint an appraiser having the qualifications set forth herein. As promptly as possible, but in no event later than thirty (30) days after the appointment of both

appraisers, the appraisers shall notify the Developer and the City in writing of their determination of which of the Developer's or the City's determination more closely approximates Alternate Consideration (all as valued as of the determination date). The Alternate Consideration so selected by the two appraisers will constitute the Alternate Consideration for purposes of this section, and will be binding upon the Developer and the City. If the two appraisers are unable to agree as to the Alternate Consideration, then the two appraisers shall promptly agree upon and appoint a third appraiser having the qualifications set forth herein. The third appraiser shall, within thirty (30) days of appointment, determine which of the two determinations of the Developer or the City more closely approximates Alternate Consideration, and shall notify the Developer and the City thereof. The Alternate Consideration selected by the third appraiser will constitute the Alternate Consideration for purposes of this section, and will be binding upon the Developer and the City. To the extent the Alternate Consideration selected by the appraisers hereunder is real property, (i) such real property shall be reasonably acceptable to Developer, and (ii) the City may elect in its sole discretion to satisfy such Alternate Consideration in the form of a cash payment to the Developer in an amount equal to the appraisers' determination of the cash value of the Alternate Consideration selected. To the extent the Alternate Consideration to be given to the Developer hereunder is real property, the City shall be deemed to have granted Developer an option with respect to such Alternative Consideration property pursuant to the same terms as this Agreement; provided, however, that the time periods with respect to such option, including without limitation, the Option Period, shall commence upon the date that such new option with respect to the Alternative Consideration is granted to Developer and not as of the Effective Date.

(H) Use of the Properties During the Due Diligence Period. Commencing on the commencement of the Due Diligence Period, Developer shall have the right (but not the obligation), in its sole discretion, to elect to utilize all or a portion of the Properties identified on Schedule 1(H) prior to acquiring title of the Use Property for the operations of a surface lot parking facility and ancillary uses (collectively, the "Parking Use") by providing thirty (30) days' prior written notice thereof to City (a "Use Notice"). The Use Notice shall identify the Properties that will be used by Developer for the Parking Use (collectively, the "Use Property"). Developer's right to utilize the Use Property for the Parking Use shall commence as a license from the City upon the expiration of thirty (30) days following the delivery of the Use Notice to the City. Developer shall have the right to enter into an agreement with a third party to operate the Parking Use on the Use Property. Developer shall pay all costs associated with the Parking Use of the Use Property (including all federal, state and local taxes and charges as may be applicable thereto; however, Developer shall not be responsible for ad valorem property taxes during the Use Period) and shall receive all revenue with respect thereto. In the event that Developer delivers a Use Notice, Developer shall be required to deliver an Election Notice with respect to the Use Property; provided however, Developer shall have the right to elect at what point during the Due Diligence Period such Election Notice is given by providing written notice of such election prior to the expiration of the Due Diligence Period. The period between a Use Notice and Closing shall be referred to herein as the "Use Period." If Developer fails to deliver such election prior to the expiration of the Due Diligence Period, Developer shall be deemed to have delivered an Election Notice with respect to the Use Property on the last day of the Due Diligence Period. Developer shall maintain such commercially reasonable insurance as is customary for operations similar to the Parking Use on the Use Property and shall defend,

indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from the Parking Use; provided, however, that the Developer shall not be responsible for any loss, liability, cost, or expense resulting from the City's (or of the City's agencies' or departments') negligence or misconduct. Developer shall at all times keep the Use Property clean and free of debris and shall not permit any area of the Use Property to be littered with refuse during the Use Period. The City disclaims all representations and warranties as to the condition of the Use Property, including, but not limited to, any implied or express warranty of fitness of the Use Property for the Parking Use. Developer covenants and agrees that it shall not use the Use Property during the Use Period in any manner which violates the laws of the United States of America, the laws of the State of Michigan or any ordinances or other regulations of any governing municipality or other political subdivision. Developer's use of the Use Property and any activities or actions of Developer or its designee in connection therewith shall not be deemed a violation of the City's covenants under Section 5(G) below.

## **Section 2. ENVIRONMENTAL MATTERS**

(A) Definitions. The following words and expressions shall, wherever they appear in this document, be construed as follows:

(1) "Asbestos" shall have the meanings provided under the Environmental Laws and shall include, but not be limited to, asbestos fibers and friable asbestos as such terms are defined under the Environmental Laws.

(2) "Environmental Claims" shall mean all claims, demands, suits, proceedings, actions, whether pending or threatened, contingent or non-contingent, known or unknown, including but not limited to investigations and notices by any governmental authority, brought under common law and/or under any of the Environmental Laws which can or do relate to the Property.

(3) "Environmental Laws" shall mean all applicable federal, state, and local laws, rules, regulations, orders, judicial determinations and decisions or determinations by any judicial, legislative or executive body of any governmental or quasi-governmental entity, whether in the past, present or future, with respect to:

(i) the installation, existence, or removal of, or exposure to, Asbestos on the Property;

(ii) the existence on, or discharge from, or removal from the Property of Hazardous Materials; and

(iii) the effects on the environment of the Property or any activity conducted now, previously or hereafter conducted on the Property.

Environmental Laws shall include, but are not limited to, the following: (i) the Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended ("NREPA"); the Comprehensive Environmental Response,



Compensation, and Liability Act, 42 USC Sections 9601, et seq. (“CERCLA”); the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Resource Conservation and Recovery Act, 42 USC Sections 6901, et seq.; the National Environmental Policy Act, 42 USC Section 4321; the Toxic Substances Control Act, 15 USC Section 2601; the Hazardous Materials Transportation Act, 49 USC Section 1801; the Clean Air Act, 42 USC Sections 7401, et seq.; and the regulations promulgated in connection therewith; (ii) Environmental Protection Agency regulations pertaining to Asbestos (including 40 CFR Part 61, Subpart M); Occupational Safety and Health Administration Regulations pertaining to Asbestos (including CFR Sections 1901.1001 and 1926.58) as each may now or hereafter be amended; and (iii) any Michigan state and local laws and regulations pertaining to any Hazardous Materials.

(4) “Hazardous Materials” shall mean any of the following as defined by the Environmental Laws: Asbestos; hazardous wastes; solid wastes; toxic or hazardous substances, wastes or contaminants (including but not limited to polychlorinated biphenyls (PCBs), paint containing lead and urea formaldehyde foam insulation), and sewage.

(B) The City and Developer acknowledge and agree that some of the parcels to be transferred may be “facilities” pursuant to Part 201 of NREPA, whether or not as yet discovered to be such, and that given the number of parcels being transferred, the 100-year period over which the parcels were developed, numerous changes in uses, and the City’s lack of knowledge about the condition or history of most of the parcels, it may not be practicable or possible to identify all pre-existing contamination or conditions on the parcels which may strictly violate Environmental Laws. Further, the City and Developer acknowledge that although the Developer can give its general undertaking to comply with Environmental Laws with regard to its conduct of future activities on the parcels, at the time of Closing, neither City nor Developer will be able to estimate exactly what such compliance may involve with regard to existing contamination and other existing conditions on the parcels that may violate Environmental Laws. The City acknowledges that the Developer may conduct a BEA and CERCLA “All Appropriate Inquiry” assessment activities respecting the Property, the results of which assessments may be reported to federal and state authorities at such time as Developer issues an Election Notice to proceed to Closing with respect to such Property, in order to seek the associated protections from liability with respect to pre-existing environmental conditions at the Property (“Liability Protection”), or such earlier date as required pursuant to Environmental Laws or in order to preserve Liability Protection.

(C) The City shall authorize the Developer, through a fully executed Right-of-Entry (in the form attached), to enter upon the applicable Property during the Due Diligence Period to, subject to the conditions set forth herein, undertake environmental remediation activities approved by the City hereunder, and make soil boring and bearing tests, undertake such surveying and environmental due diligence activities as Developer deems appropriate, including without limitation sampling and testing of soil, soil vapor, surface water, groundwater, indoor air, and the installation of groundwater wells, provided such do not materially and permanently interfere with demolition or site improvement activities of the City or the rightful use of the

Property by a tenant in possession or other third party, if any. All such testing and remediation shall be done at Developer's expense. Developer shall at all times during the Due Diligence Period comply with the terms and provisions of the Right-of-Entry, and Developer's right to enter upon the applicable Property is subject to execution of such Right-of-Entry. To the extent any provision of such Right-of-Entry conflicts with the terms set forth herein, the terms of this Agreement shall govern. Developer shall upon request submit to the City a copy of each final survey or environmental testing report generated as a result of such activities. Developer shall give prior written notice to the City to inspect, investigate and/or remediate the condition of the Property during the Due Diligence Period, including any investigation of the environmental condition (each such notice referred to herein as an "Investigation Notice"). To the extent the Investigation Notice includes a request to perform any environmental remediation activities upon the applicable Property, prior to undertaking such remediation, the Developer shall submit to the City in writing (i) the scope of remediation activities contemplated by the Developer, (ii) evidence of commercially reasonable insurance appropriate for the scope of remediation contemplated by the Developer, and (iii) evidence that the Developer has the financial resources to complete the scope of remediation contemplated, each of which shall be subject to the prior written approval of the City, which approval shall not be unreasonably withheld, conditioned or delayed. Upon written request of Developer, the City shall provide an electronic mail address for delivery of any Investigation Notice; provided, Developer shall mail a copy of any Investigation Notice sent via electronic mail to the City pursuant to the provisions of Section 4 below. Developer shall use all commercially reasonable efforts to minimize damage to the Property in connection with such entry and shall restore the Property to substantially the condition existing prior to such entry, provided that the City acknowledges that soil borings and groundwater well sampling may be conducted, and it may not be practicable to fully restore the Property to the exact same condition. Developer shall indemnify, defend and hold the City harmless from and against any and all loss, cost, liability and expense, including reasonable attorney fees and litigation costs, suffered or incurred by the City as a result of the Developer's (including any of its duly authorized employees, agents, engineers or other representatives) negligent acts or omissions or willful misconduct occurring in connection with the activities conducted in accordance with the Right-of-Entry; provided however that (A) in the event Developer provides an Objection Notice or otherwise elects not to proceed to Closing, the Developer shall in no circumstance have any indemnity obligation or other liability with respect to any environmental conditions pre-existing at the Property including without limitation any soil or groundwater contamination or other environmental conditions that may be discovered in the course of the Developer's Due Diligence Activities and thereafter disclosed to the City as required hereunder, except to the extent such environmental conditions are materially exacerbated due to the negligence or willful misconduct of Developer or any of its duly authorized employees, agents, engineers or other representatives, and (B) in no event shall Developer have any indemnity obligation or other liability with respect to any loss, cost, liability or expense incurred by the City as the result of the gross negligence or willful misconduct of the City or its agents.

(D) In the event Developer elects to proceed to take title to any Property, upon the Closing, Developer takes such Property as it finds it, "AS IS", and the City makes no express or implied representations or warranties as to its fitness for absolutely any purpose whatsoever, including but not limited to any warranty that the Property is fit for the Developer's purpose or



regarding the presence or absence of Hazardous Materials at, on, in, under, about, or from the Property and compliance with the Property with Environmental Laws. Developer acknowledges that neither the City nor any agent or employee of the City has made any representation, warranty or agreement, either express or implied, and Developer has not relied on any representation, warranty or agreement of any kind made by the City or any agent or employee of the City, concerning (a) the physical or environmental condition of the Property, or (b) the presence or absence of any condition, substance or material, including but not limited to any waste material, equipment or device at, on, in, under, about, or from the Property. Developer agrees that the disclosures of the City concerning the Property and its condition are intended to satisfy any duties the City may have under the law, including but not limited to the statutes, Environmental Laws, and common law. Developer shall rely solely on its own due diligence with respect to such inquiries, investigations and assessments. By executing this Agreement, Developer acknowledges that it is satisfied with the condition of the Property, subject only to its Due Diligence Activities, including but not limited to inspection of the Property, review of title, and the results of the tests, investigations and surveys permitted under this Agreement. If, prior to Closing, Developer fails to undertake such investigations and/or obtain such test results and surveys, or fails to object to the condition of the Property based on the results of its Due Diligence Activities, and Developer thereafter elects to proceed to Closing, Developer shall thereupon be deemed to have waived any right to object to the condition of the Property and shall be deemed to have declared its full satisfaction therewith.

(E) Upon Closing on any particular Property, subject to the City's covenant set forth in Section 5(G)(ii) below, Developer, for itself and its successors and assigns, expressly waives and releases all Environmental Claims (whether for personal injury, property damage or otherwise) that Developer may have against the City and its officials, employees and agents in connection with or related to such Property or any aspect thereof except for Environmental Claims arising out of actions by the City of its employees or agents that caused the release or threatened release of hazardous substances on the parcels being transferred. Upon Closing on any particular Property, Developer releases and discharges the City from all Environmental Claims that Developer may have against the City in connection with or arising out of the present condition of the Property.

(F) Intentionally omitted.

(G) Subject to the City's covenant set forth in Section 5(G)(ii) below, after the Closing with respect to a Property, the City shall have no obligation or liability to Developer whatsoever to undertake any cleanup or other remedial action that may be required in connection with the Property under any Environmental Law, or to comply with any other federal, state or local requirement to attend to the physical condition of the Property.

(H) At its sole cost and expense, with respect to an applicable Property for the period commencing on the applicable Closing and ending on the applicable Commencement of Construction, Developer shall: (a) comply with all Environmental Laws; (b) pay when due the cost of Developer's compliance with the Environmental Laws resulting directly or indirectly out of environmental conditions caused or permitted by Developer during its period of ownership, use, possession or development of the Property; and (c) keep the Property free of any lien

imposed pursuant to the Environmental Laws resulting out of Developer's ownership, use, possession, or development of the Property.

(I) During the earliest of the date that Developer (a) receives title to the Property, (b) receives possession of the Property or (c) performs any removal or remedial activities on the Property, Developer shall comply with all Environmental Laws and will undertake to complete any further investigation and remediation of the environmental conditions, if any, necessary to permit the intended use of the Property in accordance with the Environmental Laws. As between the City and Developer but not as to third parties, Developer assumes the risk of liability for any and all Hazardous Materials, whether known or unknown, which may have been or may be present in, at, on, under about or from the Property except for hazardous materials released by the City or its agents, employees, or contractors.

(J) Notwithstanding anything to the contrary which may be contained in this Agreement, Developer represents and warrants and covenants to the City for the period after Developer's commencement of ownership, use, possession or development of the Property and terminating upon the Commencement of Construction at an applicable Property, as follows:

(i) Developer shall not directly or indirectly use or allow the use of the Property for the purpose of storing any Hazardous Materials Developer brings into the Property, nor shall Developer directly or indirectly use the Property in a manner which will cause or increase the likelihood of causing the release of such Hazardous Materials onto or from the Property, other than those Hazardous Materials which are necessary and commercially reasonable for the conduct of Developer's development activities or the business operated on the Property and which Hazardous Materials shall be, handled and disposed of in compliance with all Environmental Laws and industry standards and in a commercially reasonable manner.

(ii) Developer shall promptly notify the City of any claims or litigation against the Developer by any person (including any governmental authority), concerning the presence or possible presence of Hazardous Materials contamination at the Property or concerning any violation or alleged violation of the Environmental Laws by the Developer respecting the Property, and shall furnish the City with a copy of any such communication received by Developer.

(iii) Developer shall notify the City promptly and in reasonable detail in the event that Developer becomes aware of or suspects the presence of Hazardous Materials contamination or a violation of the Environmental Laws at the Property.

(iv) If Developer's operations at the Property violate the Environmental Laws so as to subject Developer or the City to a formal notice of violation by a governmental agency alleging a violation of the Environmental Laws, Developer shall promptly investigate the underlying circumstances and notify the City within fourteen (14) days of the results of its investigation. If Developer determines that an ongoing violation by Developer is occurring or did occur, Developer shall, to

the extent required by Environmental Laws, cease or cause a cessation of or take other actions to address those aspects of the use or operations causing the violation and shall remedy and cure in compliance with the Environmental Laws any conditions arising therefrom to the extent required by Environmental Laws at its own cost and expense. If Developer disputes that its activities are violating Environmental Laws, it shall expeditiously appeal and prosecute an appeal of the notice of violation or take other commercially reasonable actions to dispute such notice.

### **Section 3. CLOSING**

(A) Time and Place of Closing. The closing with respect to a particular Property shall take place at the office of the PDD, or such other location designated by the City and acceptable to Developer. Each Closing will take place within fifteen (15) days following the earliest to occur of (i) delivery by Developer of a Election Notice with respect to a particular Property, (ii) written notice to Developer that the City has cured all Defects set forth in an Objection Notice provided prior to the expiration of the City Cured Period with respect to a particular Property, or (iii) waiver by Developer of any Defects with respect to a particular Property, each pursuant to Section 1(C)(5) above. For the avoidance of doubt, no additional consideration shall be due from the Developer to the City at any Closing.

(B) Conditions to Closing. The City's obligation to proceed with a Closing is conditioned on the fulfillment by Developer of each of the following conditions precedent:

a. Resolution of Developer's Authority. Developer shall furnish to the City a certified copy of a resolution in form and substance as set forth on **Exhibit E**, duly authorizing the execution, delivery and performance of this Agreement and all other documents and actions contemplated hereunder with respect to a particular Property.

b. Intentionally Omitted.

c. Payment of Closing Costs. Developer shall have tendered payment of the closing costs payable by Developer, which shall include all title charges, escrow, closing and recording fees associated with any conveyance hereunder. For avoidance of doubt, the City shall not be responsible for any closing charges or transaction fees in connection with any Closing hereunder other than the payment of its own legal fees and expenses.

(C) Delivery of Deeds and Possession. The City will deliver to Developer at each Closing the Deeds with respect to the particular Property that is subject of such Closing to and possession of the applicable Property.

(D) Recording. Provided that Developer has complied with all conditions precedent as specified herein, the Deeds with respect to a particular Property shall be delivered at the applicable Closing for prompt recordation with the Register of Deeds of Wayne County, Michigan. Developer shall pay at each Closing all costs for recording the Deeds. Possession of the applicable Property shall be delivered to Developer at the applicable Closing.

### **Section 4: NOTICES**

A notice, demand or other communication under this Agreement by either Party to the other shall be sufficiently given if it is dispatched by certified or registered mail, postage prepaid, return receipt requested, or sent by recognized overnight delivery service, or hand delivered, with receipt obtained, and addressed as follows:

If to Developer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the City: Director  
Planning & Development Department  
65 Cadillac Square, Suite 2300  
Detroit, Michigan 48226

With a copy to (which copy shall not constitute notice):

Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue  
Suite 500  
Detroit, MI 48226

All notices shall be deemed given on the day of mailing. Either Party to this Agreement may change its address for the receipt of notices at any time by giving notice thereof to the other as provided in this section. Any notice given by a Party hereunder must be signed by an authorized representative of such Party.

## **Section 5: COVENANTS**

(A) Developer covenants for itself and its successors and assigns and every successor in interest to any Property constituting a part of the Properties, that from and after Closing on such Property, Developer and its successors and assigns shall develop such Property only to and in accordance with the uses specified in this Agreement, unless otherwise agreed in writing by the City. The uses specified in this Agreement are for development and use of such Property into parking facilities, residential housing, commercial, retail space or any other use suitable for the location, consistent with the City's urban planning policies and the City's comprehensive development plan in effect as of the date the Developer seeks zoning and land use approval for such development. Subject to force majeure delays, within fifteen (15) months following Closing (the "Commencement Deadline") on any Property, the Developer shall achieve Commencement of Construction (as defined below) with respect to such Property. Following Commencement of Construction, the Developer shall diligently prosecute such development on the Property to substantial completion (which shall mean substantial completion of such development and all material improvements related thereto, exclusive of landscaping, punch list items and any tenant work for commercial or other space for which there are no tenants or for which the work is to be done by a tenant and any onsite or offsite work that is not commercially

necessary for occupancy) (the date upon which such substantial completion occurs referred to herein as the “Completion Date”). Subject to force majeure delays, the Completion Date shall occur within thirty nine (39) months following Closing for the applicable Property, or such longer period of time as may be reasonably necessary for Developer or its designee to actually achieve substantial completion of the applicable development or improvements, provided Developer is diligently pursuing such completion (the “Completion Deadline”). For purposes hereof, “force majeure delays” shall mean acts of God, terrorism, flooding, strikes, lockouts or other labor trouble, materially adverse weather conditions, fire or other casualty, governmental preemption in connection with an emergency, any rule, order or regulation of any governmental authority or any department or subdivision thereof and any other cause or event beyond the reasonable control of Developer (other than failure of Developer to secure necessary land use or zoning approvals from any governmental authority), or inability to secure materials, labor or access to the Property because of any such emergency, rule, order, regulation, war, civil disturbance, terrorist act or other emergency, or inability to secure materials, labor or access to the Property because of any other cause or event beyond the reasonable control of Developer (other than shortage of funds). In the event that the Developer elects to undertake environmental remediation of the Property after the Closing, “force majeure delays” also shall include the time reasonably necessary for the proper completion of all applicable remediation activities. In the event that Developer ceases, delays, or slows its development activities for a particular Property as a result of any claim or cause of action filed, threatened or asserted by the City (or any of its agencies or departments) and, (1) a court of competent jurisdiction dismisses such action or rules in favor of Developer with respect thereto or (2) the City withdraws its claims or causes of actions, the delay associated with such reduction or cessation in the development shall be deemed a “force majeure delay.” The Commencement Deadline and Completion Deadline shall be extended for a period of time equal to the number of days during which Developer is prevented from proceeding with the construction of the development at the Property by reason of force majeure, provided that (i) Developer is otherwise in material compliance with the terms and provisions of this Agreement, and (ii) Developer notifies the City of the events constituting such force majeure upon the later of (i) Closing with respect to the applicable Property and (ii) sixty (60) days after Developer has actual knowledge of their occurrence.

(B) For purposes of this Agreement, “Commencement of Construction” on a Property shall be deemed to have occurred when the Developer shall have commenced foundation or other equivalent site preparation work on the Property, which site preparation work may include renovation or demolition of existing buildings located on the Property, as applicable.

(C) If the development plan for a Property calls for development of improvements on the Property in two or more discrete phases, the requirements set forth in this Agreement relative to the Completion of Construction, as well as the remedies of the City applicable thereto, shall be satisfied upon Completion of Construction of the initial phase.

(D) Developer covenants and agrees that from and after Closing it will: (i) comply with all zoning requirements, and all other applicable state and federal statutes and regulations and local laws and ordinances applicable to the ownership, use and/or occupancy of the Property; and (ii) pay and discharge when due without penalty, and in all events before penalty for nonpayment attaches thereto, all taxes, assessments and governmental charges, including but not



limited to real estate taxes or assessments on the Property or any part thereof, except where the same may be contested in good faith.

(E) Certificate of Completion. The Developer shall give the City prompt written notice of the Completion Date. The City agrees that the PDD shall inspect the Property for purposes of issuance of the Certificate of Completion promptly following the Completion Date, and shall provide Developer with notice of any deficiencies in compliance with this Agreement, and an opportunity for cure and re-inspection. If, as of the Completion Deadline, PDD determines that Developer is in compliance with all provisions and requirements of this Agreement, PDD shall issue a “Certificate of Completion.” The Certificate of Completion shall be a conclusive acknowledgment by PDD of satisfaction by Developer of its obligations under this Agreement for the applicable Property or portion of the applicable Property addressed by the Certificate of Completion. The Certificate of Completion shall not, however, constitute evidence of compliance with or satisfaction of the requirements of any department, agency or entity with respect to any building, occupancy, or other permits, to the extent such departments are exercising their regulatory authority. The Certificate of Completion shall be in such form as can be recorded against the Property, or portion thereof, and shall release the Property, or portion thereof, from the City’s rights under this Agreement. The cost of recording the Certificate of Completion shall be the responsibility of Developer.

(F) Estate Conveyed. Notwithstanding anything contained in this Agreement to the contrary, the estate conveyed hereby shall be deemed to be a determinable fee and only upon the Commencement of Construction on the Property will the possibility of reverter retained by the City automatically expire as to that part of the applicable Property.

(G) City Covenants. During the Option Period and prior to a Closing with respect each Property, the City shall (i) maintain such Property in at least the same condition and repair (except for environmental condition and repair thereof, which is addressed in sub-clause (ii) below) as of the Effective Date, (ii) not, through its own action (or the action of any agency, department, employee, agent, or contractor), alter the environmental condition of the Property, as such exists as of the Effective Date, in a material and adverse manner, (iii) not “down zone” the Property or take zoning or land use action on the Property that would materially and adversely affect Developer’s ability to develop the Property for the uses otherwise permitted in this Agreement, and (iv) not execute or grant any lease, contract, agreement, lien, security interest, encumbrance, easement, or restriction with respect to such Property, or amend, modify, renew, extend or terminate any of the foregoing, without prior written consent of the Developer, which consent shall not be unreasonably withheld, conditioned or delayed.

## **Section 6: REMEDIES**

(A) City’s Remedies Prior to Conveyance. Except with respect to assignment to a Permitted Entity (as defined below), in the event that, prior to the conveyance of the Property, Developer assigns this Agreement or any right therein or in a Property without the prior written approval of the City, this Agreement and any rights of Developer in this Agreement, may, at the option of the City, be terminated by the City after thirty (30) days written notice and opportunity to cure provided by the City to Developer. Notwithstanding the foregoing, the Developer’s rights and obligations under this Agreement may be assigned: (i) to a wholly owned subsidiary

of Developer, or (ii) to a joint venture, limited liability company, partnership, limited partnership or other entity formed to develop or finance a Property or the Properties, provided that the Developer retains a direct or indirect interest in such entity (any such assignee being referred to as a “Permitted Entity”). In any case, the Developer shall provide written notice to the City of such assignment.

(B) City’s Remedies Subsequent to Conveyance.

(1) Event of Default. If, prior to the issuance of a Certificate of Completion on a Property, Developer breaches any covenant set forth in Sections 5(A) or (D) hereof applicable to such Property and fails to cure such breach within ninety (90) days after written demand by the City, such an event shall be deemed to constitute an **Event of Default**, provided, however, that if the nature of Developer's default is such that more than the cure period provided is reasonably required for its cure, then Developer shall not be deemed to be in default and an Event of Default shall not have occurred if Developer commences such cure within said period and thereafter diligently pursues such cure to completion within two hundred seventy (270) days of City’s initial written demand hereunder. Notwithstanding the foregoing, Developer shall have the right to dispute that an Event of Default has occurred or that an Event of Default has not been timely cured by written notice of dispute sent to the City (“Notice of Dispute”). In the event a Notice of Dispute is sent, the parties shall meet and in good faith work to resolve their differences. In the event the City and Developer cannot resolve their differences as to whether an Event of Default has occurred or has been cured, then the City shall not record a notice of an uncured and undisputed Event of Default as described in Section 6(B)(2) below without first bringing an action in a court of competent jurisdiction for a final judicial determination that an Event of Default occurred and was uncured. To the extent a court of competent jurisdiction deems that an Event of Default occurred prior to the Commencement of Construction and such cause of action was filed with the court of competent jurisdiction prior to the Commencement of Construction, irrespective of the date the court makes such determination, the City shall have all rights and remedies available to it hereunder as if such Event of Default was undisputed prior to the Commencement of Construction in the first instance. The City may, in its sole discretion, waive in writing any Default or Event of Default by Developer. Notwithstanding any provision contained herein to the contrary, any lender of Developer that has a security interest in a Property, shall have an additional notice and cure right that should provide such lender with a reasonable period of time after the expiration of any cure periods available to Developer in which to cure any Event of Default prior to the City enforcing its remedies hereunder.

(2) Right of Reverter. It is expressly understood and agreed between the Parties hereto that until the Commencement of Construction on a particular Property, the conveyance of such Property to Developer shall be construed and interpreted as the conveyance of a fee simple determinable, and that such conveyance shall endure only so long as subsequent to the conveyance and prior to the Commencement of Construction there has been no uncured or undisputed Event of Default with respect to such Property and such Event of Default results from a failure of the Commencement of Construction to have occurred prior to the Commencement Deadline (a “Reverter Event of Default”). In the event of an uncured and undisputed Reverter Event of Default and the City's recording of a notice thereof, after a judicial determination as required by Section 6(B)(1) above and written notice from the City to Developer of the City’s election to enforce the reverter set forth in this Section, title to the applicable Property (and only



the applicable Property) shall revert in the City, except for parcels of Property previously conveyed where Commencement of Construction has already been achieved. Upon such reversion of title, the City shall have the right to re-enter and take immediate possession of the applicable Property. Upon an uncured and undisputed Reverter Event of Default as to a Property occurring prior to the Commencement of Construction and expiration of the cure period, this Agreement and any rights of Developer arising hereunder with respect to the Property subject to the reverter, may, at the option of the City, be terminated by the City by the City providing written notice of such termination to the Developer prior to the cure of such Reverter Event of Default, and the Developer shall thereafter have no further interest in the reverted Property. In such case Developer agrees to promptly execute and deliver a quit claim deed for any such portion of reverted Property to the City. While the right of reversion as to a Property automatically terminates upon Commencement of Construction on such Property, the City agrees to provide Developer with a written acknowledgement, in recordable form, that the Commencement of Construction has occurred and the City's right of reversion has terminated as to such Property.

(3) Intentionally Omitted.

(C) Rights and Remedies Cumulative. The rights and remedies of the City, whether provided by law or by this Agreement, shall be cumulative, and the exercise by the City of any one or more remedies shall not preclude the exercise by it, at the same or different times, of any other remedy for the same default or breach or any other default or breach by the Developer. No waiver made by either Party shall apply to obligations beyond those expressly waived in writing.

(D) Developer's Remedies. If the City breaches its obligations under this Agreement after reasonable notice and opportunity to cure, Developer shall have the right to seek injunctive relief, specific performance or other equitable remedies for the City's breach of this Agreement. In no event shall the Developer be entitled to monetary damages as a result of the City's breach of this Agreement, except to the extent such damages arise out of the City's uncured breach of the covenant set forth in Section 5(G) above.

(E) City's Representatives Not Individually Liable. No official or employee of the City shall be personally liable to Developer or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligations under the terms of this Agreement.

## **Section 7: PROVISIONS NOT MERGED WITH DEEDS**

No provision of this Agreement is intended to or shall be merged into the Deeds transferring title to each Property from the City to Developer or any successor in interest, and any such Deeds shall not be deemed to affect or impair the provisions and covenants of this Agreement.

## **Section 8: ENTIRE AGREEMENT; AMENDMENT**

This Agreement (including all exhibits, schedules or other attachments hereto) constitutes the complete and exclusive statement of the terms of the agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, promises, and arrangements, oral or written, between the Parties with respect to the subject matter hereof. This Agreement may be amended or modified only by an instrument in writing signed by both of the Parties.

## **Section 9: GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to conflicts-of-law principles that would require the application of any other law.

## **Section 10: COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but together such counterparts shall constitute one and the same instrument.

## **Section 11: AUTHORITY OF CITY.**

Notwithstanding anything in this Agreement, in law or in equity, or otherwise to the contrary, this Agreement shall be of no force or effect and may not in any way be enforced against the City unless or until this Agreement and the transaction contemplated hereby have been: (i) approved in writing by the Emergency Manager for the City of Detroit, in accordance with Emergency Manager Order No. 5, (ii) either included in the Emergency Manager's financial and operating plan or approved in writing by the Governor of the State of Michigan or his or her designee, in accordance with Section 12(1)(k) of Public Act 436 of 2012; and (iii) either included in the Emergency Manager's financial and operating plan or approved in writing by the State Treasurer, in accordance with Section 15(1) of Public Act 436 of 2012.

**Section 12: CITY AGENCIES AND DEPARTMENTS.** Whenever this Agreement requires an action or creates an obligation on behalf of the City, the City shall also be required, as applicable, to cause all of its agencies and departments to undertake such obligations.

(signatures on following pages)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

WITNESSES:

DEVELOPER

PIKE POINTE HOLDINGS, LLC, a  
Delaware limited liability company

Print: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MICHIGAN     )  
                                      ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on September \_\_, 2014 by \_\_\_\_\_ the \_\_\_\_\_ of Pike Pointe Holdings, LLC, a Delaware limited liability company, on behalf of said company.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

*[signatures continue on following page]*

WITNESSES:

CITY OF DETROIT,  
a Michigan public body corporate

Print: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on September \_\_\_\_ 20\_\_ by \_\_\_\_\_, the \_\_\_\_\_ of the City of Detroit, a Michigan public body corporate, on behalf of the City.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

---

Pursuant to § 18-5-12 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this contract.

Approved by the City Law Department pursuant to Sec. 7.5-206 of the Charter of the City of Detroit.

Finance Director

Corporation Counsel

City Council Approval Date:

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**Drafted by and when recorded return to:**

Bruce N. Goldman  
Senior Assistant Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue, Suite 500  
Detroit, Michigan 48226

**EXHIBIT A**  
**LEGAL DESCRIPTION**

1. The contiguous parcels of (2.701 acres):

1303 E Atwater .908

1365 E Atwater .220

1364 Franklin .337

1310 Franklin .145

1399 E Atwater .287

1325 E Atwater .707

1370 Gloin St .097

2. The contiguous parcels of (3.545):

2200 Franklin (3.545)

3. The contiguous parcels of (2.108 acres) :

2290 E Jefferson (1.199)

[2310 E Jefferson (.730)] **SUBJECT TO CITY APPROVAL**

301 Chene (.179)

4. 1300 Beaubien (Former Police HQ)

5. Parcel(s) mutually agreeable to the Parties which parcels shall:

a. have reasonably equivalent value to the aggregate value of 2263 E Atwater (2.812 acres) and 281 Chene St (.430 acres);

b. be consistent with the Developer's development scheme; and

c. be identified within forty-eight (48) hours following the September 15, 2014 bankruptcy court hearing related to the Arrangement.

[legal descriptions of the above parcels to be attached based on mutual agreement by the parties hereto following the Effective Date]

## **EXHIBIT B**

### **MEMORANDUM OF OPTION**

[the form of which shall be mutually agreed upon by the parties hereto promptly following the Effective Date hereof]

## **EXHIBIT C**

### **RIGHT OF ENTRY**

[the form of which shall be mutually agreed upon by the parties hereto promptly following the Effective Date hereof]



**EXHIBIT D**

**QUIT CLAIM DEED**

The City of Detroit, a Michigan public body corporate whose address is 2 Woodward Avenue, Detroit, MI 48226 ("Grantor"), quit claims to \_\_\_\_\_, a Michigan \_\_\_\_\_ ("Grantee"), whose address is \_\_\_\_\_, the premises located in the City of Detroit, Wayne County, Michigan, described as:

A/K/A \_\_\_\_\_

Ward: \_\_\_\_\_ Item(s): \_\_\_\_\_

(the "Property"), for the sum of \_\_\_\_\_ (\$\_\_\_\_\_), subject to and reserving to the City of Detroit its rights under public easements and rights of way, easements of record, applicable zoning ordinances, development plans pursuant to Act 344 of 1945 as amended (if any), and restrictions of record.

This Deed is given subject to the terms, covenants and conditions of a Development Agreement - Option to Purchase and Develop Land dated \_\_\_\_\_, 20\_\_ entered into by the parties hereto and which is incorporated herein by reference and a memorandum of which was recorded on \_\_\_\_\_, 20\_\_ in the Office of the Register of Deeds for the County of Wayne in Liber \_\_\_\_\_ on Pages \_\_\_\_\_ through \_\_\_\_\_ inclusive, none of the terms, covenants and conditions of which shall be deemed merged in this Deed. The covenants therein recited to be covenants running with the land are hereby declared to be covenants running with the land enforceable by the City as therein set forth until issuance of a Certificate of Completion.

The Grantor grants to the Grantee the right to make all divisions under Section 108 of the land division act, Act No. 288 of the Public Acts of 1967, as amended. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

This deed is dated as of \_\_\_\_\_.

CITY OF DETROIT,  
a Michigan public body corporate

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

*[acknowledgement on following page]*

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF WAYNE     )

The foregoing instrument was acknowledged before me on \_\_\_\_\_  
20\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of  
the City of Detroit, a Michigan public body corporate, on behalf of the City.

\_\_\_\_\_  
Print: \_\_\_\_\_  
Notary Public, Wayne County, Michigan  
Acting in Wayne County, Michigan  
My commission expires:

---

Pursuant to § 18-5-12 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this contract. Approved by the City Council on.  
JCC pp \_\_\_\_\_ or Detroit Legal News,

Finance Director

\_\_\_\_\_, on file in my office.

Approved by the City Law Department  
pursuant to Sec. 7.5-206 of the Charter of  
the City of Detroit.

Approved by Mayor on

Corporation Counsel

City Clerk

---

**This Instrument Drafted by:**

**When recorded, return to:**

Bruce N. Goldman  
Senior Assistant Corporation Counsel  
City of Detroit Law Department  
2 Woodward Avenue, Suite 500  
Detroit, MI 48226

Grantee

Exempt from transfer taxes pursuant to MCL § 207.505(h)(i) and MCL § 207.526(h)(i).

**EXHIBIT E**

**CERTIFICATE OF AUTHORITY FOR LIMITED LIABILITY COMPANY**

I, \_\_\_\_\_, Manager of  
\_\_\_\_\_, a \_\_\_\_\_ limited liability company  
(the "Company")

DO HEREBY CERTIFY that the following is a true and correct excerpt from *[check appropriate box]*

- ☐ the minutes of a meeting of the Members of the Company duly called and held on
- ☐ a consent in lieu of a meeting, with signed consents received from all of the [Members] of the Company on

and that the same is now in full force and effect:

"RESOLVED, that any [Manager of the Company], is hereby authorized to execute and deliver, in the name and on behalf of the Company, any agreement or other instrument or document in connection with any matter or transaction with the City of Detroit that shall have been duly approved; the execution and delivery of any agreement, document, or other instrument by any of such [Managers] to be conclusive evidence of such approval."

I FURTHER CERTIFY that the following persons are [Managers]:

I FURTHER CERTIFY that any of the aforementioned managers of the Company are authorized to execute or guarantee and commit the Company to the conditions, obligations, stipulations and undertakings contained in the attached Agreement, and that all necessary approvals have been obtained in relationship thereto.

IN WITNESS WHEREOF, I have set my hand this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

\_\_\_\_\_  
Print: \_\_\_\_\_  
Its: Manager

*Schedule 1(H)*

1365 E Atwater St, 48207

1325 E Atwater St, 48207

1399 E Atwater, 48207

1370 Gloin St, 48207

1310 Franklin St, 48207

1364 Franklin St, 48207

**EXHIBIT I.A.344**

FORM OF SYNCORA SETTLEMENT DOCUMENTS

## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (this “Agreement”) is entered into as of September \_\_, 2014, among the City of Detroit, Michigan (the “City”), Syncora Guarantee, Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”). The City and Syncora are referred to herein each individually as a “Party” and collectively as the “Parties”.

**WHEREAS**, the Detroit General Retirement System Service Corporation, a Michigan nonprofit corporation (“DGRS”), and the Detroit Police and Fire Retirement System Service Corporation, a Michigan nonprofit corporation (“PFRS” and, together with DGRS, each a “Service Corporation” and collectively the “Service Corporations”) created each of (i) the Detroit Retirement Systems Funding Trust 2005 (the “2005 Pension Funding Trust”) pursuant to the Trust Agreement, dated June 2, 2005, among the Service Corporations and U.S. Bank National Association as trustee and (ii) the Detroit Retirement Systems Funding Trust 2006 (the “2006 Pension Funding Trust”) pursuant to the Trust Agreement, dated June 12, 2006, among the Service Corporations and U.S. Bank National Association as trustee;

**WHEREAS**, the 2005 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2005 (the “2005 Pension Funding Securities”) and the 2006 Pension Funding Trust issued certain Taxable Certificates of Participation Series 2006 (the “2006 Pension Funding Securities” and collectively with the 2005 Pension Funding Securities, the “Certificates of Participation”);

**WHEREAS**, the Service Corporations are parties to swap transactions under certain ISDA Master Agreements referred to as the COP Swap Agreements;

**WHEREAS**, the City issued \$44,020,000 in General Obligation Bonds (Unlimited Tax), Series 2003-A;

**WHEREAS**, Syncora has issued insurance policies in respect of certain of the Certificates of Participation;

**WHEREAS**, Syncora has issued insurance policies in respect of certain of the Swap Agreements;

**WHEREAS**, Syncora has issued insurance policies in respect of certain of the General Obligation Bonds (Unlimited Tax), Series 2003-A;

**WHEREAS**, Syncora beneficially owns or insures Certificates of Participation in the amounts set forth herein;

**WHEREAS**, the Parties and their representatives have engaged in good faith, arm’s length settlement discussions regarding a consensual resolution of their disputes under or in respect of the Certificates of Participation and the COP Swap Agreements;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **Section 1            Definitions and Interpretations.**

**1.1    Plan Definitions.** Capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to such terms in the POA.

**1.2    Additional Definitions.** The following terms have the respective meanings set forth below for all purposes of this Agreement.

“Class 9” means that class of claims associated with COPs as set forth in the Sixth Amended POA.

“POA” means that certain Plan for the Adjustment of Debts of the City of Detroit, as amended in accordance herewith.

“Sixth Amended POA” shall mean that certain Sixth Amended Plan for the Adjustment of Debts of the City of Detroit, as filed with the Bankruptcy Court.

**1.3    Other Definitional and Interpretive Provisions.** The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections and Schedules are to Sections and Schedules of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”, whether or not they are in fact followed by those words or words of like import. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law”, “laws” or to a particular statute or law shall be deemed also to include any and all applicable law.

## **Section 2            Plan.**

**2.1    Proofs of Claim.** The Parties agree Section 2, Section 4 and Section 5 hereof fully resolve, address, satisfy and discharge Proofs of Claim # 1352 and 1354; provided that, except as expressly provided to the contrary herein, this Agreement shall have no effect regarding any UTGO Claims asserted in such Proofs of Claim or otherwise held or insured by Syncora, and any such UTGO Claims shall receive the treatment provided for all UTGO Claims by the POA and the UTGO Settlement Agreement. The City shall not file or otherwise assert any objection to such Proofs of Claim.

**2.2    Voting.** All votes cast by Syncora to accept or reject the Sixth Amended POA shall be deemed to have been cast as accepting the POA.



**2.3 Approval.** The City shall (i) use its best efforts to seek approval of this Agreement in connection with confirmation of the POA, and (ii) seek a Confirmation Order, which Confirmation Order shall be in form and substance reasonably acceptable to Syncora (solely with respect to any terms thereof that affect the rights of Syncora or any Related Entity with respect to Syncora), that approves (A) this Agreement and all transactions contemplated hereby, (B) the Development Agreement and all transactions contemplated thereby, and (C) the assumption of the Tunnel Lease, as amended pursuant to the First Amendment to Lease dated as of \_\_\_, 2014 between the City of Detroit and the Detroit Windsor Tunnel LLC.

**2.4 Plan Support.**

(a) Syncora shall (i) use commercially reasonable efforts to support the City's efforts to seek approval of this Agreement in connection with confirmation of the proposed POA, (ii) support confirmation of the POA, and (iii) not object to confirmation of the POA and withdraw all objections, oppositions and reservations of rights to confirmation of the POA (collectively, the "Syncora Plan Objections"), including those objections filed with the Bankruptcy Court at ECF #'s 4679, 5706, 6009, 6651, 7041, 7150 and its participation in 7103 (A) without prejudice (and subject to Syncora's retaining the right to assert such objections in the event this Agreement is terminated) as soon as reasonably practicable after execution of this Agreement and (B) with prejudice as soon as reasonably practicable after Bankruptcy Court approval of this Agreement and confirmation of the POA.

(b) Without limiting the foregoing, Syncora shall withdraw all objections to the UTGO Settlement Agreement (including those contained in Syncora's objections to the Plan) (i) without prejudice (and subject to Syncora's retaining the right to assert such objections in the event this Agreement is terminated) as soon as reasonably practicable after execution of this Agreement and (ii) with prejudice as soon as reasonably practicable after Bankruptcy Court approval of this Agreement and confirmation of the POA. The City shall not alter or amend the treatment provided to holders of Allowed Class 8 Claims in the Plan.

(c) Without limiting the foregoing, Syncora shall not object to inclusion of the COP Swap Counterparties in the definition of "Exculpated Parties" under the POA.

**2.5 Plan Amendment.** The City shall not, without Syncora's prior written consent, amend the POA in a manner that (a) would have a materially adverse effect on Class 9 or (b) adversely affect Syncora.

**Section 3 Global Resolution; Litigation Support; Etc.**

**3.1 Global Resolution.** The Parties agree that this Agreement shall constitute a global resolution of all matters among the Parties as and to the extent set forth herein, and all litigation (including appeals) outstanding between the City and Syncora arising out of or related to the City's Chapter 9 Case shall be dismissed as and to the extent set forth herein.

**3.2 Withdrawal of Syncora Plan Objections.** Syncora shall withdraw the Syncora Plan Objections as set forth in Section 2.4 hereof.

**3.3 Stay and Withdrawal or Dismissal of Appeals.** As soon as reasonably practicable after execution of this Agreement, Syncora and the City shall file joint motions with the applicable courts requesting stays of those certain appeals styled: 2:14-cv-10501-BAF-PJK (PLA appeal); 2:14-cv-11995-BAF-PJK (PPF appeal); 2:14-cv-12062-BAF-PJK (COP Swap Settlement appeal); 2:13-cv-14305-BAF-PJK (property of the debtor appeal); and 2:14-cv-13044-BAF-PJK (Mediation Order Appeal) (collectively, the “Syncora Appeals”). As soon as reasonably practicable after Bankruptcy Court approval of this Agreement and the occurrence of the Effective Date with respect to the POA, Syncora will voluntarily dismiss with prejudice the Syncora Appeals.

**3.4 Litigation Support.** Syncora shall provide such reasonable, active support as may be reasonably requested by the City, the Litigation Trust or any successor plaintiffs in the COP Litigation.

**3.5 Retention of Counsel.** Syncora shall continue to retain Kirkland & Ellis LLP in connection with satisfying the support obligations set forth in Sections 2.4(a) and 3.2 hereof.

#### **Section 4            Class 9 Treatment.**

**4.1 Amendment to Sixth Amended POA.** The City shall amend the Sixth Amended POA as set forth on Schedule 1.

#### **Section 5            Swap Related Claims; Etc.**

**5.1 Swap Related Claims.** On the Effective Date or as soon thereafter as practical, the City shall pay the sum of \$5 million in full satisfaction of all of Claims filed or asserted against the City by Syncora relating to the COP Swap Agreements and any agreements related thereto, including the COP Swap Insurance Policies and the COP Swap Collateral Agreement.

#### **Section 6            Representations and Warranties.**

**6.1 Representations and Warranties of the City.** The City represents to Syncora that:

- (a) It is a municipal corporation of the State of Michigan.
- (b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken all necessary action to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets.
- (d) Other than (i) approvals by the City Council, the Emergency Loan Board, the State Treasurer, the execution of the Emergency Manager Order, and the approvals required by Section 19 of Act 436, and (ii) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of

the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

**6.2 Representations and Warranties of Syncora.** Syncora represents to the City that:

(a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and in good standing.

(b) It has the power to execute this Agreement, to deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets.

(d) All governmental consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) Syncora owns or insures COPs in the principal amount of \$299,155,000.00; Syncora paid insured principal claims in an amount not less than \$52,750,000.00; and, as of the Petition Date, Syncora paid insured interest claims in an amount not less than \$1,649,692.00.

(f) The *Stipulation by and Between the City of Detroit, Michigan and the COPs Creditors Regarding Certain Facts and the Admission of Certain Exhibits for the Confirmation Trial* remains in effect.

## **Section 7      No Admission.**

This Agreement is a proposed settlement of claims and disputes among the Parties and is the product of good faith, arm's length negotiations among the Parties hereto. If this Agreement is terminated, this Agreement will not be an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto will not be admissible into evidence in any proceeding. However, this Agreement will be admissible into evidence in any proceeding to obtain court approval of this Agreement or to enforce or interpret the terms of this Agreement, and, subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact. The admissibility of all negotiations related to this Agreement shall be governed by the *Mediation Order* [Docket No. 322] entered by the Bankruptcy Court, as the same has been amended and supplemented. Notwithstanding the foregoing, nothing herein shall limit the scope or effect of the Mediation Order.

## **Section 8            Termination.**

Any Party may terminate this Agreement upon one Business Day's prior written notice to the other Party if: (a) the Bankruptcy Court denies approval of this Agreement or the transactions contemplated hereby, the Development Agreement or the transactions contemplated thereby, or the assumption of the Tunnel Lease, as amended pursuant to the First Amendment to Lease dated as of \_\_\_, 2014 between the City of Detroit and the Detroit Windsor Tunnel LLC, or confirmation of the POA; (b) if the Confirmation Order is not in form and substance reasonably acceptable to Syncora (solely with respect to any terms thereof that affect the rights of Syncora or any Related Entity with respect to Syncora) or is vacated or reversed on appeal or, after entry, is modified without the terminating Party's consent, in any matter considered by the terminating Party to be adverse to the terminating Party; or (c) the other Party is in material breach of any provision of this Agreement, and such breach is continuing and has not been cured within 5 Business Days.

In the event that this Agreement is terminated as set forth herein, then neither this Agreement, nor any document filed with the Bankruptcy Court with respect to the approval of this Agreement, will have any res judicata or collateral estoppel effect or be of any force or effect, and each of the Parties' respective interests, rights, remedies and defenses will be restored without prejudice as if this Agreement had never been executed and the Parties will be automatically relieved of any further obligations under this Agreement. For the avoidance of doubt, in the event this Agreement is terminated, Syncora shall retain the right to make any arguments, objections, or other assertions (other than res judicata or collateral estoppel as set forth in the preceding sentence), pursue any litigation, appeals, or other disputes related to confirmation of the POA (or any other plan) or any other matter otherwise resolved by this Agreement.

## **Section 9            Miscellaneous.**

**9.1 Execution of this Agreement.** This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, will be deemed an original, and all of which together will constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

**9.2 Binding Obligation; Successors and Assigns.** This Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and will inure to the benefit of the Parties and their respective successors, assigns and transferees. This Agreement grants no rights to any third party.

**9.3 Complete Agreement; Interpretation.** This Agreement and the POA constitute the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto. This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement will interpret it in a neutral manner. There will be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party

having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

**9.4 Costs.** Each Party will bear its own costs and expenses (including legal and other professional fees and expenses) incurred in connection with all matters set forth herein, including in connection with Sections 2 and 3 of this Agreement. Syncora agrees to pay any Allowed Claim for COP Agent Fees held by the COP Agent in accordance with and as set forth in the POA.

**9.5 Amendment, Modification and Waiver.** This Agreement may be modified, altered, amended, or supplemented only by an agreement in writing signed by each Party. No waiver of any provision of this Agreement will be effective unless made in a writing signed by the Party making the waiver, nor will the waiver be extend to any other right, claim or remedy.

**9.6 Notices.** All notices and other communications required under this Agreement will be given in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as will be specified by like notice):

If to the City:

City of Detroit, Michigan  
1200 Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit, Michigan 48226  
Attention: CFO

with copies (which shall not constitute notice) to:

City of Detroit Law Department  
First National Building, Suite 1650  
660 Woodward Avenue  
Detroit, Michigan 48226  
Attention: Corporation Counsel

and

Jones Day  
222 East 41st Street  
New York, NY 10017-6702  
Attn: Corinne Ball (cball@JonesDay.com)

If to Syncora:

Syncora Guarantee, Inc.  
Syncora Capital Assurance Inc.  
Attn: Claude LeBlanc  
135 West 50th Street, 20th Floor

New York, NY 10020  
claude.leblanc@scafg.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP  
Attn: Ryan B. Bennett  
300 N. LaSalle  
Chicago, IL 60654  
rbennett@kirkland.com

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by telecopier will be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail will be effective upon oral or machine confirmation of receipt.

**9.7 Headings.** The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

**9.8 Governing Law and Jurisdiction.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement will be resolved by the Bankruptcy Court to the extent that the Bankruptcy Court then has jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.6 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

**9.9 Waiver of Jury Trial.** TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first above written.

THE CITY OF DETROIT

By:\_\_\_\_\_

Name:

Title:



SYNCORA GUARANTEE, INC.

By: \_\_\_\_\_

Name:

Title:

SYNCORA CAPITAL ASSURANCE INC.

By: \_\_\_\_\_

Name:

Title:

## TUNNEL LEASE AMENDMENT

## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “**Amendment**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014 (the “**Date Hereof**”), by and between the City of Detroit, a Michigan municipal corporation (the “**City**”), and Detroit Windsor Tunnel LLC, a Michigan limited liability company (“**Tenant**”).

### RECITALS

A. The City, as landlord, and Tenant, as successor-in-interest to Detroit & Canada Tunnel Corporation (“**DCTC**”), as tenant, are parties to the Tube Lease, dated March 20, 1978 (the “**Tube Lease**”), whereby the City leases to Tenant the portion of the Detroit Windsor Tunnel (the entire such tunnel, the “**Tunnel**”) located in Detroit, which portion is more particularly defined in the Tube Lease and referenced herein as the “**Tube**.”

B. The City, as landlord, as successor-in-interest to Ford Motor Properties, Inc. as sublandlord, and Tenant, as tenant, as successor-in-interest to DCTC as subtenant, are parties to the Sublease, dated March 20, 1978 (the “**Plaza Lease**”; together with the Tube Lease, the “**Lease**”), whereby the City leases to Tenant certain property defined in the Plaza Lease as the “New Tunnel Plaza” (such premises, the “**Plaza Premises**”; together with the Tube, the “**Property**”).

C. The term of the Lease (the “**Term**”) expires on November 3, 2020, and the period commencing on the Effective Date through and including November 3, 2020 shall be referenced herein as the “**Existing Remainder Term**”.

D. The City desires to enter into a long-term agreement regarding the operation of the Property to assure that (i) the Tunnel will continue to provide to residents of Detroit and to other Tunnel passengers a safe and efficient route between Detroit and Windsor; (ii) the Property will be maintained and enhanced; and (iii), to promote such goals, there is transparency to the City regarding the operation of the Property.

E. In furtherance of the goals of the City, the Tenant desires to enter into a long-term agreement with the City regarding the leasing and operation of the Property.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms; Effective Date. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Plaza Lease. “**Effective Date**” means the first day of the month next succeeding the month in which occurs the Date Hereof.

2. Extension of Term. The term of the Tube Lease is extended for the period beginning November 4, 2020 and ending on December 31, 2040 (such period, the “**Extension Term**”), upon all the terms and conditions as contained in the Tube Lease and applicable during the Third Renewal Option (as defined in the Plaza Lease), except as amended hereby. The term

of the Plaza Lease is extended for the Extension Term, upon all the terms and conditions as contained in the Plaza Lease and applicable during the Third Renewal Option (as defined in the Plaza Lease), except as amended hereby.

3. Existing Term CapEx Credit; CapEx Schedule.

- (a) For any Capital Expenditures (as defined below) paid by Tenant during the Existing Remainder Term (the “**Existing Remainder Term Capital Expenditures**”), Tenant shall receive a credit equal to the amount of such Existing Remainder Term Capital Expenditures (a “**CapEx Credit**”) against the aggregate rentals payable by Tenant pursuant to Article IV of the Plaza Lease (such amounts, the “**Rent**”) during the Existing Remainder Term; *provided, however,* that the aggregate CapEx Credit to which Tenant is entitled pursuant to this Paragraph 3 shall not exceed the aggregate Rent payable by Tenant during the Existing Remainder Term. Tenant shall not claim a CapEx Credit for any Capital Expenditures paid in advance of the performance of the related work, other than for progress payments customary in the industry (or payments required due to emergency) without the City’s prior written approval, which shall not be unreasonably withheld, delayed or conditioned. Subject to Paragraph 5, Tenant may not take a CapEx Credit during the Extension Term for an Existing Remainder Term Capital Expenditure.
- (b) “**Capital Expenditures**” means (i) capital expenditures, as determined by generally accepted accounting principles consistently applied in the United States (“**GAAP**”), paid for work to or at the Plaza Premises and (ii) (x) while the Existing JOA (as defined herein) or any successor agreement between Tenant (or its affiliate) and the City of Windsor (or its instrumentality) (any such agreement, a “**D/W Agreement**”) is in effect, 50% of the total capital expenditures, determined in accordance with GAAP, paid by Tenant (or its affiliate) and the City of Windsor (or its instrumentality) pursuant to a D/W Agreement for work to or at all or any portion of the underground tube of the Tunnel (i.e., the tube from and including the Detroit portal to and including the Windsor portal; such tube, the “**Underground Portion**”); *provided, however,* that Capital Expenditures made to the Underground Portion while a D/W Agreement is in effect shall be made such that the Detroit side of the Underground Portion is in a condition commensurate with the condition of the Windsor side of the Underground Portion; or (y) if no D/W Agreement is in effect, 100% of the capital expenditures, determined in accordance with GAAP, paid by Tenant for work to or at all or any portion for the Tube.
- (c) Within ninety (90) days after the Effective Date, Tenant shall provide the City a detailed plan and schedule for the capital improvements planned to be made to the Tunnel during the year in which the Effective Date occurs and the approximately five (5) years following the Effective Date. On or before each January 31<sup>st</sup> during the Term, Tenant shall deliver to the City an annual update of such plan together with a plan for the succeeding five (5) years.

4. Extension Term CapEx Credit.

- (a) For any Capital Expenditures paid by Tenant during the Extension Term (the “**Extension Term Capital Expenditures**”), Tenant shall receive a CapEx Credit against the Rent payable by Tenant during the Extension Term equal to the amount of such Extension Term Capital Expenditures; *provided, however*, the aggregate CapEx Credit to which Tenant is entitled during the Extension Term pursuant to this Paragraph 4 shall not exceed \$8,000,000; and *provided, further*, that the annual CapEx Credit claimed by Tenant under this Paragraph 4 in any given calendar year of the Extension Term shall not exceed 75% of the Rent payable for such calendar year (but such annual limitation shall not in any way reduce the aggregate CapEx Credit to which Tenant is entitled under this Paragraph 4). If the Lease (as amended from time to time) terminates prior to December 31, 2040, other than due to a default by Tenant, then the City shall pay to Tenant, on thirty (30) days’ written notice from Tenant, the amount of CapEx Credits that have accrued to Tenant but have not been applied against the Rent.
- (b) No more than sixty (60) days prior to November 4, 2020, Tenant shall provide the City a high-level, strategic plan for the capital improvements that may be made to the Tunnel during the Extension Term to the extent such plan is known or is customary in the tunnel operations field.

5. CapEx Credit Documentation.

- (a) Tenant may offset the amount of any accrued but uncredited CapEx Credits against any monthly payments of Rent, subject to the limitations in Paragraphs 3 and 4. On or prior to the date of claiming any CapEx Credit (i.e., on or before the date of payment of any monthly installment of Rent, or if none is payable, on or before the date such monthly installment of Rent would otherwise have been payable) or requesting payment pursuant to the last sentence of Paragraph 4(a), Tenant shall submit to the City a notice setting forth the amount of the claimed CapEx Credit, together with reasonably detailed written documentation of the Capital Expenditures (and the work associated therewith) for which Tenant is entitled to a CapEx Credit (such notice, a “**CapEx Notice**”). Within five (5) days after receipt of any CapEx Notice, the City shall have the right to ask for reasonable additional information to verify such Capital Expenditures were paid and to determine the nature of work associated with such Capital Expenditure. If the City in good faith believes that a CapEx Credit was claimed for an expenditure that does not fall within the definition of “Capital Expenditure,” as such term is defined in Paragraph 3(b) above, then the City shall give Tenant notice thereof (a “**Dispute Notice**”) within fifteen (15) days after receipt of the applicable CapEx Notice, and the date on which Rent is due shall be extended by fifteen (15) days. If the City timely delivers a Dispute Notice, Tenant shall receive the portion of the CapEx Credit that is undisputed, if any, and shall pay the amount of disputed Rent, subject to the provisions of Article XVIII(2) of the Plaza Lease regarding disputed payments.

- (b) Notwithstanding anything to the contrary in the Lease, as amended hereby, if the City timely provides a Dispute Notice in connection with a CapEx Credit claimed for Existing Remainder Term Capital Expenditures, and if and to the extent such dispute is resolved in Tenant's favor, then the City shall promptly pay an amount equal to the formerly disputed CapEx Credit to Tenant, or at Tenant's option, Tenant may credit such formerly disputed CapEx Credit against the Rent next coming due; provided, however, if (i) the aggregate accrued but unapplied CapEx Credit to which Tenant is entitled under Paragraph 3, plus the formerly disputed CapEx Credit, exceed the aggregate Rent payable during the portion of the Existing Remainder Term commencing at the time the dispute is resolved; or (ii) at the time the dispute is resolved, the Existing Remainder Term has ended; then in addition to, and without in any way reducing, the CapEx Credits to which Tenant is entitled under Paragraph 4, Tenant may take such formerly disputed CapEx Credit as a credit against the Rents payable during the Extension Term. Notwithstanding the foregoing, in no event shall Tenant be entitled to aggregate CapEx Credits for the Existing Remainder Term Capital Expenditures in excess of the aggregate Rent payable during the Existing Remainder Term.
- (c) Notwithstanding anything to the contrary in the Lease, as amended hereby, if the City timely delivers a Dispute Notice in connection with a CapEx Credit claimed for Extension Term Capital Expenditures, and if and to the extent such dispute is resolved in Tenant's favor, then the City shall promptly pay an amount equal to the formerly disputed CapEx Credit to Tenant, or at Tenant's option, Tenant may credit such formerly disputed CapEx Credit against the Rent next coming due (in addition to, and not in limitation of, any CapEx Credit due under Paragraph 4). Notwithstanding the foregoing, in no event shall Tenant be entitled to aggregate CapEx Credits for Extension Term Capital Expenditures in excess of \$8,000,000.
- (d) The provisions of this Paragraph 5 shall survive the expiration or sooner termination of the Lease, as amended hereby.

6. Repair and Maintenance Standards. Notwithstanding anything to the contrary in the Lease, but subject to the casualty and condemnation provisions therein, Tenant shall maintain the Property in a good and safe condition and repair, in compliance with all applicable laws, and in accordance with the following sections of the Existing JOA (as defined below): Sections 8.1(d), (e) and (f), and the first grammatical paragraph of Section 8.1; Sections 8.3(a), (b) and (c); Section 8.4; Section 8.6; Section 9; Exhibit 8.1 and Sections 1, 2 and the first paragraph of Section 3 of Exhibit 9.1, provided that the second sentence of that first paragraph of Section 3 of Exhibit 9.1 shall be replaced with "The program shall include regular and customary cleaning and grounds maintenance." In the event that the Existing JOA is terminated or amended, these standards shall continue to apply (to the extent applicable).

7. Reporting. In addition to its reporting obligations under the Lease, but subject to Paragraph 10 hereof, Tenant shall deliver, at its sole cost and expense, the following reports and information to the City:



- (a) Within one hundred eighty (180) days following the end of each calendar year ending during the term of the Lease: (i) a copy of the audited balance sheets of Tenant at the end of each such calendar year and the related audited statements of income, calculation of annual rental, changes in equity and cash flows for such year, including, in each case, the notes thereto, together with the report thereon of the independent certified public accountants of Tenant, in each case in a manner and containing information consistent with Tenant's current practices and certified by Tenant's chief financial officer that such financial statements fairly present the financial condition and the results of operations, changes in equity and cash flows of Tenant as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles in the United States consistently applied; (ii) a report, in a format reasonably acceptable to the City, certified by the Tenant's chief financial officer, providing reasonably detailed information regarding any work associated with Capital Expenditures undertaken by the Tenant with respect to the Property, including such information as may be reasonably requested by the City, which shall include the type of work associated with such Capital Expenditures, the expected cost therefor, the expected completion date, the contractor engaged to perform such work associated with such Capital Expenditures, and any expected disruption of traffic in the Property as a result of the work associated with such Capital Expenditures; and (iii) a report, in a format reasonably acceptable to the City, detailing the amount of traffic through the Property on a weekly, monthly and quarterly basis, the make-up of that traffic and the Tenant's projections for the traffic in the upcoming calendar year and the Tenant's basis therefor;
- (b) Within thirty (30) days after the end of each six-month period, commencing with the six-month period ending June 30, 2015, a report, in a format reasonably acceptable to the City, detailing all material incidents that occurred in the Tunnel, including, but not limited to, vehicular accidents and hazardous material releases, but in each case only if such incidents materially impeded the normal operations of the Tunnel;
- (c) promptly after the occurrence thereof, an email report on any incident occurring in the Tunnel and causing material damage to property or injury to persons, if such incident results in the closure of any portion of the Tunnel for at least an hour;
- (d) within thirty (30) days after receipt by Tenant, a copy of (i) the engineering reports required by Sections 8.7 and 8.8 of the Joint Operating Agreement by and among the Corporation of the City of Windsor, the Windsor Tunnel Commission and Tenant (as successor-in-interest to DCTC and The Detroit and Windsor Subway Company, Ltd.) dated November 1, 1997 (the "**Existing JOA**"); or (ii) if the Existing JOA is amended or modified to change the requirements for those reports, (x) every year, an engineering report based on visual inspection of the Tunnel made by an independent, licensed engineer reasonably acceptable to Tenant and (y) every five (5) years a comprehensive engineering report on the Tunnel prepared by an independent, licensed engineer reasonably acceptable to

the City, which report shall include, but not be limited to, an analysis of the structural integrity of the Tunnel, a description of the current state of the Tunnel, including its fixtures and mechanical systems, recommended capital expenditures for the Tunnel and such other information as the City may reasonably request; and

- (e) Within thirty (30) days after such request, any information regarding the Property reasonably requested by the City, provided that such information is in the possession or control of Tenant.

8. Right to Inspect. The City shall have the right, upon at least three (3) business days' written notice to Tenant, at reasonable times, provided that such inspection does not unreasonably interfere with the normal operation of the Property (and as to any portion of the Property subleased as of the date hereof or subsequently subleased to a governmental authority, does not violate the applicable sublease) and at the City's sole cost and expense, to have the Property inspected by an engineer, who is (i) either employed directly by the City or with whom the City has contracted; and (ii) licensed and has at least ten (10) years' experience in engineering matters related to construction, maintenance and repair of infrastructure projects or tunnels. Inspections made pursuant to this Paragraph 8 may only be performed once in each calendar year, except such limitation shall not apply when Tenant is in default of its obligations under Paragraph 6 of this Amendment or any other of its obligations regarding the repair, maintenance and operation of the Tunnel. Tenant shall make the Property and a senior officer who is responsible for maintenance and/or operations of the Property reasonably available to such engineer for the purposes of such inspection and shall provide such engineer any documentation in Tenant's possession or control, reasonably requested by such engineer, subject to Paragraph 10. Without limiting any provision hereof, any such engineering inspections conducted by or on behalf of the City shall be performed in accordance with all applicable laws and with all reasonable operating rules and regulations applicable to the Property. The City shall cause any individual or firm performing an inspection pursuant to this Paragraph 8 to be bound by the confidentiality obligations of the City pursuant to the provisions of Paragraph 10 hereof.

9. Calculation of Net Operating Income. For the avoidance of doubt, in calculating "net operating income" as defined in Section IV(2)(b) of the Plaza Lease, Tenant shall not include any expenses that are not attributable to the operation, maintenance and repair of the Property or to Tenant's obligations under the Lease; and, to the extent Tenant or Tenant's affiliates incur costs that are only partially attributable to the Property, Tenant shall not include as an expense for Section IV(2)(b) of the Plaza Lease the portion of those costs that are not attributable to the Property. Allocations will be prepared consistent with GAAP and the specific methodology and allocation shall be reflected and set forth in the companies' audited financial statements.

10. Confidentiality.

- (a) Notwithstanding anything to the contrary in the Lease, no information or document provided by Tenant to the City pursuant to or in connection with the Lease, as amended hereby, shall be subject to any confidentiality restrictions, and the City may publicly disclose such information or disclose such information to

third parties as it deems appropriate in its sole discretion; *provided, however*, that Tenant shall have no obligation to deliver to the City (and Tenant may redact from information it delivers to the City) any Confidential Information (as defined below); and *provided, further*, that if Tenant delivers to the City any Confidential Information (and labels it as such), then the City shall not disclose such information to third parties (other than to its professional advisors, employees, third-party report providers, affiliates, officers, members, underwriters, agents, consultants, lenders, investors and legal counsel and as to those, only on a need-to-know basis, as reasonably determined by the City, provided such parties are bound by the confidentiality obligations of the City set forth in this Paragraph 10).

- (b) **“Confidential Information”** means information that (i) relates to maintaining national security and/or to maintaining security at the Tunnel; (ii) is required to be kept confidential by applicable law, regulation or order; or (iii) is a trade secret or is other information that is proprietary to Tenant (including, without limitation, information regarding Tenant’s proprietary toll and revenue collecting and accounting system and Tenant’s mobile app for express payments, and other technical and business information relating to Tenant’s proprietary ideas, patentable ideas, copyrights, and other proprietary systems and software).
- (c) If Tenant chooses to withhold Confidential Information from the City, Tenant shall promptly provide written notice that it has done so. The City, through its authorized representative, shall have the right, upon reasonable advance written notice to Tenant, to inspect any Confidential Information, which shall not be redacted, at the offices of Tenant within the City to verify during customary business hours that such information is Confidential Information and to review such Confidential Information, provided that the City may not make a copy of such Confidential Information.
- (d) Notwithstanding anything to the contrary in Lease (as amended hereby), in an effort to ensure that the City, Tenant and the City of Windsor can effectively and efficiently operate the Tunnel in an integrated and seamless manner, the City shall have the right to share with Windsor all information regarding the Tunnel it receives, and Tenant shall cause it and its affiliates to not restrict the City of Windsor, or its affiliates, from providing the City any information related to the Tunnel.
- (e) Nothing contained in this Lease (as amended hereby) shall be construed to limit or reduce the rights and powers of the State of Michigan or the United States of America.

11. **Ineligible Parties.** It shall be a default under the Lease, as amended hereby, if any Ineligible Party (as defined below) shall be involved in the operation, financing, construction or management of the Property or the improvements thereon, or if such Ineligible Party has a direct or indirect beneficial interest in Tenant. **“Ineligible Party”** means any individual or entity, or any entity controlled by, controlling or under common control with any individual or entity, maintaining a controlling interest in any crossing of the border between the State of Michigan

and Canada, such as any tunnel, bridge or other similar infrastructure; *provided, however* that the term “Ineligible Party” shall not include Pike Pointe Holdings, LLC; any entity controlled, controlling or under common control with Pike Pointe Holdings LLC; or Windsor.

12. Operation of an Integrated Tunnel. The parties acknowledge that it is in their respective and joint interests to cause the entire Tunnel to be operated in a harmonious and integrated manner. The City understands that to effect such operation, Tenant intends to negotiate a new or amended operating agreement with the City of Windsor (or an agency or instrumentality thereof), and that Tenant will negotiate such agreement in good faith (but that Tenant shall have no obligation to enter into such an agreement). The City also understands that achieving such purpose may require amendments to the Lease (as amended hereby) and agrees to be reasonable, and to act in good faith, in discussing and considering any such amendments. For avoidance of doubt, (i) Tenant will not have any obligation to enter into any such amendment that would (x) adversely affect (other than in a de minimis manner) its rights under the Lease, as amended hereby, (y) increase (other than in a de minimis manner) its obligations under the Lease, as amended from time to time or (z) decrease (other than in a de minimis manner) the City’s obligations under the Lease, as amended from time to time; and (ii) the City will not have any obligation to enter into any such amendment that would (x) adversely affect (other than in a de minimis manner) its rights under the Lease, as amended hereby, (y) increase (other than in a de minimis manner) its obligations under the Lease, as amended from time to time or (z) decrease (other than in a de minimis manner) Tenant’s obligations under the Lease, as amended from time to time.

13. Notices. Article XVIII(3) of the Plaza Lease and Article XV(3) of the Tube Lease are each amended and restated as follows:

3. All notices and other communications authorized or required hereunder, to be given to the City or the Tenant, shall be in writing and shall be given by hand delivery or by nationally recognized overnight courier to the following addresses:

If to the City, to

**The City of Detroit**  
Office of the Mayor  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, MI 48226  
Attn: Mayor

with a copy to (which will not constitute notice):

**The City of Detroit**  
Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, 5<sup>th</sup> Floor  
Detroit, MI 48226  
Attention: Corporation Counsel

If to Tenant, to

Detroit Windsor Tunnel LLC  
100 East Jefferson Avenue  
Detroit, MI 48226  
Attn: Neal Belitsky

with a copy to

Dykema Law Firm  
400 Renaissance Center  
Detroit, MI 48243  
Sherrie L Farrell, Esq.

Notices shall be effective if given by a party's attorneys. Any party may change its address for notices by a notice given in accordance with this section. Notices shall be deemed given and received on the date received, as evidenced by receipt.

14. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Conflict. In the event the terms of the Lease conflict with the terms of this Amendment, the terms of this Amendment shall control and govern in all instances.

16. Full Force and Effect. The Lease, as modified hereby, remains in full force and effect.

17. Severability. If any provision of this Amendment or the application thereof to any person or circumstances shall, to any extent, be declared invalid, illegal or unenforceable by a court of competence jurisdiction, all other provisions and applications hereof shall remain in full force and effect.

18. Inter-Governmental Authority. Expressly subject and subordinate to the terms of the Lease (as amended hereby and as amended from time to time), the City may enter into an agreement with Windsor to establish an intergovernmental authority concerning the Tunnel. For avoidance of doubt, no such agreement shall adversely affect (other than in a de minimis manner) Tenant's rights nor increase (other than in a de minimis manner) its obligations under the Lease, as amended from time to time.

19. Memorandum of Lease. This Amendment shall not be recorded; *provided*, *however*, that upon the request of either party, the other party shall join in the execution of a memorandum or short form of the Lease, as amended hereby, which shall describe the parties, the Demised Premises, the term of the Lease, and special provisions and shall incorporate the Lease, as amended hereby, only by reference.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**CITY:**

CITY OF DETROIT

By: \_\_\_\_\_

Name:

Title:

**TENANT:**

DETROIT WINDSOR TUNNEL LLC

By: \_\_\_\_\_

Name:

Title:



## OPTION AGREEMENT

## OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between Pike Pointe Holdings, LLC (“**Pike Pointe**”) and the City of Detroit, a Michigan municipal corporation (the “**City**”).

### RECITALS

A. The City owns that certain parking garage, commonly known as the Grand Circus Parking Garage, located at 1600-01 Woodward Avenue, Detroit, Michigan, as more particularly described in Exhibit 1 (the “**Circus Garage**”).

B. The Detroit Building Authority (the “**DBA**”) had previously owned the Circus Garage and had leased it to the City pursuant to the Contract of Lease No. 2 by and between the City and the DBA, dated October 1985, (as amended, the “**DBA Lease**”).

C. The DBA Lease has previously terminated pursuant to its terms, and pursuant to the terms of the DBA Lease, title to the property leased thereunder, including the Circus Garage, reverted back to the City.

D. Syncora Capital Assurance Inc. and Syncora Guarantee Inc. (collectively, “**Syncora**”) own the entire beneficial interest in Pike Pointe.

E. Syncora, through one or more of its affiliates, including Pike Pointe, owns and operates certain public infrastructure projects.

F. In connection with the continued improvement of the City, the City desires to grant an option to Pike Pointe with respect to the possibility of negotiating and entering into a mutually agreeable concession agreement for the operation and maintenance of the Circus Garage pursuant to the terms of this Agreement, and Pike Pointe desires to accept such option.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Option. Pike Pointe shall have the option, in its sole discretion, to enter into a concession for the Circus Garage (the “**Option**”) on the terms set forth herein. In order to exercise the Option, Pike Pointe must deliver written notice to the City notifying the City that Pike Pointe has exercised the Option (the “**Exercise Notice**”), which Exercise Notice must be delivered within one (1) year from the effective date of the Seventh Amended Plan for the Adjustment of Debts of the City of Detroit, as it may be further amended and as modified (the “**Plan of Adjustment**”). After delivery of the Exercise Notice, the City and Pike Pointe shall promptly and in good faith, negotiate a concession agreement in accordance with the terms set forth in Exhibit 2; provided, however, that neither party shall be obligated to execute a concession agreement. If, within ninety (90) days following the delivery of the Exercise Notice, an agreement has not been reached between the City and Pike Pointe regarding the Circus Garage, either party may, by delivery of notice to the other party, terminate this Option, and thereafter Pike Pointe shall have no right with respect to the Circus Garage.

2. Failure to Exercise. If Pike Pointe fails to send the Exercise Notice within one (1) year after the effective date of the Plan of Adjustment, Pike Pointe will be deemed to have not exercised the Option and will have no further right to do so nor shall it have any interest in the Circus Garage. At such time, this Agreement and the Option will have no further force or effect.

3. Anti-Assignment. Pike Pointe may not assign to any third party (other than a wholly owned subsidiary or other affiliate of Syncora in which Syncora is the direct or indirect beneficial owner (a “**Pike Pointe Affiliate**”), any interest in this Agreement or the Option without the City’s prior written consent, which consent may be withheld in the City’s sole discretion. Any attempted assignment without the City’s consent shall be void ab initio and of no force and effect, and such purported transferee shall have no right to exercise the Option nor shall it have any interest in the Circus Garage. Notwithstanding anything to the contrary in this Agreement, Pike Pointe shall have no right to exercise the Option if, at the time of such exercise and the execution of the Concession Agreement, Syncora is not a direct or indirect beneficial owner of Pike Pointe.

4. Title to Circus Garage. The City shall cause the DBA to execute such documentation as is necessary to confirm the transfer of ownership of the Circus Garage to the City promptly after execution of this Agreement. The City shall retain title to the Circus Garage during such time as Pike Pointe has the right to exercise the Option and shall maintain the Circus Garage in at least the same condition and repair as of the date hereof.

5. Development Agreements. Pike Pointe hereby acknowledges that the City has entered into certain development agreements with third party developers, which agreements contemplate that those developers will have the right to use parking spots within the Circus Garage at fair market rates (as determined by Pike Pointe from time to time and consistent with the rates provided to other patrons of the Circus Garage), and Pike Pointe agrees that it shall execute leases, licenses or other usage agreements with such developers on those terms. The City will provide the material terms and conditions of those development agreements with respect to developers’ use of Circus Garage as soon as is reasonably practicable following execution of this Agreement.

6. Due Diligence Activities.

- (a) Prior to delivery of the Exercise Notice, Pike Pointe shall have a period commencing on the date hereof and continuing through and including the date of the delivery of the Exercise Notice or the expiration or termination of this Option, whichever is sooner, (the “Due Diligence Period”) to conduct its due diligence activities on the Circus Garage, which shall not unreasonably interfere with the use and operation of the Circus Garage. For purposes of this Agreement, “Due Diligence Activities” include but are not limited to the following:

- (A) such physical inspections, soil borings and bearing tests, surveys, and possible relocation of utilities on or for the Circus Garage as Pike Pointe deems appropriate, all of which shall be completed at Pike Pointe’s expense;

- (B) investigations, environmental site assessments, including Phase I and Phase II site assessments, sampling and testing of soil, groundwater, surface water, soil vapors, indoor air, and building materials (such as Asbestos and lead-based paint), and/or a Baseline Environmental Assessment, (“BEA”), as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”), being MCL 324.20101 et seq., and such other investigations and assessments as Pike Pointe may deem needed in its sole discretion to determine the condition of the Circus Garage and the Circus Garage’s compliance with applicable law, all of which shall be completed at Pike Pointe’s expense; and
  - (C) a review of the title evidence, survey, entitlements, and payment of taxes and assessments, all of which shall be completed at Pike Pointe’s expense;
  - (D) a review of financing sources related to Pike Pointe’s proposed use of the Circus Garage, or any other matter that in Pike Pointe’s sole discretion is relevant to Pike Pointe’s use of the Circus Garage;
  - (E) a review of all City Information and all publicly-available information with respect to the Circus Garage;
  - (F) a review of available public and private utilities and public accesses necessary for the proposed use of the Circus Garage; and
  - (G) application and procurement of any zoning, site plan, elevation, special land use, environmental, conditional use or other municipal approvals or permits, or variances therefrom, required or appropriate for the proposed use of the Circus Garage. The City hereby authorizes Pike Pointe to submit and apply for all such approvals, permits, and variances upon the commencement of the Due Diligence Period.
- (b) Restoration of City Property. Promptly following completion of a Due Diligence Activity, Pike Pointe shall restore the Circus Garage and all property therein to the state in which it existed prior to the commencement of the Due Diligence Activity.
- (c) City Information. The City shall use reasonable efforts to make available to Pike Pointe all information in the City’s (or the City’s agencies’ or departments’) possession or control related to the Circus Garage within thirty (30) days following the effective date of the Plan of Adjustment, including but not limited to existing leases, licenses, permits, approvals, contracts, warranties, title searches and policies, surveys, appraisals, environmental audits, Phase I environmental site assessments, Phase II reports or other testing or sampling data, asbestos surveys, reports, specifications, from the Planning, Building, Assessing, Environmental

Affairs and Fire Departments, notices of violations of applicable laws, regulations and ordinances or other documents in the City's possession or control related to the Circus Garage, to the extent the City is not required by law or applicable agreement to keep such information confidential (collectively, the "**City Information**"). The City shall cooperate with Pike Pointe and use reasonable efforts to facilitate Pike Pointe's Due Diligence Activities, all at no material incremental cost to the City, including providing information, coordinating with third party users of the Circus Garage as applicable, and executing such documentation as may be reasonable and necessary for Pike Pointe's access to the site and completion of the Due Diligence Activities including the preparation of a BEA.

- (d) Insurance. Prior to entering onto the Circus Garage for any Due Diligence Activities, Pike Pointe or its contractors shall enter into a right-of-entry agreement regarding the entry into the Circus Garage to be reasonably agreed to by the City and Pike Pointe.
- (e) Indemnity. Pike Pointe shall defend, indemnify and hold harmless the City from and against any loss, liability, cost or expense incurred by the City to the extent resulting from Pike Pointe's (including its duly authorized employees, agents, engineers or other representatives) negligence or willful acts occurring in connection with the Due Diligence Activities; provided, however, that Pike Pointe shall in no circumstance have any obligation or liability with respect to any conditions pre-existing at the Circus Garage including without limitation any environmental condition, soil or groundwater contamination or other environmental conditions that may be discovered in the course of the Pike Pointe's Due Diligence Activities and thereafter disclosed to the City, except to the extent such conditions are materially exacerbated due to the negligence or willful acts of Pike Pointe or any of its duly authorized employees, agents, engineers or other representatives, and (ii) Pike Pointe shall not be responsible for any loss, liability, cost, or expense resulting from the discovery of any adverse information or condition regarding the Circus Garage or from the City's (or the City's agencies' or departments') negligence or misconduct.

7. Notices. All notices, demands and other communications given or delivered under this Agreement shall be given in writing to the address indicated below (or such other address as the recipient specifies in writing) and will be deemed to have been given when delivered personally, three (3) business days after mailed by certified or registered mail, return receipt requested and postage prepaid, or when delivery is guaranteed if sent via a nationally recognized overnight carrier, or when receipt is confirmed if sent via facsimile or other electronic transmission to the recipient with telephonic confirmation by the sending party.

[The City of Detroit  
Office of the Mayor  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, Michigan 48226

Facsimile: (313)224-4128  
Attention: Mayor ]

with a copy to (which will not constitute notice):

The City of Detroit  
Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, 5<sup>th</sup> Floor  
Detroit, Michigan 48226  
Telephone: (313)224-1352  
Facsimile: (313)224-5505  
Attention: Corporation Counsel

with a copy to (which will not constitute notice):

The City of Detroit  
Municipal Parking Department  
1600 W. Lafayette  
Detroit, Michigan 48216  
Telephone: (313)221-2500  
Facsimile: (313)221-2501  
Attention: Director of Municipal Parking

**[Pike Pointe]**

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8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. Time of Essence. Time is of the essence of this Agreement.

10. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be declared invalid, illegal or unenforceable by a court of competence jurisdiction, all other provisions and applications hereof shall remain in full force and effect.

11. Merger of Prior Agreements. This Agreement supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan. By its execution and delivery of this

Agreement, each of the City and Pike Pointe irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement, or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding shall be brought in the Bankruptcy Court for so long as it has jurisdiction, and thereafter in the United States District Court for the Eastern District of Michigan; provided that if the United States District Court for the Eastern District of Michigan does not have jurisdiction, then such legal action, suit or proceeding shall be brought in such other court of competent jurisdiction located in Wayne County, Michigan. By execution and delivery of this Agreement, each of the City and Pike Pointe irrevocably accepts and submits to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding and specifically consents to the jurisdiction and authority of the Bankruptcy Court to hear and determine all such actions, suits, and proceedings under 28 U.S.C. §157(b) or (c), whichever applies.

13. Amendments. Except as otherwise provided herein, this Agreement may be amended or modified by, and only by, a written instrument executed by the parties hereto.

14. Captions. The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

15. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their permitted respective successors, heirs, administrators and assigns.

16. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

*[Signature page follows]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**CITY:**

CITY OF DETROIT

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By:

Its:

**TENANT:**

[PIKE POINTE]

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By \_\_\_\_\_

Its \_\_\_\_\_

## **EXHIBIT 1**

### **DESCRIPTION OF GRAND CIRCUS PARKING GARAGE**

Grand Circus is a three level underground parking structure, situated below the two parcels described below. Grand Circus includes all ramps, walkways, stairwells and other ingress and egress points to the parking structure existing as of the date hereof.

**Parcel 02001886: 1883 Woodward Ave**

Legal Description: W WOODWARD ALL THAT PT OF GOVERNOR AND JUDGES PLAN BOUNDED BY WOODWARD AVE, E ADAMS ST & PARK AVE A K A WLY PT OF GRAND CIRCUS PARK2/--- 357 IRREG

**Parcel 01004139: 1600 Woodward Ave**

Legal Description: E WOODWARD ALL THAT PT OF GOVERNOR & JUDGES PLAN BOUNDED BY WOODWARD AVE, E ADAMS AND WITHERELL STS A K A ELY PT OF GRAND CIRCUS PARK1/--- 357 IRREG

## **EXHIBIT 2**

### **CONCESSION AGREEMENT TERMS**

- 30 year term, structured as a concession agreement
- Pike Pointe (or a Pike Pointe Affiliate) is obligated to operate and maintain the Circus Garage during the term at its sole cost and expense and has the right to collect all parking revenue derived from the Circus Garage
- Pike Pointe (or a Pike Pointe Affiliate) shall be responsible, at its sole cost and expense, for all necessary capital expenditures to the Circus Garage, including, without limitation, \$13.5 million in capital expenditures during the first 5 years of the term.
- Rent to the City will be calculated as 25% of Free Cash Flow. Free Cash Flow is defined as revenue collected from the Circus garage minus operating expenses minus capital expenditures, which shall not include the \$13.5 million in initial capital expenditures made by Pike Pointe.
- No Rent shall be due to the City until Pike Pointe has received a return of 140% on its initial capital expenditures of \$13.5 million.
- Pike Pointe (or a Pike Pointe Affiliate) will enter into market-rate long term leases, licenses or usage agreements with the developers of properties adjacent to the Circus Garage pursuant to existing development agreements between the City and such developers.

**EXHIBIT I.A.354**

**SCHEDULE OF UNLIMITED TAX GENERAL OBLIGATION BOND DOCUMENTS  
& RELATED UNLIMITED TAX GENERAL OBLIGATION BONDS**

**SCHEDULE OF UNLIMITED TAX GENERAL OBLIGATION BOND  
DOCUMENTS & RELATED UNLIMITED TAX GENERAL OBLIGATION BONDS**

<b>Unlimited Tax General Obligation Bond Documents</b>	<b>Series of Unlimited Tax General Obligation Bonds</b>	<b>Balance as of Petition Date</b>
Resolution of the City Council adopted March 3, 1999 Finance Director's Order dated April 1, 1999	Series 1999-A	\$18,747,364
Amended and Restated Resolution of the City Council adopted April 6, 2001 and Supplement No. 1 to Amended and Restated Resolution, adopted June 13, 2001 (collectively, " <u>2001 UTGO Resolution</u> ") Finance Director's Order dated August 1, 2001 (" <u>2001 UTGO Sale Order</u> ")	Series 2001-A(1)	\$78,787,556
2001 UTGO Resolution 2001 UTGO Sale Order	Series 2001-B	\$4,063,616
Resolution of the City Council adopted July 24, 2002 Finance Director's Order dated August 2, 2002	Series 2002	\$6,745,767
Resolution of the City Council adopted September 19, 2003 Finance Director's Order dated October 9, 2003	Series 2003-A	\$34,908,150
Bond Authorizing Resolution adopted June 14, 2004 (" <u>2004 UTGO Resolution</u> ") Finance Director's Order dated August 27, 2004 (" <u>2004 UTGO Sale Order</u> ")	Series 2004-A(1)	\$39,872,258
2004 UTGO Resolution 2004 UTGO Sale Order	Series 2004-B(1)	\$38,206,678
2004 UTGO Resolution 2004 UTGO Sale Order	Series 2004-B(2)	\$736,241
Resolution of the City Council adopted July 6, 2005 (" <u>2005 UTGO Resolution</u> ") Finance Director's Order dated December 5, 2005 (" <u>2005 UTGO Sale Order</u> ")	Series 2005-B	\$45,452,501
2005 UTGO Resolution 2005 UTGO Sale Order	Series 2005-C	\$18,671,105

Unlimited Tax General Obligation Bond Documents	Series of Unlimited Tax General Obligation Bonds	Balance as of Petition Date
Resolution of the City Council adopted November 17, 2006 (" <u>2008 UTGO Resolution</u> ")  Finance Director's Order dated May 30, 2008 (" <u>2008 UTGO Sale Order</u> ")	Series 2008-A	\$59,487,564
2008 UTGO Resolution  2008 UTGO Sale Order	Series 2008-B(1)	\$28,982,532

**EXHIBIT I.A.360**

FORM OF UTGO SETTLEMENT AGREEMENT



## SETTLEMENT AGREEMENT

This Settlement Agreement ("**Agreement**") is entered into as of July 18, 2014, among the City of Detroit (the "**City**"), Ambac Assurance Corporation ("**Ambac**"), Assured Guaranty Municipal Corp. and Assured Guaranty Corp. (together, "**Assured**"), and National Public Finance Guarantee Corporation ("**NPFG**"). In this Agreement, each of the City, Ambac, Assured, and NPFG is referred to individually as a "**Party**"; Ambac, Assured, and NPFG (including their successors and assigns) are referred to collectively as the "**Bond Insurers**"; and the City and the Bond Insurers are referred to collectively as the "**Parties**."

### RECITALS

**WHEREAS**, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$369.115 million in outstanding principal amount of unlimited tax general obligations bonds, excluding the 2010 Series A Bonds hereinafter mentioned (the "**Prior UTGO Bonds**");

**WHEREAS**, more than 90% of the Prior UTGO Bonds are insured by one of the three Bond Insurers under financial guaranty insurance policies (the "**Bond Insurance Policies**") that were issued contemporaneously with the respective Prior UTGO Bonds;

**WHEREAS**, the Governor of the State of Michigan determined on March 1, 2013 that a financial emergency existed in the City, and the Emergency Manager (together with any successors, the "**Emergency Manager**") was appointed for the City on March 14, 2013;

**WHEREAS**, on July 18, 2013 (the "**Petition Date**"), the City filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy Code**"), thereby commencing Bankruptcy Case No. 13-53846 (the "**Bankruptcy Case**") before the United States Bankruptcy Court for the Eastern District of Michigan (the "**Bankruptcy Court**");

**WHEREAS**, as of the Petition Date, the balance due on the Prior UTGO Bonds, including prepetition interest accrued as of that date, was \$374,686,297;

**WHEREAS**, on October 1, 2013, the City defaulted on its obligation to make interest payments on the Prior UTGO Bonds in the amount of \$9,372,276 and the Bond Insurers paid claims and were subrogated to the rights of the owners for such payments, and the insurance documents contemplate the assignment of the Prior UTGO Bonds to the Bond Insurers upon payment of a claim;

**WHEREAS**, on April 1, 2014, the City defaulted on its obligations on the Prior UTGO Bonds to pay interest in the amount of \$9,372,276 and to pay principal in the amount of \$38,205,000, and the Bond Insurers paid claims and were subrogated to the

rights of the owners for such payments, and the insurance documents contemplate the assignment of the Prior UTGO Bonds to the Bond Insurers upon payment of a claim;

**WHEREAS**, on November 8, 2013, Assured and NPFG filed an adversary proceeding against the City seeking declaratory relief with regard to their rights in respect of the Prior UTGO Bonds pending before the Bankruptcy Court (Adv. Proc. No 13-05309) (the “**Assured/NPFG Action**”), and Ambac filed an adversary proceeding against the City seeking declaratory relief with regard to its rights in respect of, *inter alia*, the Prior UTGO Bonds pending before the Bankruptcy Court (Adv. Proc. No 13-05310) (the “**Ambac Action**”);

**WHEREAS**, on or about February 21, 2014, each of the Bond Insurers filed proofs of claim in the Bankruptcy Case (the “**UTGO Claims**”) asserting claims against the City for the full amount of principal and interest due under the documents pursuant to which the Prior UTGO Bonds were issued (including post-petition interest), amounts due the Bond Insurers for payments pursuant to the Bond Insurance Policies, and contractual reimbursements due for charges, fees, costs, losses, liabilities and expenses incurred by the Bond Insurers in connection with the Bond Insurance Policies; and

**WHEREAS**, the Parties have engaged in good faith and arms’ length negotiations regarding a consensual resolution of their disputes under or in respect of the Prior UTGO Bonds, the Assured/NPFG Action, the Ambac Action, and the UTGO Claims;

**NOW, THEREFORE**, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **ARTICLE I DEFINITIONS**

Section 1.1. **Recitals**. The recitals set forth above are incorporated by reference and are explicitly made a part of this Agreement.

Section 1.2. **Definitions**. In addition to the capitalized terms defined in the preamble and recitals, the following definitions shall apply to and constitute part of this Agreement and all schedules, exhibits and annexes hereto:

“**Act 436**” shall mean the Local Financial Stability and Choice Act of the State, Act 436 of 2012, Public Acts of Michigan, 2012.

“**Additional Bonds**” shall mean any unlimited tax general obligation bonds issued on a parity with the Prior UTGO Bonds, the UTGO Bonds and the 2010 Series A Bonds as to the Aggregate UTGO Tax Levy.

**“Additional DSA Debt”** has the meaning ascribed to it in Section 2.6(a).

**“Agreement to Deposit State Aid”** shall mean the agreement, dated as of the date of the issuance of the MFA Bonds, among the City, the State Treasurer and U.S. Bank National Association, as Master Trustee, providing for the deposit of Distributable State Aid payments by the State Treasurer directly into the funds and accounts held by the Master Trustee pursuant to the Master Indenture for purposes of retiring the Municipal Obligation for so long as the Municipal Obligation remains outstanding.

**“Aggregate UTGO Tax Levy”** shall mean all proceeds of the ad valorem tax millage levies, including delinquent millage payments received from Wayne County or otherwise, on account of unlimited tax general obligation bonds of the City, including the Prior UTGO Bonds (or after the Effective Date, the UTGO Bonds), the 2010 Series A Bonds and any Additional Bonds hereafter issued by the City.

**“Allowed Claim”** has the meaning ascribed to it in the Plan.

**“Ambac Action”** has the meaning ascribed to it in the recitals hereof.

**“Approval Motion”** shall mean a motion filed by the City with the Bankruptcy Court in accordance with Section 2.8(c), seeking entry of the Approval Order pursuant to Federal Rule of Bankruptcy Procedure 9019, which motion shall be in form and substance reasonably satisfactory to the Parties.

**“Approval Order”** shall mean an order of the Bankruptcy Court (other than the Plan Confirmation Order) approving the compromise and settlement set forth in this Agreement authorizing and directing the consummation of the transactions contemplated herein, which order shall be in a form and substance reasonably satisfactory to the Parties.

**“Assigned UTGO Bond Tax Proceeds”** has the meaning ascribed to it in Section 2.1(b)(i).

**“Assured/NPFG Action”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Case”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Code”** has the meaning ascribed to it in the recitals hereof.

**“Bankruptcy Court”** has the meaning ascribed to it in the recitals hereof.

**“Bond Insurance Policies”** has the meaning ascribed to it in the recitals hereof.

**“Bond Insurer Claims”** has the meaning ascribed to it in Section 2.1.

**“Bond Insurer Exculpated Parties”** means the Bond Insurers solely in their capacity as insurers of the Prior UTGO Bonds, and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

**“Claim”** shall mean a “claim” as defined in Section 101(5) of the Bankruptcy Code.

**“Class”** means each class of Claims established under the Plan.

**“Debt Millage Escrow Agreement”** shall mean an escrow agreement substantially in the form of Exhibit A hereto between the City and U.S. Bank National Association as escrow trustee providing, among other things, for the deposit and distribution of the Aggregate UTGO Tax Levy collected by the City, to be executed and delivered on the date of this Agreement.

**“Debt Millage Escrow Trustee”** has the meaning ascribed to it in Section 2.4(a).

**“Distributable State Aid”** shall mean the shared revenue payments that the City is entitled to receive from the State under the Michigan Constitution and the provisions of the Glenn Steil State Revenue Sharing Act, Act 140, Public Acts of Michigan, 1971, as amended (**“Act 140”**) in each City fiscal year ending June 30.

**“DSA Deposit”** has the meaning ascribed to it in Section 2.5(c).

**“DSA Deposit Date”** has the meaning ascribed to it in Section 2.5(c).

**“Deposit Date Balance Requirement(s)”** has the meaning ascribed to it in Section 2.5(c).

**“Deposit Date Balance Requirement for the Municipal Obligation”** has the meaning ascribed to it in Section 2.5(e).

**“DSA Escrow Funds”** has the meaning ascribed to it in Section 2.5(b).

**“DTC System”** shall mean the system maintained by the Depository Trust Company used for trading municipal securities.

**“Effective Date”** shall mean the effective date of any Plan.

**“Emergency Manager”** has the meaning ascribed to it in the recitals hereof.

**“Emergency Manager Order”** shall mean an order of the Emergency Manager in substantially the form attached hereto as Exhibit B.

**“Event of Default”** has the meaning ascribed to it in Section 4.1.

**“Existing DSA Debt”** has the meaning ascribed to it in Section 2.6(a).

**“Final Order”** shall mean an order or judgment including any associated findings of fact and conclusions of law of the Bankruptcy Court or other court of competent jurisdiction with respect to the applicable subject matter which has not been reversed, stayed, modified or amended and as to which (a) any right to appeal or seek certiorari, review, reargument, stay or rehearing has expired and no appeal or petition for certiorari, review, reargument, stay or rehearing is pending, or (b) an appeal has been taken or petition for certiorari, review, reargument, stay or rehearing has been filed and (i) such appeal or petition for certiorari, review, reargument, stay or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which certiorari, review, reargument, stay or rehearing was sought or (ii) the time to appeal further or seek certiorari, review, reargument, stay or rehearing has expired and no such further appeal or petition for certiorari, review, reargument, stay or rehearing is pending; provided, however, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Federal Rule of Bankruptcy Procedure 9024 may be filed relating to such order shall not cause such order to not be a Final Order.

**“Financial Terms”** has the meaning ascribed to it in Section 2.2.

**“Hard Pay Instruments”** has the meaning ascribed to it in Section 2.11(a)(i).

**“Holders Restructured UTGO Bonds”** has the meaning ascribed to it in Section 2.1(a).

**“Holder”** shall mean the holder of a Claim under or evidenced by the Prior UTGO Bonds.

**“Impaired Financial Creditors”** has the meaning ascribed to it in Section 2.11(a).

**“Insurer Owned Restructured UTGO Bonds”** has the meaning ascribed to it in Section 2.1(a).

**“Master Indenture”** shall mean the Master Debt Retirement Trust Indenture dated as of March 1, 2010 by and between the City and U.S. Bank National Association, Detroit, Michigan, as Master Trustee, as supplemented by the First Supplemental Debt Retirement Trust Indenture dated as of March 1, 2010, by the Second Supplemental Debt Retirement Trust Indenture dated as of December 1, 2010, the Third Supplemental Debt Retirement Trust Indenture dated as of March 1, 2012, the Fourth Supplemental Debt Retirement Trust Indenture dated as of August 1, 2012 and by the Fifth Supplemental Debt Retirement Trust Indenture to be dated as of the first day of the

month of the issuance of the MFA Bonds, by and between the City and the Master Trustee.

**“Master Trustee”** shall mean U.S. Bank National Association, Detroit, Michigan, as trustee under the Master Indenture or any successor trustee appointed pursuant to the terms of the Master Indenture.

**“MFA Bonds”** has the meaning ascribed to it in Section 2.2.

**“Municipal Obligation”** has the meaning ascribed to it in Section 2.2.

**“Plan”** shall mean the chapter 9 plan of adjustment filed by the City and incorporating the terms and conditions set forth in this Agreement, in substantially the form of the draft thereof dated May 5, 2014, as such plan may be amended, modified or supplemented from time to time, which plan, as it relates to this Settlement Agreement, shall be in form and substance reasonably satisfactory to the Bond Insurers.

**“Plan Confirmation Order”** shall mean findings of fact and an order of the Bankruptcy Court confirming the Plan and meeting the requirements of Section 2.9 of this Agreement.

**“Plan Documents”** shall mean the Plan, the Plan Confirmation Order and any Plan related documents effectuating this Agreement.

**“Plan Instruments”** shall have the meaning ascribed to it in Section 2.11(a)(ii).

**“Prior UTGO Bonds”** has the meaning ascribed to it in the recitals hereof.

**“Pro Rata”** shall mean the proportion that a claim of one Holder of Restructured UTGO Bonds bears to the aggregate of all claims of all of the Holders of Restructured UTGO Bonds.

**“Restructured UTGO Bonds”** has the meaning ascribed to it in Section 2.1.

**“Series 2014 DSA Escrow Fund”** has the meaning ascribed to it in Section 2.5(d).

**“Settlement Escrow Agreement”** has the meaning ascribed to it in Section 2.8.

**“Settlement-Related Documents”** shall mean this Agreement, the Plan Documents, the Approval Order (if applicable), the Debt Millage Escrow Agreement, the Settlement Escrow Agreement, the Restructured UTGO Bonds, the Stub UTGO Bonds, the Municipal Obligation, the MFA Bonds and all documents related to the MFA Bonds

(other than a Bond Insurer's insurance policies related to the MFA Bonds, Restructured UTGO Bonds and the Stub UTGO Bonds), each of which shall be in form and substance reasonably satisfactory to the Parties (and, in the case of the Plan Documents, solely as they relate to this Agreement).

**"Shared Credit Rating Act"** shall mean the Shared Credit Rating Act, Act No. 227 of the Public Acts of 1985 of the State, as from time to time amended.

**"Soft Pay Instruments"** has the meaning ascribed to it in Section 2.11(a)(ii).

**"State"** shall mean the State of Michigan.

**"State Treasurer"** shall mean the State Treasurer of the State.

**"Stub UTGO Bonds"** has the meaning ascribed to it in Section 2.1(b).

**"Stub UTGO Challenge"** has the meaning ascribed to it in Section 6.3(b).

**"Syncora"** shall mean Syncora Capital Assurance Inc. and Syncora Guarantee Inc. as insurer of the Series 2003(A) Unlimited Tax General Obligation Bonds.

**"2010 Senior Bonds"** has the meaning ascribed to it in Section 2.3(d)(i).

**"2010 Series A Bonds"** shall mean the City's \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010 (A) (Taxable Recovery Zone Economic Development Bonds-Direct Payment).

**"Third Lien Bonds"** has the meaning ascribed to it in Section 2.3(d)(iii).

**"Top-Off Payments"** has the meaning ascribed to it in Section 2.11(b).

**"Trigger Event"** has the meaning ascribed to it in Section 2.11(b).

**"Trigger Payments"** has the meaning ascribed to it in Section 2.11(b).

**"UTGO Bond Tax Levy"** shall mean that portion of the Aggregate UTGO Tax Levy in the amount that was allocable to the Prior UTGO Bonds.

**"UTGO Bonds"** shall mean the Municipal Obligation and the Stub UTGO Bonds.

**"UTGO Claims"** has the meaning ascribed to it in the recitals hereof.

**"UTGO Litigation"** has the meaning ascribed to it in Section 2.13.



Section 1.3. Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

Section 1.4. General Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires

(a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of application there.

(c) All references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(d) The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(e) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(f) The term “person” shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or agency or political subdivision thereof.

## ARTICLE II SETTLEMENT TERMS

Section 2.1. Claim Treatment. The City hereby agrees that the total Allowed Claim relating to the Prior UTGO Bonds will be \$388,000,000, allocated as follows:

(a) \$287,560,790 of the Prior UTGO Bonds which mature on or after April 1, 2015 will be restructured and allocated (i) among the Holders of the Prior UTGO Bonds which mature on or after April 1, 2015 on a Pro Rata basis, as set forth on

Schedule 1a annexed hereto (the “**Holders Restructured UTGO Bonds**”) and (ii) the Bond Insurers and Syncora, as set forth on Schedule 1b (the “**Insurer Owned Restructured UTGO Bonds**”) and, together with the Holders Restructured UTGO Bonds, the “**Restructured UTGO Bonds**”), and the Restructured UTGO Bonds will be restructured by delivery of the Municipal Obligation to the MFA and the delivery by the MFA of the MFA Bonds as described in Section 2.2 below, which, as restructured through the MFA, will be a full faith and credit general obligation payable from all legally available resources and secured, to the extent permitted by law, including Section 12(1)(x) of Act 436, by a lien upon the UTGO Bond Tax Levy, and payable and further secured by a lien on Distributable State Aid as provided in Section 2.3(a)(iii); and

(b) The remainder of the Prior UTGO Bonds (the “**Stub UTGO Bonds**”) which mature on or after April 1, 2015, in the principal amount of \$43,349,210, will be reinstated and remain outstanding, and will be payable from the UTGO Bond Tax Levy, subject to the following terms and conditions:

(i) The Holders’ rights to the proceeds of the UTGO Bond Tax Levy in an amount equal to the principal and interest payable on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation) will be assigned under and pursuant to the Plan (without any consent or action on the part of, or additional consideration payable to, the Bond Insurers or the Holders) to a designee or designees of the City (the “**Assigned UTGO Bond Tax Proceeds**”), and such proceeds will not be paid to the paying agent for the UTGO Bonds.

(ii) The obligations of the Bond Insurers to the Holders of the Prior UTGO Bonds that are not Holders Restructured UTGO Bonds under the existing applicable Bond Insurance Policies shall be unchanged.

(c) The Bond Insurers shall be granted Allowed Claims for all amounts actually paid by the Bond Insurers to Holders of the Prior UTGO Bonds together with any policy advances made from and after the Effective Date by the Bond Insurers in respect of the Stub UTGO Bonds pursuant to this Agreement up to an aggregate amount of \$100.5 million (the “**Bond Insurer Claims**”), which Allowed Claims shall receive distributions only when and if the Most Favored Nations clause set forth in Section 2.11 becomes operative and only pursuant to the terms of such Most Favored Nations clause.

**Section 2.2. Restructuring of Restructured UTGO Bonds by Delivery of Municipal Obligation to MFA and Delivery of MFA Bonds.**

(a) On or before the Effective Date (i), the Restructured UTGO Bonds will be restructured as follows: By execution of the Emergency Manager Order the City will authorize the issuance and delivery of a local government municipal obligation (the “**Municipal Obligation**”) to the Michigan Finance Authority (“**MFA**”), in accordance with applicable law, (ii) the City will request the MFA to issue its Local Government Loan Program Revenue Bonds, Series 2014 (City of Detroit Unlimited Tax General Obligation Restructured Local Project Bonds) (the “**MFA Bonds**”), and (iii) the

MFA Bonds shall be distributed Pro Rata to the Holders of the Holders Restructured UTGO Bonds as set forth on Schedule 1a annexed hereto and among the Bond Insurers and Syncora as set forth on Schedule 1b annexed hereto. The Municipal Obligation and the MFA Bonds will have the same principal amount (rounded down for each denomination to the nearest whole dollar), interest rate, payment dates, amortization schedule, prepayment terms (including first call date) and other financial terms (other than the pledge of Distributable State Aid and the priority of payment from the UTGO Bond Tax Levy relative to the Stub UTGO Bonds) as the Restructured UTGO Bonds (the “**Financial Terms**”). The MFA Bonds will be limited obligations of the MFA, payable from and secured by (i) payments made by the City on the Municipal Obligation and all right, title and interest in and to the Municipal Obligation, which shall include, to the extent permitted by applicable law, including without limitation Section 12(1)(x) of Act 436, a lien on the portion of the UTGO Bond Tax Levy allocable to the Municipal Obligation, pledged by the City to secure the Municipal Obligation as required by Section 2.3(a), and (ii) a lien, made a statutory lien as provided by the Shared Credit Rating Act, on moneys in the funds and accounts established for the MFA Bonds under the authorizing resolution for such bonds, including payments pledged by the City and received and held by the MFA or its trustee for the MFA Bonds, which include, without limitation, all payments of (x) the proceeds of the UTGO Bond Tax Levy and (y) Distributable State Aid deposited as described in Sections 2.4 and 2.5.

(b) All documents relating to the Municipal Obligation and the MFA Bonds will be in form and substance reasonably satisfactory to the Bond Insurers. Such documentation will include that the Master Indenture will not be amended in any manner which adversely affects the MFA Bonds or the rights of the Bond Insurers. Each Bond Insurer will insure the Series of MFA Bonds relating to the Holders Restructured UTGO Bonds originally insured by such Bond Insurer set forth on Schedule 1a attached hereto by either (i) issuing a new bond insurance policy (and to the extent applicable canceling the existing policy), (ii) endorsing its existing Bond Insurance Policy or (iii) amending its existing Bond Insurance Policy.

(c) Each of the MFA Bonds will be freely transferable through the DTC System under a unique CUSIP identification number that is separate and distinct from the CUSIP identification number for the Stub UTGO Bonds or, if the DTC System is discontinued with respect to the MFA Bonds, in such other manner as is permitted in accordance with their terms.

(d) The paying agent for the Prior UTGO Bonds shall issue new certificates representing the Stub UTGO Bonds to the Holders in principal amounts representing the balance of each Holder’s Prior UTGO Bonds not restructured through the delivery of the MFA Bonds.

Section 2.3. The Municipal Obligation and Distributable State Aid.  
The City agrees, with the cooperation of the MFA, to restructure the Restructured UTGO Bonds as the Municipal Obligation as of the Effective Date. The City covenants and agrees that:

(a) The Municipal Obligation:

(i) will be approved pursuant to the Emergency Manager Order and in accordance with all applicable laws;

(ii) will be payable from the unlimited tax full faith, credit and resources of the City and the UTGO Bond Tax Levy and secured, to the extent permitted by law, including without limitation Section 12(1)(x) of Act 436, by a lien granted by the City on the UTGO Bond Tax Levy pursuant to the Emergency Manager Order, the grant of which will be confirmed by the Bankruptcy Court in the Plan Confirmation Order (or, if applicable, the Approval Order);

(iii) also will be secured by and payable from a portion of the City's Distributable State Aid, subject to a statutory lien and trust as provided in section 15(2) of the Shared Credit Rating Act;

(iv) will have the same rights (other than priority) in and to the Distributable State Aid, and have the same protections (including, without limitation, a statutory lien to the same extent the 2010 Series A Bonds are secured by a statutory lien), as the 2010 Series A Bonds, except that the City's Deposit Date Balance Requirement (as defined in Section 2.5) with respect to the Municipal Obligation shall be as described in paragraph 2.5(e) below;

(v) will have the identical Financial Terms as the Restructured UTGO Bonds; and

(vi) will be pledged by the MFA to the bond trustee for the holders of the MFA Bonds pursuant to a resolution of the MFA authorizing the issuance of the MFA Bonds.

(b) The UTGO Bond Tax Levy shall be escrowed and used to pay the Municipal Obligation prior to the use of Distributable State Aid in the same manner as provided for the 2010 Series A Bonds, as described herein.

(c) Distributable State Aid will be pledged by the City and secured by a lien under the Master Indenture to be used for the purpose of paying principal of and interest on the Municipal Obligation and any additional bonds or other future obligations issued by the City and secured by Distributable State Aid.

(d) The lien on Distributable State Aid for the Municipal Obligation will be a fourth priority lien, subordinate, as of the MFA Bonds issuance date, only to the following:

(i) the first priority lien on Distributable State Aid for the City's \$249,790,000 Distributable State Aid General Obligation Limited Tax Bonds, Series 2010 (the "**2010 Senior Bonds**");

(ii) the second priority lien on Distributable State Aid for the City's 2010 Series A Bonds, which lien in favor of the 2010 Series A Bonds is subordinate to the lien in favor of the 2010 Senior Bonds; and

(iii) the third priority lien on Distributable State Aid for the City's third-lien limited tax general obligations bonds (the "**Third Lien Bonds**") securing the MFA's \$129,520,000 Local Government Loan Program Revenue Bonds, Series 2012C (City of Detroit Limited Tax General Obligation Local Project Bonds Third Lien), which lien in favor of the Third Lien Bonds is subordinate to the lien in favor of the 2010 Series A Bonds.

(e) The Emergency Manager shall issue the Emergency Manager Order in substantially the form attached hereto as Exhibit B.

#### Section 2.4. Escrow and Application of Aggregate UTGO Tax Levy.

(a) The City agrees that, pursuant to documentation in form and substance satisfactory to the Parties, proceeds of the Aggregate UTGO Tax Levy collected by the City will be segregated and transmitted no less often than as provided in the schedule of Statutory Tax Collection Distribution Dates published by the Bureau of Local Government Services of the Michigan Department of Treasury, and in any event, no less often than (x) bi-monthly during the period beginning each July 1 and ending the following March 31, and (y) monthly during the period beginning April 1 and ending the following June 30 of each year, to U.S. Bank National Association as escrow trustee (the "**Debt Millage Escrow Trustee**"), to be held and distributed pursuant to the terms and conditions of the Debt Millage Escrow Agreement. The Debt Millage Escrow Trustee shall be required to allocate the revenue pro rata, as required by the Debt Millage Escrow Agreement, among the outstanding UTGO Bonds, the 2010 Series A Bonds, and any Additional Bonds.

(b) Proceeds of the Aggregate UTGO Tax Levy allocated to the UTGO Bonds will be transferred promptly by the Debt Millage Escrow Trustee (i) first, for deposit to the Tax Levy Account held by the Master Trustee for the Municipal Obligation in an amount sufficient, together with funds already on deposit therein to pay debt service due on the Municipal Obligation on or before the April 1 following such deposit, together with any past due debt service on the Municipal Obligation, and (ii) second, to the assignee of the rights to payment from the Assigned UTGO Bond Tax Levy of amounts payable on the Stub UTGO Bonds on or before the April 1 following such deposit, an amount equal to the scheduled debt service on the Stub UTGO Bonds. Proceeds of the Aggregate UTGO Bond Tax Levy transferred to the Master Trustee for the purpose of paying debt service on the Municipal Obligation will be held in trust under applicable State law.

(c) Neither the Holders of the MFA Bonds nor the Bond Insurers will seek payment from the proceeds of the UTGO Bond Tax Levy in excess of the amounts necessary to pay the Municipal Obligation scheduled annual debt service

plus any amount necessary to pay past due Municipal Obligation debt service plus any amounts required by Section 2.14(b).

Section 2.5. Distributable State Aid and Flow of Funds.

(a) Pursuant to the Agreement to Deposit Distributable State Aid, the State Treasurer has agreed to deliver 100% of the Distributable State Aid due the City to the Master Trustee for deposit under the Master Indenture for as long as the Municipal Obligation is outstanding. Payments by the State Treasurer of Distributable State Aid will be deposited directly into the funds and accounts held by the Master Trustee in accordance with and as provided by the Agreement to Deposit Distributable State Aid and the Master Indenture. Distributable State Aid payments made to the Master Trustee for the purpose of paying debt service on the Municipal Obligation will be held in trust and subject to a statutory lien under applicable State law.

(b) The Master Trustee will be required to deposit all of the City's Distributable State Aid in the Debt Retirement Fund established under the Master Indenture and allocate and set aside Distributable State Aid into the various Distributable Aid Escrow Funds as provided in the Master Indenture, including, without limitation, the Series 2014 DSA Escrow Fund defined in Section 2.5(d) below (the "**DSA Escrow Funds**") created pursuant to one or more supplemental indentures to the Master Indenture for the purpose of accumulating Distributable State Aid in amounts required by such supplemental indentures to be deposited in the DSA Escrow Funds by the dates specified in such supplemental indentures to pay debt service on the bonds and obligations of the City secured by a pledge of Distributable State Aid.

(c) On each date that the State Treasurer deposits a payment of the City's Distributable State Aid (each a "**DSA Deposit**") with the Master Trustee (each a "**DSA Deposit Date**"), the Master Trustee shall set-aside such amounts as shall be sufficient to fund the minimum balances required to be on deposit in each DSA Escrow Fund to pay the then current annual principal and interest requirements on the related obligation as provided in the Master Indenture (each, a "**Deposit Date Balance Requirement**") and collectively the "**Deposit Date Balance Requirements**"). Any amounts remaining in the Debt Retirement Fund after the setting aside of the amounts necessary to satisfy the Deposit Date Balance Requirements of all DSA Escrow Funds, shall be released to the City for deposit to the General Fund of the City.

(d) On or before the Effective Date, the City pursuant to a supplemental indenture to the Master Indenture shall establish with the Master Trustee a Series 2014 DSA Escrow Fund (the "**Series 2014 DSA Escrow Fund**") for the purpose of accumulating Distributable State Aid in sufficient amounts to pay debt service on the Municipal Obligation. Moneys on deposit in the Series 2014 DSA Escrow Fund shall be held and withdrawn by the Master Trustee solely for the purpose of paying to the bond trustee for the holders of the MFA Bonds (as assignee of the MFA) the principal of and interest on the Municipal Obligation when due and payable, which payments will be used to make corresponding payments of principal and interest on the MFA Bonds. Within the

Series 2014 DSA Escrow Fund there shall be created three separate and segregated sub-accounts designated the “Distributable Aid Account,” the “Tax Levy Account,” and the “General Account.” Proceeds of the Aggregate UTGO Tax Levy allocated to the Municipal Obligation and transferred to the Master Trustee by the Escrow Agent pursuant to Section 2.4(b)(i) shall be deposited to the Tax Levy Account and used as described in subsection (f) below. That portion of Distributable State Aid necessary to pay the principal of and interest on the Municipal Obligation when due, shall be set aside and maintained in the Distributable Aid Account and used as described in subsection (e) below. All other moneys deposited to the Series 2014 DSA Escrow Fund from time to time by the City shall be set aside and maintained in the General Account and used as described in subsection (f) below.

(e) To the extent the Master Trustee does not have on deposit in the Tax Levy Account the required portions of principal and interest due on the next October 1 or April 1 on the first day of each month set forth below (the “**Deposit Date Balance Requirement for the Municipal Obligation**”), the Master Indenture will provide for the deposit of all, or such lesser amount as is necessary to correct the deficiency in the Deposit Date Balance Requirement for the Municipal Obligation, of that month’s distribution of Distributable State Aid into the Distributable State Aid Account of the Series 2014 DSA Escrow Fund (after all deposits to DSA Escrow Funds established to pay debt service on obligations of the City having priority over the Municipal Obligation) . The Deposit Date Balance Requirement for the Municipal Obligation will be as follows:

#### DEPOSIT DATE BALANCE REQUIREMENT

MONTH OF DSA PAYMENT	PORTION OF NEXT MUNICIPAL OBLIGATION INTEREST PAYMENT	PORTION OF NEXT MUNICIPAL OBLIGATION PRINCIPAL PAYMENT
November	1/3	4/6
January	2/3	5/6
March	100%	100%
September	100%	3/6

(f) Amounts on deposit in the Series 2014 DSA Escrow Fund shall be withdrawn from the DSA Escrow Fund for the purpose of paying debt service on the Municipal Obligation when due to the bond trustee for the holders of the MFA Bonds (as assignee of the MFA), which payments will be used to make corresponding payments of principal and interest on the MFA Bonds. Amounts shall be debited first from the Tax Levy Account in an amount necessary to pay the principal of and interest on the



Municipal Obligation on the corresponding payment date, and thereafter, if the amount on deposit in the Tax Levy Account is not sufficient to make the payments required, the amount necessary to satisfy the deficiency shall be debited, first, from the Distributable Aid Account, and second, from the General Account.

Section 2.6. Additional Indebtedness. From and after the date of this Agreement and, pursuant to documentation in form and substance satisfactory to the Parties, until the MFA Bonds have been paid in full:

(a) the City shall not incur, or permit to be outstanding, debt secured by a lien on the Distributable State Aid that is senior to the lien securing the Municipal Obligation, other than debt secured by a lien on the Distributable State Aid on the date of this Agreement (“Existing DSA Debt”) and additional debt (“Additional DSA Debt”) secured on a second or third lien level so that the aggregate principal amount of (x) Existing DSA Debt (as of the effective date of this Agreement – i.e., \$479,310,000) plus (y) the Additional DSA Debt thereafter issued will not exceed \$560,000,000, provided that, with respect to any Additional Debt the existing financial covenants in the Master Indenture restricting the issuance of additional bonds under the Master Indenture are satisfied.

(b) Notwithstanding clause (a), the City may issue first, second or third lien refunding bonds secured pursuant to the Master Indenture so long as any such refunding issuance results in debt service savings by the City in each year that such refunding bonds will be outstanding (based upon the amortization schedule in effect prior to the time of such refunding) or, if the last maturity of the MFA Bonds is prior to final maturity of the refunding bonds then to be issued, then in each year during which the MFA Bonds are outstanding.

(c) The City shall not incur debt secured by a lien on the Distributable State Aid that is pari passu with the lien securing the Municipal Obligation.

(d) The City may incur debt secured by a lien on the Distributable State Aid that is junior and subordinate to the lien securing the Municipal Obligation.

Section 2.7. Levy and Collection of the Ad Valorem Debt Millage.

The Settlement-Related Documents will provide that:

(a) The City shall impose in each year a separate debt millage levy reasonably projected to be in an amount necessary to pay the debt service coming due on all unlimited tax general obligation bonds (including both the Municipal Obligation and the Stub UTGO Bonds) before the next annual tax levy, including any past due amounts, plus any amounts necessary to reimburse the City for other City funds used to pay prior debt service, less any millage proceeds or other funds already on deposit with the Debt Millage Escrow Trustee which are available to pay the debt service next

coming due. The City shall comply with applicable law in levying and collecting ad valorem millage levied to pay all unlimited tax general obligation bonds.

(b) The City shall certify annually not later than June 30 in each year that it has imposed the debt millage levy as required by and in accordance with Section 2.7(a). Such annual certification shall be in the form attached hereto as Exhibit C and shall be promptly provided to the Bond Insurers.

(c) The City shall furnish to the Bond Insurers promptly upon request such information reasonably requested by the Bond Insurers to confirm the imposition of the debt millage levy and to monitor collections. The Bond Insurers shall have the right to discuss such information with the City, and the City will use reasonable efforts to explain the collection process to the Bond Insurers, including the allocation methods used for partial property tax payments.

#### Section 2.8. Plan Effectiveness and Escrowing of Payments.

(a) If the Effective Date of the Plan does not occur on or prior to September 30, 2014 for any reason other than proximately by reason of the actions or positions taken by any of the executing Bond Insurers, or their failure to support the Plan as provided in Section 3.1 below, solely in their capacity as the insurers of the Prior UTGO Bonds and not in any other capacity (including, for the avoidance of doubt in their capacity as insurers of any other obligations of the City), the City will pay into an escrow to be established with the current paying agent for the Prior UTGO Bonds the pro rata portion of the October 2014 scheduled interest debt service payment and any pro rata payments of principal and interest due thereafter, which would otherwise be paid on the Restructured UTGO Bonds, as if the transaction contemplated by this Agreement (other than the MFA Bond issuance) had closed. Specifically, and for clarification of the City's obligation under this paragraph, the City will pay into escrow the pro rata portion of scheduled debt service payments on the \$287.56 million of Restructured UTGO Bonds due after September 30, 2014 through the Effective Date of the Plan, on the same terms and schedule as set forth in the current documents governing the Prior UTGO Bonds, which, subject to Section 2.8(b) below, such escrowed funds shall be released to the Bond Insurers on the Effective Date of the Plan. Such escrow shall be pursuant to the Settlement Escrow Agreement ("Settlement Escrow Agreement") in the form of Exhibit D attached hereto, which will be executed and delivered on the date of the execution and delivery of this Agreement.

(b) If the Plan is not effective by March 31, 2015, and the Bankruptcy Court has issued an Approval Order (that is not stayed pending appeal) approving the settlement embodied in this Agreement, then on [March 31, 2015] the monies in such escrow will be released to the Bond Insurers, and the City will make all subsequent debt service payments, including the payment due on April 1, 2015, directly to the paying agent for the Prior UTGO Bonds as if the Restructured UTGO Bonds transaction (other than the MFA Bond issuance) had closed. If an Approval Order is entered but is subject to a stay pending appeal, the City shall continue to pay into escrow

the scheduled debt service on the Prior UTGO Bonds for so long as such stay remains in effect, and shall release all monies in the escrow accounts as soon as such order is no longer subject to stay.

(c) If the Plan is not effective by September 30, 2014, then within fifteen (15) days of a request by the Bond Insurers, the City shall file an Approval Motion pursuant to Bankruptcy Rule 9019 with the Bankruptcy Court. The City and the Bond Insurers may mutually make an Approval Motion pursuant to Bankruptcy Rule 9019 at any time upon mutual agreement of the City and the Bond Insurers.

Section 2.9. Confirmation Order and Findings. The Plan Confirmation Order shall include provisions substantially in the form of Exhibit E. Any material modification to such provisions shall be reasonably satisfactory to the Parties.

Section 2.10. Conditions to Plan Effectiveness. The Plan shall provide that the effectiveness of the Plan is subject to the following conditions:

(a) The Michigan Finance Authority board shall have approved the issuance of the MFA Bonds and such bonds shall have been issued; and

(b) The City shall have obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of this Agreement.

Section 2.11. Most Favored Nation. In recognition of the unique features of the UTGO Bonds and in consideration of the settlement, the City agrees that the Bond Insurers will benefit from a “most favored nation” provision consisting of the two fundamental protections below and that such provision will be described in the Plan. Further, the City agrees that, if a class of Impaired Financial Creditors receives treatment other than the current treatment in the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* [Docket No. 4392], such class’ treatment in the Plan will include the existence of this “most favored nation” provision.

(a) Recovery Percentage Projected as of Confirmation Date. Under no circumstances shall the terms of the Plan permit either of the Limited Tax General Obligation Claims or the COP Claims (each as defined in the Plan and collectively, the “**Impaired Financial Creditors**”) to recover more on a percentage basis than the UTGO Claims as projected at Plan confirmation. In determining whether a Class of Impaired Financial Creditors will recover more on a percentage basis than the UTGO Claims as projected at Plan confirmation, the recovery percentage for each of the Impaired Financial Creditors’ Claims will be the sum of:

(i) the percentage that any cash payments and the principal amount of any “hard pay” instrument, combination of instruments or any other evidences of indebtedness or payment obligations of any kind (collectively, the “**Hard Pay Instruments**”) provided to such Impaired Financial Creditor Class under the Plan is

of the aggregate amount of all the Allowed Claims in such Impaired Financial Creditor Class; and

(ii) the percentage that the reasonably anticipated recovery (as reasonably determined by the City as of Plan confirmation and as disclosed to creditors subject to the Bond Insurers' right to contest such determination as part of the confirmation hearing) on account of any "soft pay", contingent, or similar type of instrument, combination of instruments or any other evidences of indebtedness, contracts or settlements creating payment obligations of any kind including, without limitation, payment obligations relating to a sale, lease, privatization, public private partnership or similar arrangement or the value of any assets projected to be distributed or promised revenue streams or recoveries of any kind (collectively, the "**Soft Pay Instruments**" and together with the Hard Pay Instruments, the "**Plan Instruments**") provided to such Impaired Financial Creditor Class under the Plan is of the aggregate amount of all the Allowed Claims in such Impaired Financial Creditor Class.

(b) **Actual Recovery Percentage Post-Confirmation.** In the event the actual recovery percentage of any Impaired Financial Creditor Class on the aggregate Plan Instruments provided to such Impaired Financial Creditor's Class would result in such Class receiving 69.5% or more of the aggregate amount of all the Allowed Claims in any such Class (the "**Trigger Event**"), then payments that contribute to the Impaired Financial Creditor Class receiving a recovery over 69.5% (the "**Trigger Payments**") shall be made under such Plan Instruments to the Bond Insurers ("**Top-Off Payments**") on account of the Bond Insurer Claims in amounts equal to the following:

(i) the amount of the Trigger Payment, multiplied by

(ii) the quotient of

(A) \$100.5 million, divided by

(B) the sum of (x) 30.5% of the aggregate amount of all the Allowed Claims in the particular Impaired Financial Creditor Class, and (y) \$100.5 million.

For purposes of this sub-section, all actual recoveries for Impaired Financial Creditor Classes shall be determined by discounting the payments using a 5% discount rate back to the date of Plan confirmation. Amounts payable to the Bond Insurers pursuant to the provisions of this Section 2.11 will be allocated to the Bond Insurers as set forth on Schedule 2 attached hereto.

(c) **Reporting.** The City shall deliver to the Bond Insurers:

(i) promptly after the first payment is made thereunder, a written notice of any payment under any Soft Pay Plan Instrument benefiting any Impaired Financial Creditor Class, including the amount and date of such payment;

(ii) on each January 15 of every year beginning in the year after the first payment is made on any Soft Pay Plan Instrument benefiting any Impaired Financial Creditor Class and until the maturity date of the Soft Pay Instrument, a written report calculating the aggregate recovery percentage of each Impaired Financial Creditor Class;

(iii) after any Impaired Financial Creditor Class achieves a recovery percentage on the aggregate amount of all the Allowed Claims in such class equal to or greater than 60%, on each January 15 and July 15, a written report calculating the aggregate recovery percentage of each Impaired Financial Creditor Class;

(iv) after a Trigger Event occurs, a written report on each date that a payment is made under any Plan Instruments held by or benefiting an Impaired Financial Creditor Class that explains the calculation for the Trigger Payment and the Top-Off Payment and demonstrates compliance with the terms of this Agreement; and

(v) written notice in the event any Impaired Financial Creditor challenges or disagrees in any manner with the determination of any payments related to a Trigger Payment.

The City official executing any written notice or written report described above will respond within a reasonable time to written inquiries from any Bond Insurer regarding such notice or report. In the event any Bond Insurer or Insurers make a written request to meet with such City official, such City Official will meet within a reasonable time period with such Bond Insurer or Insurers to answer their reasonable questions regarding any such notice or report.

(d) Dispute Resolution. In the event any of the Bond Insurers provides a written notice to the City articulating disagreement with the City's determination of whether a Trigger Event has occurred or with the amount of shared payments after a Trigger Event pursuant to subsection 2.11(c)(iv), the City will notify all Bond Insurers and meet with the Bond Insurers within 15 business days of such written notice. At the meeting the Parties will attempt in good faith to resolve the differences. If the Parties are unable to reach a resolution of the differences the Bond Insurers will have the right to bring an enforcement action in the Bankruptcy Court.

#### Section 2.12. Legal Opinions.

Bond counsel will provide at closing customary legal opinions relating to the validity, priority and enforceability of any MFA transaction in form and substance reasonably satisfactory to the Bond Insurers; such opinions to include standard bankruptcy opinion exceptions. Bond counsel will also provide a customary opinion in form and substance reasonably satisfactory to the Bond Insurers, on the exemption of interest from Federal and State taxation of the MFA Bonds and the Municipal Obligation.

No opinion will be provided with respect to any aspect of any lien on the UTGO Bond Tax Levy.

Section 2.13. Stay of Litigation, Proofs of Claim.

(a) The Assured/NPFG Action and Ambac Action (the “**UTGO Litigation**”) as it relates to the Prior UTGO Bonds shall be stayed pending the issuance of an Approval Order or Plan Confirmation Order and the occurrence of the Effective Date, whereupon the Parties shall ask the Bankruptcy Court to dismiss the UTGO Litigation without prejudice until the Approval Order or the Plan Confirmation Order, as applicable, is a Final Order, when such dismissal shall be deemed to be with prejudice.

(b) As soon as practicable subsequent to the execution and delivery of this Agreement by each of the Parties, but in no event later than five (5) business days subsequent thereto, the Parties shall take any and all action as is appropriate to (i) stay the UTGO Litigation as provided in subsection (a) above, (ii) maintain the status quo of the Parties in the UTGO Litigation as of the execution of this Agreement, and (iii) ensure that no action (including separate litigation and any objection to proofs of claim filed by the Bond Insurers relating to the Prior UTGO Bonds) is undertaken or commenced inconsistent with seeking a stay of and maintaining the status quo of the UTGO Litigation; provided, however, that any such stay shall terminate on the first (1st) business day following termination of this Agreement.

(c) In the event (i) an Approval Motion is made by the City and denied by the Bankruptcy Court, (ii) an Approval Order is issued but is not consistent with this Agreement in any material respect or is overturned on appeal, (iii) a Plan consistent with this Agreement in all material respects is not confirmed by the Bankruptcy Court other than changes regarding payments relating to the Stub UTGO Bonds, or (iv) a Plan Confirmation Order is entered by the Bankruptcy Court but is not consistent in all material respects with this Agreement, or is overturned on appeal, then any Party (including one or more of the Bond Insurers as to such Bond Insurer or Bond Insurers) may resume the UTGO Litigation and terminate this Agreement as to such Party by written notice to the Parties.

(d) The Bond Insurers agree that all proofs of claims filed by any of them with respect to Prior UTGO Bonds shall be deemed resolved and fully satisfied by approval of this Agreement in the Plan Confirmation Order, which is a Final Order or an Approval Order, which is a Final Order, as applicable.

Section 2.14. Additional Covenants

(a) City Will Not Contest. The City shall not contest the validity or enforceability of any of the liens or interests granted under this Agreement or any of the obligations of the City set forth in this Agreement.

(b) Paying Agent, Master Trustee and Escrow Agent Fees.

The City shall pay the reasonable and customary fees and expenses (including reasonable attorneys' fees) of (i) the paying agent with respect to the Prior UTGO Bonds (including the paying agent relating to the Prior UTGO Bonds that are not Holders Restructured UTGO Bonds) and (ii) of the paying agent, the Master Trustee, the Debt Millage Escrow Trustee and the escrow agent identified in the Settlement Escrow Agreement in respect of all transactions contemplated by this Agreement.

(c) Further Action. To the extent that the City has not taken all necessary action to authorize the execution, delivery and performance of this Agreement, it will do so.

### **ARTICLE III PLAN OF ADJUSTMENT AND PLAN SUPPORT**

Section 3.1. Plan Support Commitment. From and after the date hereof, and so long as the City has complied, and is complying, with its covenants and obligations under this Agreement, the Bond Insurers will each support the treatment of the Prior UTGO Bonds in the Plan by, at a hearing or in a court filing, expressing such support solely as insurers of the Prior UTGO Bonds and, if each Bond Insurer has established its right to vote, will each vote Prior UTGO Bonds and reimbursement claims in support of such Plan treatment. The Plan shall provide that such treatment, consistent with this Agreement, is the treatment for all holders of the Prior UTGO Bonds. For the absence of doubt, nothing contained in this Agreement shall require any Bond Insurer to support or vote for the treatment of any class of claims under the Plan other than the UTGO Bonds.

Section 3.2. Solicitation Required in Connection with Plan. Notwithstanding anything contained in this Article III or elsewhere in this Agreement to the contrary, this Agreement is not, and shall not be deemed to be, a solicitation of acceptances of the Plan. The City and the Bond Insurers acknowledge and agree that the acceptance of the Plan will not be solicited until the Bankruptcy Court has approved the Disclosure Statement and related ballots, and such Disclosure Statement and ballots have been transmitted to parties entitled to receive same.

Section 3.3. Plan Document Provisions. All Plan Documents, as they relate to the settlement embodied in this Agreement must (i) be in form and substance reasonably satisfactory to the Bond Insurers and to the City and be consistent with this Agreement, (ii) provide that the Plan treatment for Prior UTGO Bonds is part of a settlement of the pending UTGO Litigation.



## ARTICLE IV DEFAULTS AND REMEDIES

Section 4.1. Events of Default. The breach by any Party of any material agreement or covenant set forth in this Agreement or the Settlement Escrow Agreement will be an event of default ("Event of Default") under this Agreement.

Section 4.2. Remedies. The Parties acknowledge and agree that a breach of the provisions of this Agreement by any Party would cause irreparable damage to the other Parties and that such other Parties would not have an adequate remedy at law for such damage. Therefore, the obligations of the Parties set forth in this Agreement and the Settlement Escrow Agreement shall be enforceable by an order compelling specific performance issued by the Bankruptcy Court, and appropriate injunctive relief may be applied for and granted in connection therewith. Upon an Event of Default by the City, any Bond Insurer will have the right to compel immediate payment of amounts held under the Settlement Escrow Agreement by order of the Bankruptcy Court. Such remedies shall be cumulative and not exclusive and shall be in addition to any other remedies that the Parties may have under this Agreement, the Settlement Escrow Agreement or otherwise. Any Bond Insurer may exercise its rights hereunder on its own. Consistent with Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement and the Settlement Escrow Agreement.

Section 4.3. Termination.

(a) This Agreement may be terminated by the mutual agreement of all of the Bond Insurers upon an Event of Default caused by the City. This Agreement may be terminated by less than all of the Bond Insurers as to such Bond Insurer or Bond Insurers upon an Event of Default caused by the City if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by one or more Bond Insurers before the Bankruptcy Court, (ii) the Bankruptcy Court, after notice and a hearing, finds that an Event of Default caused by the City has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the City of the applicable agreement or covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the City fails to comply with the order.

(b) This Agreement may be terminated by the City if any of the Bond Insurers fails to (i) support the Plan with respect to Class 8 – UTGO Claims or (ii) if it has the right to vote its Class 8 Claims as determined by the voting procedures process approved by the Bankruptcy Court in an order entered on March 11, 2014 (Docket No. 2984) (as such order may have been amended from time to time), vote its Class 8 Claims to accept the Plan. This Agreement may be terminated by the City upon an Event of Default caused by the Bond Insurers, or any of them, if (i) an action or proceeding seeking to enforce the material agreement or covenant purported to be breached is brought by the City before the Bankruptcy Court, (ii) the Bankruptcy Court finds, after

notice and a hearing, that an Event of Default caused by the applicable Bond Insurer has occurred and (iii) either (A) the Bankruptcy Court declines to issue an order compelling specific performance by the applicable Bond Insurer of the applicable agreement or covenant purported to be breached or (B) the Bankruptcy Court issues such an order compelling specific performance but the applicable Bond Insurer fails to comply with the order.

(c) Upon any such termination, any Party (including one or more of the Bonds Insurers as to such Bond Insurer or Bond Insurers) may resume the UTGO Litigation unless it has been previously dismissed with prejudice or has been previously deemed dismissed with prejudice.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES**

Section 5.1. Representations and Warranties of the City. The City represents and warrants to the Bond Insurers that:

- (a) It is a municipal corporation of the State of Michigan.
- (b) It has the power to execute and deliver this Agreement and to perform its obligations hereunder and it has taken or will take all necessary action to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any order or judgment of any court or other agency of government applicable to it, or any material agreements specifically applicable to it or any of its assets.
- (d) Other than (i) approvals by the MFA, the State Treasurer, the execution of the Emergency Manager Order, and the approvals required by Section 19 of Act 436 to be obtained prior to delivery of the Municipal Obligation, all of which the City reasonably expects to be obtained prior to the Effective Date, and (ii) the approval of the Bankruptcy Court, all governmental and Emergency Manager consents and approvals that are required to have been obtained by it as of the date of execution of this Agreement with respect to the execution, delivery and performance of this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

Section 5.2. Representations and Warranties of the Bond Insurers. Each of the Bond Insurers represents to the City that:

- (a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation.

(b) It has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary corporate action to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it, or any agreements specifically applicable to it or any of its assets.

(d) All corporate or governmental consents and approvals that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents and approvals have been complied with.

(e) Each of the respective Bond Insurers had and has standing to bring and resolve the UTGO Litigation related to the Prior UTGO Bonds that it insures (Assured and NPFG represent that each had and has standing to bring and resolve the Assured/NPFG Action, and Ambac represents that it had and has standing to bring and resolve the Ambac Action).

Section 5.3. Mutual Representations and Warranties. Unless otherwise noted, each Party makes the following representations, warranties and covenants (on a several basis, with respect to such Party only) to each of the other Parties:

(a) Each person signing this Agreement warrants that he or she is legally competent and authorized to execute this Agreement on behalf of the Party whose name is subscribed at or above such person's signature.

(b) The Parties have not made any statement or representation to each other regarding any facts relied upon by them in entering into this Agreement, and each of them specifically does not rely upon any statement, representation or promise of the other Parties hereto or any other person in entering into this Agreement, except as expressly stated herein or in the exhibits hereto. Each party has relied upon its own investigation and analysis of the facts and not on any statement or representation made by any other party in choosing to enter into this Agreement and the transactions contemplated herein.

(c) The Parties and their respective attorneys have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto as they deem necessary.

## **ARTICLE VI EXCULPATION**

Section 6.1. Exculpation. The Plan will include the Bond Insurer Exculpated Parties as exculpated parties for acts and omissions (other than those

constituting gross negligence or willful misconduct) in connection with (i) the Plan as it relates to this Agreement and (ii) this Agreement.

Section 6.2. Releases. Upon the dismissal with prejudice or deemed dismissal with prejudice of the applicable UTGO Litigation, the Parties to the applicable UTGO Litigation shall be deemed to have released each other, and the Parties' officials, officers, directors, employees and representatives, of and from any and all claims and causes of action related to the applicable UTGO Litigation and the Prior UTGO Bonds.

Section 6.3. Defense Against Challenges. (a) Subject to the terms of Section 6.3(b) below, if, after the issuance of the Plan Confirmation Order or the Approval Order, the validity or enforceability of any term or provision of this Agreement or the Settlement-Related Documents (as they relate to the settlement set forth in this Agreement) is challenged in any action, suit or proceeding, each of the named Parties in such action, suit or proceeding shall assume its own defense of such action, suit or proceeding.

(b) If, after the issuance of the Plan Confirmation Order or the Approval Order, an action, suit or proceeding is brought, an issue in which is the validity or enforceability of the Stub UTGO Bonds, including, without limitation, a challenge to the Assigned UTGO Bond Tax Proceeds (a "**Stub UTGO Challenge**"), the City shall assume the defense of such issue in any such action, suit or proceeding. If any of the Bond Insurers are named as a party in a Stub UTGO Challenge, the City will appoint counsel to the named Bond Insurers, which may or may not be counsel to the City. In all events, such counsel must be reasonably acceptable to the named Bond Insurers, and the City will pay the reasonable costs of such counsel.

## ARTICLE VII DISMISSAL OF CASE AND TERMINATION

Section 7.1. Effect of Dismissal of the Bankruptcy Case. In the event the Bankruptcy Case is dismissed, any Party may at any time within 60 days after such dismissal immediately terminate this Agreement by written notice to the other Parties.

Section 7.2. Effect of Termination. In the event of the termination of this Agreement by any Party pursuant to any provisions of this Agreement, this Agreement shall become null and void and be deemed of no force and effect, with no liability on the part of any Party hereto (or of any of its elected or appointed officials, directors, officers, employees, consultants, contractors, agents, legal and financial advisors or other representatives) arising from such termination, and no Party shall have any obligations to any other Party arising out of this Agreement. Upon termination, neither this Agreement nor any terms or provisions set forth herein shall be admissible in any dispute, litigation, proceeding or controversy among the Parties and nothing contained herein shall constitute or be deemed to be an admission by any Party as to any matter, it being understood that the statements and resolutions reached herein were as a result of negotiations and compromises of the respective positions of the Parties. If this

Agreement is terminated, then no Party hereto may (i) use this Agreement, any of its terms or any discussions or negotiations conducted in respect of this Agreement, or any part of the foregoing, in the UTGO Litigation; (ii) seek discovery with respect to any of the matters described in subsection (i) in the UTGO Litigation; or (iii) seek to admit any of the matters described in subsection (i) into evidence in the UTGO Litigation.

## ARTICLE VIII MISCELLANEOUS

Section 8.1. Amendments. This Agreement may not be modified, amended or supplemented except by a written agreement executed by each Party to be affected by such modification, amendment or supplement.

Section 8.2. No Admission of Liability.

(a) The execution of this Agreement is not intended to be, nor shall it be construed as, an admission or evidence in any pending or subsequent suit, action, proceeding or dispute of any liability, wrongdoing, or obligation whatsoever (including as to the merits of any claim or defense) by any Party to any other Party or any other person with respect to any of the matters addressed in this Agreement.

(b) None of this Agreement (including, without limitation, the recitals and exhibits hereto), the settlement or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission or evidence of the validity of any claim or of any wrongdoing or liability of any Party; or (ii) is or may be deemed to be or may be used as an admission or evidence of any liability, fault or omission of any Party in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. None of this Agreement, the settlement, or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement shall be admissible in any proceeding for any purposes, except to enforce the terms of the Agreement, and except that any Party may file this Agreement in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on the principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense of counterclaim.

Section 8.3. Good Faith Negotiations. The Parties recognize and acknowledge that each of the Parties hereto is represented by counsel, and such Party received independent legal advice with respect to the advisability of entering into this Agreement. Each of the Parties acknowledges that the negotiations leading up to this Agreement were conducted regularly and at arm's length; this Agreement is made and executed by and of each Party's own free will; that each knows all of the relevant facts and his or its rights in connection therewith, and that he or it has not been improperly influenced or induced to make this settlement as a result of any act or action on the part of any party or employee, agent, attorney or representative of any party to this

Agreement. The Parties further acknowledge that they entered into this Agreement because of their desire to avoid the further expense and inconvenience of litigation and other disputes, and to compromise permanently and settle the claims between the Parties settled by the execution of this Agreement.

Section 8.4. Rights and Remedies. Nothing in this Agreement is intended to augment or impair any rights, remedies and interests, including without limitation, liens, of any of the Parties hereto other than with respect to the Prior UTGO Bonds.

Section 8.5. Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any Person other than the Parties hereto and their respective successors and assigns, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof; and the covenants, stipulations and agreements contained in this Agreement are and shall be for the sole and exclusive benefit of the Parties hereto and their respective successors and assigns.

Section 8.6. Governing Law; Retention of Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan, without giving effect to any principles of conflicts of law and applicable federal law. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding between any or all of the foregoing with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the Bankruptcy Court for that purpose only, and, by execution and delivery of this Agreement, each hereby irrevocably accepts and submits itself to the jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 8.11 hereof, unless another address has been designated by such Party in a notice given to the other Parties in accordance with Section 8.11 hereof. The City agrees that the Bankruptcy Court will have exclusive post-confirmation authority and power to enforce this Agreement and all Settlement-Related Documents and to hear and adjudicate any challenge, action, suit or proceeding brought by any third party challenging the validity or enforceability of any provision of this Agreement, until all UTGO Bonds have been paid in full and all Plan Instruments are no longer outstanding. Pursuant to Section 904 of the Bankruptcy Code, the City hereby consents to the Bankruptcy Court enforcing the terms of this Agreement and the Settlement Escrow Agreement.

Section 8.7. Headings. The headings of the Articles and Sections of this Agreement are inserted for convenience only and are not part of this Agreement and do

not in any way limit or modify the terms or provisions of this Agreement and shall not affect the interpretation hereof.

Section 8.8. Binding Agreement Successors and Assigns; Joint and Several Obligations. This Agreement shall be binding upon the execution and delivery of this Agreement by the Parties listed on the signature pages hereto. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, administrators, constituents and representatives. The agreements, representations, covenants and obligations of the Parties under this Agreement are several only and not joint in any respect and none shall be responsible for the performance or breach of this Agreement by another.

Section 8.9. Entire Agreement. This Agreement shall constitute the full and entire agreement among the Parties with regard to the subject hereof, and supersedes all prior negotiations, representations, promises or warranties (oral or otherwise) made by any Party with respect to the subject matter hereof. No Party has entered into this Agreement in reliance on any other Party's prior representation, promise or warranty (oral or otherwise) except for those that may be expressly set forth in this Agreement.

Section 8.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, shall constitute one and the same Agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts, provided receipt of copies of such counterparts is confirmed.

Section 8.11. Notices. All demands, notices, requests, consents, and other communications hereunder shall be in writing and shall be deemed to have been duly given (a), when personally delivered by courier service or messenger, (b) upon actual receipt (as established by confirmation of receipt or otherwise) during normal business hours, otherwise on the first business day thereafter if transmitted electronically (by e-mail transmission), by facsimile or telecopier, with confirmation of receipt, or (c) three (3) Business Days after being duly deposited in the mail, by certified or registered mail, postage prepaid-return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following Parties:

If to the City, to:

Chief Financial Officer  
City of Detroit  
1126 Coleman A. Young Municipal Center  
Two Woodward Avenue  
Detroit MI 48226  
Phone: (313) 224-3382  
Fax: (313) 224-2827



with a copy given in like manner to:

Corporation Counsel  
City of Detroit Law Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit MI 48226  
Phone: (313) 237-3018  
Fax: (313) 224-5505

Miller, Canfield, Paddock and Stone, PLC  
150 West Jefferson, Suite 2500  
Detroit, MI 48226  
Attention: Jonathan Green  
Email: green@millercanfield.com  
Attention: Amanda Van Dusen  
Email: vandusen@millercanfield.com

If to the Bond Insurers, to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and General Counsel's Office  
Fax: (212) 208-3384

with a copy given in like manner to:

Arent Fox LLP  
1675 Broadway  
New York, New York 10019  
Attention: David L. Dubrow, Esq.  
Telecopy: (212) 484-3990  
Email: david.dubrow@arentfox.com

Assured Guaranty Municipal Corp and Assured Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Email: klyons@assuredguaranty.com  
Attention: Terence Workman  
Email: tworkman@assuredguaranty.com

with a copy given in like manner to:

Chadbourne & Parke LLP  
30 Rockefeller Plaza  
New York, NY 10112  
Attention: Lawrence A. Larose  
Fax: (212) 541-5369  
Email: llarose@chadbourne.com  
Attention: Samuel S. Kohn  
Fax: (212) 541-5369  
Email: skohn@chadbourne.com

National Public Finance Guarantee Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J. Rizzo  
Telecopy: (914) 765-3259  
Email: kenneth.epstein@optinuityar.com  
Email: bill.rizzo@nationalpfg.com

with a copy given in like manner to:

Sidley Austin LLP  
555 West 5th Street  
40th Floor  
Los Angeles, CA 90013  
Attention: Jeffrey E. Bjork  
Telecopy: (213) 896-6600  
Email: jbjork@sidley.com

Sidley Austin LLP  
555 California Street  
Suite 2000  
San Francisco, CA 94104  
Attention: Eric D. Tashman  
Telecopy: (415) 772-7400  
Email: etashman@sidley.com

Section 8.12. Further Assurances. Each of the Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

Section 8.13. Non-Severability of Agreement. This Agreement is to be construed as a whole, and all provisions of it are to be read and construed together. Notwithstanding anything in this Agreement, the Approval Order (if applicable) or the Plan Confirmation Order to the contrary, and in light of the integrated nature of the settlements and compromises embodied in this Agreement, in the event that (i) a court of

competent jurisdiction enters a Final Order ruling that any of the transactions contemplated in this Agreement are void, invalid, illegal or unenforceable in any material respect, (ii) any of the transactions contemplated by this Agreement are reversed, vacated, overturned, voided or unwound in any material respect, or (iii) the Approval Order or Plan Confirmation Order as it relates to the transactions contemplated in this Agreement is reversed, vacated, overturned or amended in any material respect, then in each case, the entirety of this Agreement (other than this Section 8.13) shall be void ab initio and of no force and effect and, during any subsequent proceeding, the Parties shall not assert claim preclusion, issue preclusion, estoppel or any similar defense in respect of rights and claims of the Parties that were the subject of this Agreement prior to this Agreement being of no force or effect.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

THE CITY OF DETROIT, as Debtor

By: \_\_\_\_\_

Name:

Title:

AMBAC ASSURANCE CORPORATION

By: \_\_\_\_\_

Name:

Title:

ASSURED GUARANTY CORP.

By: \_\_\_\_\_

Name:

Title:

ASSURED GUARANTY MUNICIPAL CORP.

By: \_\_\_\_\_

Name:

Title:

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: \_\_\_\_\_

Name:

Title:

## Schedule 1

(Pro Rata Allowed Claims for Restructured UTGO Bonds and Stub UTGO Bonds)

# **Schedule 1a - Holders Restructured UTGO Bonds**

<b>Series</b>	<b>Outstanding UTGO Bond Principal</b>	<b>Restructured %</b>	<b>Holders Restructured UTGO Bond Principal</b>
UTGO1999A (Assured)	\$15,765,000	84.50%	\$13,321,425
UTGO2001A1 (National)	74,800,000	84.50%	63,206,000
UTGO2001B (National)	-	-	-
UTGO2002 (National)	6,645,000	84.50%	5,615,025
UTGO2003A (Syncora)	31,675,000	84.50%	26,765,375
UTGO2004A1 (Ambac)	39,270,000	84.50%	33,183,150
UTGO2004B1 (Ambac)	29,365,000	84.50%	24,813,425
UTGO2004B2 (Ambac)	575,000	84.50%	485,875
UTGO2005B (Assured)	42,615,000	84.50%	36,009,675
UTGO2005C (Assured)	15,525,000	84.50%	13,118,625
UTGO2008A (Assured)	55,895,000	84.50%	47,231,275
UTGO2008B1 (Assured)	18,780,000	84.50%	15,869,100
<b>Total</b>	<b>\$330,910,000</b>		<b>\$279,618,950</b>

**Schedule 1b - Insurer Owned Restructured UTGO Bonds**

Series	UTGO Bond Principal	Restructured %	Insurer Owned Restructured UTGO Bond Principal				
			Ambac	Assured	National	Syncora	Total
UTGO1999A (Assured)	\$15,765,000	2.4%	-	378,360	-	-	\$378,360
UTGO2001A1 (National)	74,800,000	2.4%	249,977	1,545,223	-	-	1,795,200
UTGO2001B (National)	-	2.4%	-	-	-	-	-
UTGO2002 (National)	6,645,000	2.4%	22,207	137,273	-	-	159,480
UTGO2003A (Syncora)	31,675,000	2.4%	99,245	613,476	-	47,479	760,200
UTGO2004A1 (Ambac)	39,270,000	2.4%	942,480	-	-	-	942,480
UTGO2004B1 (Ambac)	29,365,000	2.4%	704,760	-	-	-	704,760
UTGO2004B2 (Ambac)	575,000	2.4%	13,800	-	-	-	13,800
UTGO2005B (Assured)	42,615,000	2.4%	-	1,022,760	-	-	1,022,760
UTGO2005C (Assured)	15,525,000	2.4%	-	372,600	-	-	372,600
UTGO2008A (Assured)	55,895,000	2.4%	-	1,341,480	-	-	1,341,480
UTGO2008B1 (Assured)	18,780,000	2.4%	-	450,720	-	-	450,720
Total	\$330,910,000		\$2,032,469	\$5,861,892	\$ -	\$47,479	\$7,941,840



## Schedule 2

### (Pro Rata Payments to Bond Insurers)

## Schedule 2 - Allocation of Amount Payable to Bond Insurers

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Insurer	Pro Rata Share
Ambac	23.209%
Assured	50.400%
National	26.391%
Total	100.000%

Exhibit A

FORM OF DEBT MILLAGE ESCROW AGREEMENT

**DEBT MILLAGE DEPOSIT ESCROW AGREEMENT  
CITY OF DETROIT, COUNTY OF WAYNE  
STATE OF MICHIGAN**

THIS ESCROW AGREEMENT (the "Agreement") dated as of the \_\_\_\_ day of \_\_\_\_\_, 2014, made by and between the City of Detroit, County of Wayne, State of Michigan (the "City") and U. S. Bank National Association, Detroit, Michigan (the "Escrow Trustee").

**WITNESSETH:**

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; and

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, as of the close of Fiscal Year 2013 (*i.e.*, June 30, 2013), the City had \$369.115 million in outstanding principal amount of unlimited tax general obligation bonds, excluding the 2010A UTGO Bonds hereinafter mentioned (the "Prior UTGO Bonds"); and

WHEREAS the City has previously issued and delivered its Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation) Series 2010A (Taxable Recovery Zone Economic Development Bonds Direct Payment) (the "2010A UTGO Bonds") which, together

with the Prior UTGO Bonds, are outstanding in the amounts, bear interest at the rates, are payable on such dates and have the redemption provisions shown on Exhibit A hereto; and

WHEREAS, more than 90% of the Prior UTGO Bonds are insured by either Ambac Assurance Corporation, Assured Guaranty Municipal Corp. or National Public Finance Guarantee Corporation (each a "Bond Insurer" and collectively, the "Bond Insurers"), as shown on Exhibit A; and

WHEREAS, the City and the Bond Insurers have entered into a settlement agreement entered into as of July \_\_, 2014 (the "UTGO Settlement Agreement"); and

WHEREAS, the City intends to restructure \$287,560,790 of the Prior UTGO Bonds which mature on or after April 1, 2015 (the "Restructured UTGO Bonds") as described below; and

WHEREAS, on \_\_\_\_, 2014, pursuant to Section 12(1) and Section 19(1) of Act 436, the Emergency Manager filed with the City Council of the City (the "City Council") his Order No. \_\_\_\_ Approval of \_\_\_\_ (Order No. \_\_\_\_), in part, to accomplish the restructuring of the Restructured UTGO Bonds as the Distributable State Aid Fourth Lien Restructured Bonds (Unlimited Tax General Obligation), Series 2014 (the "Bonds" or the "Municipal Obligation") in the amounts shown on Exhibit B attached hereto; and

WHEREAS, on \_\_\_\_, 2014, in accordance with Section 19(1) of Act 436, the City Council adopted a resolution entitled ["Resolution of the City Council of the City of Detroit, County of Wayne, State of Michigan Approving the Emergency Manager of the City of Detroit Order No. \_\_\_\_ Approval of UTGO \_\_\_\_"] (the "Council Resolution") under which the City Council approved the issuance and delivery of the Municipal Obligation to the Michigan Finance Authority ("MFA"); and

WHEREAS, the Restructured UTGO Bonds will be restructured as described in Section 2.2 of the UTGO Settlement Agreement; and

WHEREAS, on \_\_\_\_, 2014, the Bankruptcy Court issued an order approving the UTGO Settlement Agreement (the "Confirmation Order"); and

WHEREAS, the portion of the Prior UTGO Bonds not restructured through the issuance of the Municipal Obligation, which mature on or after April 1, 2015, in the principal amount of \$43,410,000 (the "Stub UTGO Bonds" and together with the 2010A UTGO Bonds, the Municipal Obligation and any Additional Bonds (defined below), the "UTGO Bonds") will be reinstated and shall remain Outstanding in the amounts and will remain payable as shown on Exhibit C hereto and as provided in Order No. \_\_\_\_; and

WHEREAS, pursuant to the Prior UTGO Bonds and the 2010A UTGO Bonds and Order No. \_\_\_\_ and Section 4a of Act 279, the City has pledged, and to the extent permitted by applicable law, including without limitation Section 12(1)(x) of Act 436, in Order No. \_\_, has created a lien upon the Debt Millage Revenues (as hereinafter defined) to pay the debt service on the UTGO Bonds; and

WHEREAS, pursuant to Section 4a of Act 279, and Section 701 of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, Order No. \_\_\_\_ provides for the deposit of the Debt Millage Revenues into a separate escrow account to be used for the sole purpose of paying principal of and interest on the UTGO Bonds and the administrative costs related to the deposit and escrow of Debt Millage Revenues; and

WHEREAS, in order to effectuate the pledge of the Debt Millage Revenues in favor of the owners of the UTGO Bonds, it is necessary for the City to provide for the deposit with the Escrow Trustee of the proceeds of 100% of its debt millage levy to satisfy the Debt Service Requirements to be held by the Escrow Trustee in trust, to further secure payment of the debt service on the UTGO Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, provisions and agreements herein contained, the sufficiency of which are hereby acknowledged, that in order to provide for the payment of the UTGO Bonds, for the benefit of the owners thereof and the Bond Insurers, and to secure the performance and observance of the conditions and covenants herein set forth and for other valuable consideration, the receipt of which is hereby acknowledged, the City covenants and agrees with the Escrow Trustee for the benefit of the respective owners from time to time of the UTGO Bonds and the Bond Insurers as follows:

## **ARTICLE I**

### **DEFINITIONS**

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

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

“Additional Bonds” means any series of unlimited tax general obligation bonds issued by the City on a parity as to Debt Millage Revenue levies with the 2010A UTGO Bonds, the Municipal Obligation and the Stub UTGO Bonds.

“Business Day” means a day which is not (i) a Saturday, Sunday or legal holiday on which banks located in either the State of Michigan or the state or states in which the principal corporate trust office of the Escrow Trustee, is located are authorized or required by law to be closed, or (ii) a day on which the New York Stock Exchange is closed.

“Debt Millage Deposit” or “Debt Millage Deposits” means whenever used herein singularly, each payment of Debt Millage Revenues, and collectively all payments of Debt Millage Revenues by the City to the Escrow Trustee for deposit in the UTGO Debt Millage Fund in accordance with Section 204 hereof.

“Debt Millage Revenues” means the proceeds of the debt millage levies, including interest subsidy payments received by the City in respect of the 2010A UTGO Bonds, delinquent millage payments received from Wayne County, Michigan or otherwise, pledged to and on

account of unlimited tax general obligation bonds of the City for the payment of debt service on the Prior UTGO Bonds, or after the Effective Date of the UTGO Bonds, and the 2010A UTGO Bonds and any Additional Bonds.

“Debt Retirement Schedule” means the table attached as Exhibit D hereto, showing the dates Debt Service Requirements are due and payable on each series of the UTGO Bonds.

“Debt Service Requirement” means an amount equal to the principal of and/or interest due on any series of UTGO Bonds (including the Stub UTGO Bonds) semi-annually on each payment date as set forth in Exhibit D.

“Effective Date” mean the effective date of the City’s chapter 9 plan of adjustment.

“Escrow Trustee” means initially, U.S. Bank National Association, Detroit, Michigan, or any successor in trust or assignees, as Escrow Trustee hereunder.

“Event of Default” means the breach by the City of any material agreement or covenant set forth in the UTGO Settlement Agreement or this Agreement, written notice of which has been provided by a Bond Insurer to the City and the Escrow Trustee.

“Fiscal Year” means the City’s fiscal year, commencing July 1 and ending June 30.

“General Retirement System” means the General Retirement System of the City of Detroit, \_\_\_\_\_ Fund.

“Income Stabilization Funds” means the Police & Fire Retirement System of the City of Detroit, Income Stabilization Fund, and the General Retirement System of the City of Detroit, Income Stabilization Fund.

“Master Trustee” means U. S. Bank National Association, Detroit, Michigan, as trustee under the Master Debt Retirement Trust Indenture dated as of March 1, 2010, as supplemented, between the City and the Master Trustee.

“Outstanding” when used with respect to the UTGO Bonds, means, as of the date of determination, the UTGO Bonds theretofore authenticated and delivered pursuant to the resolution, indenture and/or order for that series, except:

- (a) UTGO Bonds theretofore canceled by the trustee or paying agent for such UTGO Bonds or delivered to such trustee or paying agent for cancellation;
- (b) UTGO Bonds for whose payment money in the necessary amount, without the need for reinvestment thereof, has been theretofore deposited with the trustee or paying agent for such UTGO Bonds in trust for the registered owners of such UTGO Bonds;
- (c) UTGO Bonds delivered to the trustee or paying agent for such UTGO Bonds for cancellation in connection with (i) the exchange of such UTGO



Bonds for other bonds or (ii) the transfer of the registration of such UTGO Bonds;

- (d) UTGO Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to the resolution, indenture or order for that series or otherwise pursuant to law; and
- (e) UTGO Bonds deemed paid as provided in the resolution, indenture or order for that series.

“Permitted Investments” means those investments specified in Article III of this Escrow Agreement.

“Plan Assignees” means the Income Stabilization Funds and the General Retirement System.

“Set Aside Ledger” means the table attached as Exhibit D hereto, showing the allocation of each Debt Millage Deposit to the UTGO Debt Millage Fund in such fractional amounts determined in accordance with Section 204(a) herein.

“Stub UTGO Bonds Paying Agent” means U. S. Bank National Association, Detroit, Michigan.

“UTGO Debt Millage Fund” means the City of Detroit UTGO Debt Millage Fund created and described in Section 201 of this Agreement.

## **ARTICLE II**

### **ESTABLISHMENT OF FUNDS AND ACCOUNTS**

Section 201. Establishment of UTGO Debt Millage Fund. There is hereby created and established with the Escrow Trustee, pursuant to Order No. \_\_\_ and this Escrow Agreement, a single and common trust fund designated the “UTGO Debt Millage Fund.”

Section 202. Establishment of Accounts and Subaccounts. (a) There are hereby created within the UTGO Debt Millage Fund three (3) separate and segregated accounts, designated as follows:

1. “2010A UTGO Bonds Debt Millage Account” (“2010A UTGO Account”). The Escrow Trustee shall deposit Debt Millage Revenues allocable to the Debt Service Requirements on the 2010A UTGO Bonds, as set forth on Exhibit D, in the 2010A UTGO Account.
2. “2014 UTGO Bonds Debt Millage Account” (“2014 UTGO Bonds Account”). The Escrow Trustee shall deposit Debt Millage Revenues allocable to the Debt Service Requirements on the Municipal Obligation and the Stub UTGO Bonds, as set forth on Exhibit D, in the 2014 UTGO Bonds Account.

3. “Additional Bonds Debt Millage Account” (“Additional Bonds Account”). The Escrow Trustee shall deposit Debt Millage Revenues allocable to the Debt Service Requirements (to be reflected in a supplement to Exhibit D) on any series of Additional Bonds in a subaccount established for such series in the Additional Bonds Account pursuant to a supplement to this Agreement.

(b) There are hereby created within the 2014 UTGO Bonds Account two separate and segregated subaccounts, designated as follows:

1. The 2014 UTGO Municipal Obligation Subaccount (“2014 Municipal Obligation Subaccount”).

2. The Stub UTGO Bonds Subaccount (“Stub UTGO Bonds Subaccount”).

The Escrow Trustee shall allocate and deposit Debt Millage Revenues deposited in the 2014 UTGO Bonds Account among the 2014 Municipal Obligation Subaccount and the Stub UTGO Bonds Subaccount as provided in Section 204(a).

Section 203. Deposits to the UTGO Debt Millage Fund. Commencing on the Effective Date, and thereafter in accordance with the distribution schedule published by the Michigan Department of Treasury, and in any event, no less often than (x) bi-monthly during the period beginning each July 1 and ending the following March 31, and (y) monthly during the period beginning April 1 and ending the following June 30 of each year, the City shall remit the Debt Millage Revenues to the Escrow Trustee for deposit in the UTGO Debt Millage Fund. In the Order, the City has covenanted that it shall cause to be deposited with the Escrow Trustee, in accordance with the terms of this Escrow Agreement, 100% of the Debt Millage Revenues received by the City for as long as the Municipal Obligation and the Stub UTGO Bonds remain outstanding. The Escrow Trustee shall deposit any Debt Millage Revenues received by it from the City into the UTGO Debt Millage Fund and allocate such deposits in accordance with the provisions of Section 204 below.

Section 204. Allocation and Deposit. (a) Each Fiscal Year, commencing with the Effective Date and for as long as any UTGO Bonds remain outstanding, within one (1) Business Day of receipt by the Escrow Trustee of each Debt Millage Deposit, the Escrow Trustee shall set aside in the UTGO Debt Millage Fund each Debt Millage Deposit received, and make transfers from the UTGO Debt Millage Fund, as follows:

1. FIRST, a percentage of each Debt Millage Deposit received shall be allocated and set aside in each of the 2010A UTGO Account, the 2014 UTGO Bonds Account and any Additional Bonds Account that corresponds to the percentage that the Debt Service Requirement payable on the related series of UTGO Bonds as shown on Exhibit D bears to the Debt Service Requirement payable (or past due) on all UTGO Bonds on or before May 1 of each Fiscal Year until the sum of the aggregate Debt Millage Deposits (when taken together with any investment earnings on deposit) equals the Debt Service Requirement on all UTGO Bonds for such Fiscal Year. Once the Debt Service Requirement has been satisfied for all UTGO Bonds for payments due on or before May 1 of each Fiscal Year, any excess shall be allocated to the same accounts in

proportion to the Debt Service Requirements payable on such UTGO Bonds in the next Fiscal Year.

2. SECOND, the Escrow Trustee shall allocate deposits made to the 2014 UTGO Bonds Account (i) first to the 2014 Municipal Obligation Subaccount until the Debt Service Requirement payable (or past due) on the Municipal Obligation as shown on Exhibit D on or before April 1 of the then current Fiscal Year has been satisfied and (ii) second, to the Stub UTGO Bonds Subaccount until the Debt Service Requirement payable (or past due) on the Stub UTGO Bonds on or before April 1 of the then current Fiscal Year has been satisfied. Once the Debt Service Requirement for all Prior UTGO Bonds has been satisfied for the then current Fiscal Year, any excess shall be allocated first to the 2014 Municipal Obligation Subaccount for application to the next Fiscal Year's Debt Service Requirements for the Municipal Obligation and then to the next Fiscal Year's Debt Service Requirements for the Stub UTGO Bonds.

3. THIRD, within three Business Days after a deposit is made to any account or subaccount in the UTGO Debt Millage Fund the Escrow Trustee shall transfer the funds in such account or subaccount as follows:

(a) Funds on deposit in the 2010A UTGO Debt Millage Account shall be transferred to the Master Trustee for application to Debt Service Requirements for the 2010A UTGO Bonds.

(b) Funds on deposit in the 2014 Municipal Obligation Subaccount shall be transferred to the Master Trustee for deposit in the Series 2014 Tax Levy Account for application to Debt Service Requirements for the Municipal Obligation.

(c) Funds on deposit in the Stub UTGO Bonds Subaccount shall be transferred to the Plan Assignees pursuant to the direction and in the amounts shown on Exhibit F. In the event insufficient funds are on deposit in the Stub UTGO Bonds Subaccount on the date set for any transfer, the Escrow Trustee shall allocate and transfer the funds then on deposit in the Stub UTGO Bonds Subaccount to the Plan Assignees pro rata, in proportion to the amount due to each Plan Assignee on such date.

(d) Funds on deposit in the Additional Bonds Account shall be transferred to the paying agent or trustee for the related series of Additional Bonds.

(b) The Escrow Trustee shall keep and maintain a ledger on its books and records showing each Debt Millage Deposit into the Debt Millage Fund of the UTGO Debt Millage Fund, all transfers of funds from one account to another or from the UTGO Debt Millage Fund to the Master Trustee or the Income Stabilization Funds or the paying agent or trustee for any Additional Bonds, which ledger shall be substantially in the form attached hereto as Exhibit D-2 (the "Set Aside Ledger"). Not later than one (1) Business Days after the receipt of each Debt Millage Deposit, the Escrow Trustee shall promptly confirm electronically or in writing to the

City the receipt of each Debt Millage Deposit and provide with such notice a copy of the Set Aside Ledger which shall include the deposit entries for the then most recent Debt Millage Deposit, all prior deposits for the Fiscal Year and entries for any inter-fund transfers during the Fiscal Year. While any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, upon request of the Bond Insurers, the Escrow Trustee shall furnish a copy of the Set Aside Ledger to the Bond Insurers.

(c) Upon receipt of the Set Aside Ledger from the Escrow Trustee, the Finance Director of the City shall allocate on the books and records of the City a fractional amount of each Debt Millage Deposit shown in the Set Aside Ledger equal to the percentage of each Debt Millage Deposit that corresponds to the Debt Service Requirement by the City for the payment of that portion of debt service due on the UTGO Bonds in accordance with the ratios of the Debt Service Requirements for each series of UTGO Bonds to the total Debt Service Requirement for all UTGO Bonds set forth in Exhibit D hereto.

### **ARTICLE III** **INVESTMENT OF FUNDS**

Section 301. Permitted Investments. All money held by the Escrow Trustee pursuant to this Agreement shall be invested by the Escrow Trustee, without the need for further direction by the City, in accordance with written instructions from the City in mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, that have been rated at the time of purchase within the highest classification established by not less than two standard rating services and so long as the portfolio of such mutual funds is limited to bonds, and other obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by the full faith and credit of the United States. In the absence of written direction delivered to the Escrow Trustee by the City, the Escrow Trustee shall hold funds uninvested. The Escrow Trustee shall be entitled to rely on any written direction from the City as to the suitability and legality of the directed investment.

### **ARTICLE IV** **THE ESCROW TRUSTEE**

Section 401. Powers and Duties of Escrow Trustee. (a) The Escrow Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters hereof, and may in all cases be reimbursed hereunder for reasonable compensation paid to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Escrow Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

(b) The Escrow Trustee shall not be responsible for any recital herein, or for the validity of the execution by the City of this Escrow Agreement, or of any supplements thereto or

instruments of further assurance, or for the validity or sufficiency of, or filing of documents related to the security for the UTGO Bonds intended to be secured hereby.

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

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

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

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

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

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

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

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

(k) The Escrow Trustee may become the holder of any of the UTGO Bonds with the same rights it would have if it were not Escrow Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of holders, whether or

not such committee shall represent the holders of a majority in principal amount of any of the UTGO Bonds of such series then outstanding.

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

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

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

Section 402. Fees and Expenses of Escrow Trustee. (a) The Escrow Trustee shall be entitled to reasonable fees for services rendered under this Escrow Agreement, as amended, and shall be reimbursed for all expenses reasonably incurred in connection with such services. Such fees and expenses shall be payable by the City and shall be determined in accordance with the Fee Schedule attached as Exhibit E of this Agreement or as otherwise may be agreed to by the City and the Escrow Trustee.

(b) The City shall be liable for all fees, expenses, charges, losses, costs, liabilities and damages incurred by the Escrow Trustee pursuant to this Agreement except for those which are adjudicated to have resulted from the gross negligence or willful misconduct of the Escrow Trustee, and shall pay such amounts to or at the direction of the Escrow Trustee.

Section 403. Resignation; Appointment of Successor Escrow Trustee; Successor Escrow Trustee Upon Merger, Consolidation or Sale. (a) The Escrow Trustee and any successor Escrow Trustee may resign only upon giving 60 days' prior written notice to the City and, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the Bond Insurers. Such resignation shall take effect only upon the appointment of a successor Escrow Trustee as described in Section 403(b) below and the acceptance of such appointment by the successor Escrow Trustee. Upon appointment of a successor Escrow Trustee, the resigning Escrow Trustee shall, after payment of its fees, costs and expenses, assign all of its right, title and interest in the Debt Millage Revenues, and transfer and assign its right, title and interest in the Escrow Agreement to the successor Escrow Trustee. The successor Escrow Trustee shall meet the requirements of Section 403(b) below and shall accept in writing its duties and responsibilities hereunder and file such acceptance with the City.

(b) In case the Escrow Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the City (so long as no Event of Default shall have occurred and be continuing under this Escrow Agreement ) and, while any of the Municipal Obligation or the Stub UTGO Bonds remains

Outstanding, the Bond Insurers, be appointed by the owners of a majority in aggregate principal amount of UTGO Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Escrow Trustee, and the successor Escrow Trustee, which, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding must be acceptable to the Bond Insurers insuring such Outstanding Bonds. In the absence of an appointment by the bondholders, the City may appoint a successor Escrow Trustee, by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Escrow Trustee and the successor Escrow Trustee. If the owners of the UTGO Bonds and the City fail to so appoint a successor Escrow Trustee, hereunder within thirty (30) days after the Escrow Trustee has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Escrow Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Escrow Trustee appointed pursuant to the provisions of this Section 403(b) (i) shall at all times be a bank having trust powers or a trust company, (ii) shall at all times be organized and doing business under the laws of the United States of America or of any state, (iii) shall have, or be wholly owned by an entity having, a combined capital and surplus of at least \$75,000,000, (iv) shall be authorized under such laws to exercise corporate trust powers, and (v) shall be subject to supervision or examination by federal or state authority.

(c) Any corporation or association into which the Escrow Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such company shall be eligible under Section 403(b) hereof, shall be and become successor Escrow Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 404. Removal of Escrow Trustee. The Escrow Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Escrow Trustee and signed by the City; provided that if an Event of Default has occurred and is continuing hereunder, then, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the Escrow Trustee may not be removed without the consent of the holders of a majority in aggregate principal amount of the UTGO Bonds then Outstanding and the Bond Insurers. No removal of the Escrow Trustee and no appointment of a successor Escrow Trustee shall become effective until the successor Escrow Trustee has accepted its appointment in the manner provided in Section 403 hereof. Upon such removal and the payment of its fees, costs and expenses, the Escrow Trustee shall assign to the successor Escrow Trustee all of its right, title and interest in the Trust Estate in the same manner as provided in Section 403 hereof.



## **ARTICLE V**

### **ADDITIONAL BONDS**

Section 501. Issuance of Additional Bonds. The City reserves the right to issue unlimited tax full faith and credit bonds payable on a parity basis with the pledge of the City's unlimited tax full faith and credit as security for the UTGO Bonds. While any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the debt millage levy with respect to any such parity bonds shall be subject to the terms of this Agreement.

Section 502. Notices Regarding Additional Bonds. The City hereby covenants to provide notice to the Escrow Trustee and, while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, the Bond Insurers, of the issuance of each series of Additional Bonds. The City may enter into additional agreements or supplements hereto with the Escrow Trustee to provide for the remittance of Debt Millage Revenues to the Escrow Trustee to be held and transferred for the payment of principal of and interest on any Additional Bonds pursuant to this Agreement.

Section 503. Defeasance or Redemption. The City hereby covenants to provide notice to the Escrow Trustee of the defeasance or redemption of all or any portion of the UTGO Bonds. In the event that the City issues Additional Bonds as described in Section 501 hereof, the City hereby covenants to provide notice to the Escrow Trustee of the defeasance or redemption of all or any portion of the Additional Bonds.

## **ARTICLE VI**

### **AMENDMENTS**

Section 601. Modifications and Amendments Not Requiring Consent. Any provision of this Agreement may be amended at any time by the parties hereto, and while any of the Municipal Obligation or the Stub UTGO Bonds remains Outstanding, with the prior written consent of the Bond Insurers, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Agreement.
- (b) To grant to or confer upon the Escrow Trustee any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Escrow Trustee.
- (c) To accomplish, implement or give effect to any other action which is authorized or required by this Agreement.
- (d) To comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to the UTGO Bonds or any Additional Bonds.
- (e) To appoint separate or successor trustees.
- (f) To provide for the deposit of Debt Millage Revenues with respect to any Additional Bonds.

- (g) To make any other change which, in the judgment of the Escrow Trustee, is not to the material prejudice of holders of the UTGO Bonds, upon the opinion of bond counsel or other professionals.
- (h) To create obligation specific Escrow Funds and sub-accounts in accordance with Article II herein for further securing and establishing deposit and set-aside requirements of all UTGO Bonds issued by the City.

Within thirty (30) days after the execution of any amendment pursuant to this Section 601, the Escrow Trustee shall cause notice thereof to be mailed, postage prepaid to the Master Trustee, the Stub UTGO Paying Agent and the trustee or paying agent for any Additional Bonds at their addresses shown in Section 701. The notice shall briefly set forth the nature of the supplement and shall state that copies thereof are on file at the corporate trust office of the Escrow Trustee for inspection by all such holders. Any such supplement so executed shall be valid and binding notwithstanding any failure of the Escrow Trustee to mail the notice herein required and notwithstanding any objections which may be received pursuant to any mailed notice.

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

## ARTICLE VII MISCELLANEOUS

Section 701. Notices. Except as other provided, all notices, certificates, requests, complaints, demands or other communications under this Agreement shall be deemed sufficiently given when sent by first class mail or overnight mail postage prepaid, addressed as follows:

If to the City, to:

City of Detroit  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit MI 48226  
Attention: Chief Financial Officer

If to the Escrow Trustee, the Master Trustee or the Stub UTGO Bonds Paying Agent, to:

U.S. Bank National Association  
535 Griswold, Suite 550  
Detroit, Michigan 48226  
Attention: Corporate Trust Services

If to the Bond Insurers, to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and  
General Counsel's Office

Assured Guaranty Municipal Corp and  
Assured Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Attention: Terence Workman

National Public Finance Guarantee  
Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J.  
Rizzo

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

Section 702. Termination. This Agreement shall terminate following delivery of written direction from the City to the Escrow Trustee to so terminate, together with written notice: (1) that all of the Municipal Obligation and the Stub UTGO Bonds have been paid in full at maturity or defeased (and for each series of UTGO Bonds that have been or are to be defeased prior to termination, such notice shall include written certification by an independent verification agent for the City that sufficient cash or obligations necessary to defease such UTGO Bonds in accordance with the applicable defeasance requirements are on deposit with the Master Trustee, in the case of the Municipal Obligation, and the Income Stabilization Funds, in the case of the Stub UTGO Bonds to be defeased, as of the date of the City's notice), and (2) that all fees owed to the Escrow Trustee have been paid in full. Upon termination of this Agreement, any money remaining on deposit in the funds and accounts created and established hereunder shall be paid to the City.

Section 703. Severability. If any one or more sections, clauses or provisions of this Escrow Agreement shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions of the Agreement.

Section 704. Headings. Any headings shall be solely for convenience of reference and shall not constitute a part of the Agreement, nor shall they affect its meaning, construction or effect.

Section 705. Escrow Agreement Executed in Counterparts. This Escrow Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, and such counterparts together shall and will constitute one and the same instrument.

Section 706. Parties Interested Herein. Nothing in this Escrow Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Escrow Trustee, the City, the Bond Insurers and the registered owners of the UTGO Bonds, any right, remedy or claim under or by reason of this Escrow Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement on behalf of the City shall be for the sole and exclusive benefit of the Escrow Trustee, the City, the Bond Insurers and the registered owners of the UTGO Bonds.

IN WITNESS WHEREOF, this Escrow Agreement has been signed on behalf of the City by its Emergency Manager and U.S. Bank National Association to evidence the acceptance of the trust, has caused this Escrow Agreement to be executed in its behalf by its authorized officer, all as of the date first above written.

CITY OF DETROIT

By \_\_\_\_\_  
Kevyn D. Orr  
Its: Emergency Manager

U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Trustee

By \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**  
**DEBT RETIREMENT SCHEDULES**  
**(BY SERIES)**

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\*Subject to Mandatory Redemption



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\* Subject to Mandatory Redemption

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# UTGO Bond Series Debt Retirement Schedules

C/P	Maturity Date	Rate	Principal	Insurer	10/1/28	4/1/29	10/1/29	4/1/30	10/1/30	4/1/31	10/1/31	4/1/32	10/1/32	4/1/33	10/1/33	4/1/34	10/1/34	4/1/35	Total Interest	Total Principal & Interest
UTGO 2003-A																				
25133846	4/1/15	5.250%	\$2,450,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$149,625.00	\$2,999,625.00
25133847	4/1/16	5.250%	\$2,950,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$299,500.00	\$3,294,500.00
25133848	4/1/17	5.000%	\$3,145,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$471,750.00	\$3,616,750.00
25133849	4/1/18	5.000%	\$3,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$661,000.00	\$3,966,000.00
25133850	4/1/19	5.000%	\$3,470,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$867,500.00	\$4,337,500.00
25133851	4/1/20	5.000%	\$3,645,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,087,500.00	\$4,732,500.00
25133852	4/1/21	5.000%	\$3,830,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,322,500.00	\$5,155,000.00
25133853	4/1/22	5.000%	\$4,025,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,572,500.00	\$5,597,500.00
25133854	4/1/23	5.000%	\$4,230,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,827,500.00	\$6,055,000.00
25133855	4/1/24	5.000%	\$4,445,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,092,500.00	\$6,537,500.00
25133856	4/1/25	5.000%	\$4,670,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,367,500.00	\$7,035,000.00
25133857	4/1/26	5.000%	\$4,905,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,652,500.00	\$7,555,000.00
25133858	4/1/27	5.000%	\$5,150,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,947,500.00	\$8,095,000.00
25133859	4/1/28	5.000%	\$5,405,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,252,500.00	\$8,655,000.00
25133860	4/1/29	5.000%	\$5,670,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,567,500.00	\$9,235,000.00
25133861	4/1/30	5.000%	\$5,945,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,892,500.00	\$9,835,000.00
25133862	4/1/31	5.000%	\$6,230,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,227,500.00	\$10,455,000.00
25133863	4/1/32	5.000%	\$6,525,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,572,500.00	\$11,095,000.00
25133864	4/1/33	5.000%	\$6,830,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,927,500.00	\$11,755,000.00
25133865	4/1/34	5.000%	\$7,145,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,292,500.00	\$12,435,000.00
25133866	4/1/35	5.000%	\$7,470,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,667,500.00	\$13,135,000.00
25133867	4/1/36	5.000%	\$7,805,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,052,500.00	\$13,855,000.00
25133868	4/1/37	5.000%	\$8,150,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,447,500.00	\$14,595,000.00
25133869	4/1/38	5.000%	\$8,505,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,852,500.00	\$15,355,000.00
25133870	4/1/39	5.000%	\$8,870,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,267,500.00	\$16,135,000.00
25133871	4/1/40	5.000%	\$9,245,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,692,500.00	\$16,935,000.00
25133872	4/1/41	5.000%	\$9,630,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,127,500.00	\$17,755,000.00
25133873	4/1/42	5.000%	\$10,025,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,582,500.00	\$18,595,000.00
25133874	4/1/43	5.000%	\$10,440,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,047,500.00	\$19,445,000.00
25133875	4/1/44	5.000%	\$10,865,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,522,500.00	\$20,315,000.00
25133876	4/1/45	5.000%	\$11,300,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,007,500.00	\$21,205,000.00
25133877	4/1/46	5.000%	\$11,745,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,502,500.00	\$22,115,000.00
25133878	4/1/47	5.000%	\$12,200,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,007,500.00	\$23,045,000.00
25133879	4/1/48	5.000%	\$12,665,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,522,500.00	\$24,000,000.00
25133880	4/1/49	5.000%	\$13,140,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,047,500.00	\$25,000,000.00
25133881	4/1/50	5.000%	\$13,625,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,582,500.00	\$26,045,000.00
25133882	4/1/51	5.000%	\$14,120,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$13,127,500.00	\$27,125,000.00
25133883	4/1/52	5.000%	\$14,625,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$13,682,500.00	\$28,235,000.00
25133884	4/1/53	5.000%	\$15,140,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,247,500.00	\$29,385,000.00
25133885	4/1/54	5.000%	\$15,665,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,825,000.00	\$30,565,000.00
25133886	4/1/55	5.000%	\$16,200,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,412,500.00	\$31,775,000.00
25133887	4/1/56	5.000%	\$16,745,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,010,000.00	\$33,005,000.00
25133888	4/1/57	5.000%	\$17,300,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,617,500.00	\$34,255,000.00
25133889	4/1/58	5.000%	\$17,865,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,235,000.00	\$35,535,000.00
25133890	4/1/59	5.000%	\$18,440,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,822,500.00	\$36,845,000.00
25133891	4/1/60	5.000%	\$19,025,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,420,000.00	\$38,175,000.00
25133892	4/1/61	5.000%	\$19,620,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,027,500.00	\$39,535,000.00
25133893	4/1/62	5.000%	\$20,225,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,645,000.00	\$40,935,000.00
25133894	4/1/63	5.000%	\$20,840,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$20,272,500.00	\$42,375,000.00
25133895	4/1/64	5.000%	\$21,465,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$20,910,000.00	\$43,845,000.00
25133896	4/1/65	5.000%	\$22,100,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$21,557,500.00	\$45,345,000.00
25133897	4/1/66	5.000%	\$22,745,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$22,215,000.00	\$46,875,000.00
25133898	4/1/67	5.000%	\$23,400,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$22,882,500.00	\$48,435,000.00
25133899	4/1/68	5.000%	\$24,065,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$23,560,000.00	\$50,025,000.00
25133900	4/1/69	5.000%	\$24,740,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$24,247,500.00	\$51,645,000.00
25133901	4/1/70	5.000%	\$25,425,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$24,945,000.00	\$53,295,000.00
25133902	4/1/71	5.000%	\$26,120,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$25,652,500.00	\$54,975,000.00
25133903	4/1/72	5.000%	\$26,825,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$26,370,000.00	\$56,685,000.00
25133904	4/1/73	5.000%	\$27,540,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,087,500.00	\$58,425,000.00
25133905	4/1/74	5.000%	\$28,265,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,815,000.00	\$60,195,000.00
25133906	4/1/75	5.000%	\$29,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$28,552,500.00	\$61,995,000.00
25133907	4/1/76	5.000%	\$29,745,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$29,300,000.00	\$63,825,000.00
25133908	4/1/77	5.000%	\$30,500,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$30,057,500.00	\$65,685,000.00
25133909	4/1/78	5.000%	\$31,265,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$30,825,000.00	\$67,585,000.00
25133910	4/1/79	5.000%	\$32,040,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,602,500.00	\$69,515,000.00
25133911	4/1/80	5.000%	\$32,825,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$32,390,000.00	\$71,475,000.00
25133912	4/1/81	5.000%	\$33,620,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$33,177,500.00	\$73,465,000.00
25133913	4/1/82	5.000%	\$34,425,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$33,985,000.00	\$75,485,000.00
25133914	4/1/83	5.000%	\$35,240,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$34,802,500.00	\$77,535,000.00
25133915	4/1/84	5.000%	\$36,065,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$35,630,000.00	\$79,605,000.00
25133916																				

# UTGO Bond Series Debt Retirement Schedules

CP	Maturity Date	Rate	Principal	Insurer	10/1/28	4/1/29	10/1/29	4/1/30	10/1/30	4/1/31	10/1/31	4/1/32	10/1/32	4/1/33	10/1/33	4/1/34	10/1/34	4/1/35	10/1/35	Interest	Total
UTGO 2004-B(1)																					
2519278	4/1/15	5.000%	\$8,675,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$433,750.00	\$9,108,750.00
2519279	4/1/16	5.250%	\$9,105,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$956,025.00	\$10,061,025.00
2519284	4/1/17	4.000%	\$305,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$36,600.00	\$341,600.00
2519282	4/1/17	5.250%	\$9,280,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,461,600.00	\$10,741,600.00
2519270	4/1/18	5.250%	\$2,000,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$420,000.00	\$2,420,000.00
UTGO 2004-B(2)																					
2519271	4/1/19	5.240%	\$575,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$69,954.00	\$644,954.00
UTGO 2005-B																					
2519253	4/1/15	5.000%	\$2,290,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$114,500.00	\$2,404,500.00
2519261	4/1/16	5.000%	\$2,405,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$240,500.00	\$2,645,500.00
2519279	4/1/17	4.300%	\$2,520,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$325,080.00	\$2,845,080.00
2519287	4/1/18	5.000%	\$2,635,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$527,000.00	\$3,162,000.00
2519295	4/1/19	5.000%	\$2,765,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$691,250.00	\$3,456,250.00
2519329	4/1/20	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,500,000.00	\$6,500,000.00
2519337	4/1/21	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,750,000.00	\$6,750,000.00
2519345	4/1/22	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,000,000.00	\$7,000,000.00
2519352	4/1/23	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,250,000.00	\$7,250,000.00
2519360	4/1/24	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,500,000.00	\$7,500,000.00
2519378	4/1/25	5.000%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,750,000.00	\$7,750,000.00
UTGO 2005-C																					
2519392	4/1/15	5.000%	\$2,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$115,250.00	\$2,420,250.00
2519425	4/1/16	5.000%	\$2,425,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$242,500.00	\$2,667,500.00
2519433	4/1/17	4.300%	\$2,545,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$326,305.00	\$2,871,305.00
2519441	4/1/18	5.000%	\$2,630,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$356,000.00	\$3,156,000.00
2519458	4/1/19	5.250%	\$2,735,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$711,937.50	\$3,452,937.50
2519466	4/1/20	5.250%	\$2,885,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$908,775.00	\$3,793,775.00
2519474	4/1/20	5.250%	\$15,525,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,838,767.50	\$18,363,767.50
UTGO 2008-A																					
2519456	4/1/15	5.000%	\$2,875,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$143,750.00	\$3,018,750.00
2519464	4/1/16	5.000%	\$3,015,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$301,500.00	\$3,316,500.00
2519472	4/1/17	5.000%	\$3,170,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$475,500.00	\$3,645,500.00
2519480	4/1/18	4.000%	\$3,325,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$532,000.00	\$3,857,000.00
2519488	4/1/19	5.000%	\$3,460,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$865,000.00	\$4,325,000.00
2519492	4/1/20	5.000%	\$3,630,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,089,000.00	\$4,719,000.00
2519498	4/1/20	5.000%	\$3,815,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,335,250.00	\$5,150,250.00
2519500	4/1/21	5.000%	\$3,815,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,602,000.00	\$5,607,000.00
2519508	4/1/22	5.000%	\$4,005,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,009,750.00	\$12,719,750.00
2519515	4/1/24	5.000%	\$8,620,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,548,250.00	\$32,528,250.00
2519563	4/1/28	5.000%	\$19,980,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$22,992,000.00	\$78,887,000.00
UTGO 2008-B(1)																					
2519353	4/1/15	5.000%	\$7,970,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$398,500.00	\$8,368,500.00
2519361	4/1/16	5.000%	\$3,440,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$344,000.00	\$3,784,000.00
2519379	4/1/17	5.000%	\$3,580,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$537,000.00	\$4,117,000.00
2519387	4/1/18	5.000%	\$3,790,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$758,000.00	\$4,548,000.00
UTGO 2008-B(2)																					
2519369	11/1/14	5.120%	\$1,885,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$48,340.83	\$1,933,340.83
2519377	11/1/15	5.420%	\$1,985,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$161,448.48	\$2,146,448.48
2519385	11/1/16	6.087%	\$2,105,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$320,328.38	\$2,425,328.38
2519393	11/1/17	6.377%	\$2,240,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$496,820.80	\$2,736,820.80
2519401	11/1/22	7.188%	\$13,900,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,637,758.60	\$20,537,758.60
2519409	11/1/22	7.188%	\$13,900,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$108,522,887.58	\$186,402,887.58
2519417	11/1/25	8.369%	\$77,885,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$108,522,887.58	\$186,402,887.58
2519425	11/1/25	8.369%	\$100,000,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$108,522,887.58	\$186,402,887.58
Total																					
\$430,910,000.00																					

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\* Subject to Mandatory Redemption

# UTGO Series - Prior Bonds

## Bond Series Subject to Mandatory Redemption

CUSIP										Issuance: 2004-B(2)										Issuance: 2008-A									
2510932X1																				251093N63									
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest												
10/1/14	Ambac	6/30/15	-	\$575,000.00	5.240%	\$15,065.00					10/1/14	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/15	Ambac	6/30/15	\$155,000.00	\$420,000.00	5.240%	\$15,065.00					4/1/15	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00												
10/1/15	Ambac	6/30/16	-	\$420,000.00	5.240%	\$11,004.00					10/1/15	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/16	Ambac	6/30/16	\$165,000.00	\$255,000.00	5.240%	\$11,004.00					4/1/16	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00												
10/1/16	Ambac	6/30/17	-	\$255,000.00	5.240%	\$6,681.00					10/1/16	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/17	Ambac	6/30/17	\$170,000.00	\$85,000.00	5.240%	\$6,681.00					4/1/17	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00												
10/1/17	Ambac	6/30/18	-	\$85,000.00	5.240%	\$2,227.00					10/1/17	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/18	Ambac	6/30/18	\$85,000.00	-	5.240%	\$2,227.00					4/1/18	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00												
Total																													
										Issuance: 2008-A																			
CUSIP																													
251093N55																													
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest												
10/1/14	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2022	Assured	6/30/23	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/15	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00					4/1/2023	Assured	6/30/23	-	\$19,980,000.00	5.000%	\$499,500.00												
10/1/15	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2023	Assured	6/30/24	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/16	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00					4/1/2024	Assured	6/30/24	-	\$19,980,000.00	5.000%	\$499,500.00												
10/1/16	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2024	Assured	6/30/25	-	\$19,980,000.00	5.000%	\$499,500.00												
4/1/17	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00					4/1/2025	Assured	6/30/25	\$4,635,000.00	\$15,345,000.00	5.000%	\$499,500.00												
10/1/17	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2025	Assured	6/30/25	-	\$15,345,000.00	5.000%	\$499,500.00												
4/1/18	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00					4/1/2026	Assured	6/30/26	-	\$15,345,000.00	5.000%	\$499,500.00												
10/1/18	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2026	Assured	6/30/26	-	\$10,475,000.00	5.000%	\$383,625.00												
4/1/19	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00					4/1/2027	Assured	6/30/27	-	\$10,475,000.00	5.000%	\$383,625.00												
10/1/19	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2027	Assured	6/30/27	\$5,110,000.00	\$5,365,000.00	5.000%	\$383,625.00												
4/1/20	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00					10/1/2027	Assured	6/30/28	-	\$5,365,000.00	5.000%	\$383,625.00												
10/1/20	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00					4/1/2028	Assured	6/30/28	\$5,365,000.00	\$134,125.00	5.000%	\$383,625.00												
4/1/21	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00					Total																		
10/1/21	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00																							
4/1/22	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00																							
10/1/22	Assured	6/30/23	-	\$8,620,000.00	5.000%	\$215,500.00																							
4/1/2023	Assured	6/30/23	\$4,205,000.00	\$4,415,000.00	5.000%	\$215,500.00																							
10/1/2023	Assured	6/30/24	-	\$4,415,000.00	5.000%	\$110,375.00																							
4/1/2024	Assured	6/30/24	\$4,415,000.00	-	5.000%	\$110,375.00																							
Total											Total																		

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**EXHIBIT B**  
**MUNICIPAL OBLIGATION**

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# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

CUSIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
				Interest																
UTGO 1999-A	4/1/15	5.250%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$130,024.13	\$2,606,674.13
250935M3	4/1/15	5.250%	\$2,476,650.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$260,265.50	\$2,863,920.50
250935N1	4/1/16	5.000%	\$2,602,655.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$409,950.75	\$3,142,950.75
250935P6	4/1/17	5.000%	\$2,733,005.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$574,409.00	\$3,446,454.00
250935Q4	4/1/18	5.000%	\$2,872,045.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$753,857.50	\$3,769,287.50
250935R2	4/1/19	5.000%	\$3,015,430.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,128,506.88	\$15,828,291.88
UTGO 2001-A(1)	4/1/15	5.375%	\$5,161,860.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,449.98	\$5,439,309.98
250303U6	4/1/15	5.375%	\$5,439,940.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$584,793.55	\$6,024,733.55
250303V3	4/1/16	5.375%	\$5,735,400.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$924,833.25	\$6,660,233.25
250303V1	4/1/17	5.375%	\$12,166,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,615,690.00	\$14,781,690.00
250303V9	4/1/18	5.375%	\$12,166,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,041,500.00	\$15,207,500.00
250303V7	4/1/19	5.000%	\$12,166,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,649,800.00	\$15,815,800.00
250303V2	4/1/20	5.000%	\$12,166,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,258,100.00	\$16,424,100.00
250303VQ0	4/1/21	5.000%	\$65,001,200.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,352,166.78	\$80,353,366.78
UTGO 2002	4/1/21	5.125%	\$2,815,560.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,010,082.15	\$3,825,642.15
250303W8	4/1/21	5.125%	\$2,958,945.00	NPFG	\$75,822.97	\$75,822.97	-	-	-	-	-	-	-	-	-	-	-	-	\$1,213,167.45	\$4,172,112.45
250303W6	4/1/22	5.125%	\$5,774,503.00	NPFG	\$75,822.97	\$75,822.97	-	-	-	-	-	-	-	-	-	-	-	-	\$2,223,249.60	\$7,997,754.60
UTGO 2003-A	4/1/15	4.000%	\$260,700.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,428.00	\$271,128.00
250933P0	4/1/15	5.250%	\$2,215,950.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$116,337.38	\$2,332,287.38
250933Q8	4/1/16	5.250%	\$2,602,655.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$273,278.78	\$2,875,933.78
250933R6	4/1/17	5.250%	\$2,737,350.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$431,132.63	\$3,168,482.63
250933S4	4/1/18	5.250%	\$2,880,735.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$604,954.35	\$3,485,689.35
250933T2	4/1/19	5.250%	\$3,032,810.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$796,112.63	\$3,828,922.63
250933U9	4/1/20	4.500%	\$434,500.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$117,315.00	\$551,815.00
250933V7	4/1/20	5.250%	\$2,759,075.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$869,108.63	\$3,628,183.63
250933W5	4/1/21	5.250%	\$3,354,340.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,232,719.95	\$4,587,059.95
250933X3	4/1/21	4.625%	\$434,500.00	Syncora	\$10,047.81	\$10,047.81	-	-	-	-	-	-	-	-	-	-	-	-	\$160,765.00	\$595,265.00
250933Y1	4/1/22	4.625%	\$3,097,985.00	Syncora	\$81,322.11	\$81,322.11	-	-	-	-	-	-	-	-	-	-	-	-	\$1,301,153.70	\$4,399,138.70
250933Z8	4/1/22	5.250%	\$1,303,500.00	Syncora	\$30,143.44	\$30,143.44	\$30,143.44	-	-	-	-	-	-	-	-	-	-	-	\$542,581.88	\$1,846,081.88
250933A2	4/1/23	4.625%	\$2,411,475.00	Syncora	\$63,301.22	\$63,301.22	\$63,301.22	-	-	-	-	-	-	-	-	-	-	-	\$1,139,421.94	\$3,550,896.94
250933B0	4/1/23	5.250%	\$27,525,575.00	Syncora	\$184,814.58	\$184,814.58	\$93,444.66	\$93,444.66	-	-	-	-	-	-	-	-	-	-	\$7,595,309.84	\$35,120,884.84
UTGO 2004-A(1)	4/1/19	5.250%	\$3,910,500.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,026,506.25	\$4,937,006.25
250933X2	4/1/19	4.250%	\$160,765.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$40,995.08	\$201,760.08
250933Y0	4/1/20	5.250%	\$5,287,863.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,665,677.48	\$6,953,542.48
250933Z7	4/1/20	5.000%	\$5,735,400.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,007,390.00	\$7,742,790.00
250933A1	4/1/21	5.000%	\$6,022,170.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,529,311.40	\$8,551,481.40
250933B9	4/1/22	5.250%	\$325,875.00	Ambac	\$158,081.96	\$158,081.96	-	-	-	-	-	-	-	-	-	-	-	-	\$131,979.38	\$457,854.38
250933C7	4/1/23	4.500%	\$6,013,480.00	Ambac	\$7,332.19	\$7,332.19	\$7,332.19	-	-	-	-	-	-	-	-	-	-	-	\$2,841,369.30	\$8,854,849.30
250933D5	4/1/23	5.250%	\$682,163.00	Ambac	\$157,853.85	\$157,853.85	\$157,853.85	-	-	-	-	-	-	-	-	-	-	-	\$313,795.90	\$995,960.90
250933E3	4/1/24	4.600%	\$5,987,410.00	Ambac	\$15,689.80	\$15,689.80	\$15,689.80	\$15,689.80	\$15,689.80	\$15,689.80	-	-	-	-	-	-	-	-	\$3,143,390.25	\$13,800,800.25
250933F0	4/1/24	5.250%	\$34,125,630.00	Ambac	\$496,127.31	\$496,127.31	\$338,045.35	\$338,045.35	\$172,859.31	\$172,859.31	-	-	-	-	-	-	-	-	\$13,700,415.03	\$47,826,045.03

\* Subject to Mandatory Redemption

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

CUSIP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest
UTGO 2004-B(1)																			
251093Z06	4/1/15	5.000%	\$7,538,575.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,915,503.75
251093Z08	4/1/16	5.250%	\$7,912,245.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,743,030.73
251093Z09	4/1/17	4.000%	\$265,045.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$296,850.40
251093Z24	4/1/17	5.250%	\$8,064,320.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,334,450.40
251093Z52	4/1/17	5.250%	\$1,738,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$364,980.00
251093Z70	4/1/18	5.250%	\$25,518,185.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$28,392,815.28
UTGO 2004-B(2)																			
251093Z01	4/1/19	5.240%	\$499,675.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$560,465.03
UTGO 2005-B																			
251093C03	4/1/15	5.000%	\$1,990,010.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$959,500.50
251093C61	4/1/16	5.000%	\$2,089,945.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,088,994.50
251093C79	4/1/17	4.300%	\$2,189,880.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,472,374.52
251093C87	4/1/18	5.000%	\$2,289,815.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,471,778.00
251093C95	4/1/19	5.000%	\$2,402,785.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,963.00
251093H29	4/1/20	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$600,696.25
251093H37	4/1/21	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00
251093H45	4/1/22	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,865,750.00
251093H52	4/1/23	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,520,750.00
251093H60	4/1/24	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,738,000.00
251093H78	4/1/25	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,955,250.00
251093H86	4/1/26	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,172,500.00
251093H94	4/1/27	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,389,750.00
251093H98	4/1/28	5.000%	\$37,032,435.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,729,398.77
UTGO 2005-C																			
251093K02	4/1/15	5.000%	\$2,003,045.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$100,152.25
251093K25	4/1/16	5.000%	\$2,107,325.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,318,057.50
251093K33	4/1/17	4.300%	\$2,211,605.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$285,297.05
251093K41	4/1/18	5.000%	\$2,285,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,094.00
251093K58	4/1/19	5.250%	\$2,376,715.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$623,887.69
251093K66	4/1/20	5.250%	\$2,507,065.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$789,725.48
UTGO 2008-A																			
251093M56	4/1/15	5.000%	\$2,498,375.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$124,918.75
251093M64	4/1/16	5.000%	\$2,620,035.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$262,003.50
251093M72	4/1/17	5.000%	\$2,754,730.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$413,209.50
251093M80	4/1/18	4.000%	\$2,889,425.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$462,308.00
251093M98	4/1/19	5.000%	\$3,006,740.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$751,685.00
251093N22	4/1/20	5.000%	\$3,154,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$946,341.00
251093N30	4/1/21	5.000%	\$3,315,235.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,160,332.25
251093N38	4/1/22	5.000%	\$3,480,345.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,392,138.00
251093N55	4/1/24	5.000%	\$7,490,780.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562,682.75
251093N63	4/1/28	5.000%	\$17,362,620.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,904,429.25
UTGO 2008-B(1)																			
251093P53	4/1/15	5.000%	\$6,925,930.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,272,226.50
251093P61	4/1/16	5.000%	\$2,989,360.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,936.00
251093P79	4/1/17	5.000%	\$3,111,020.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,577,673.00
251093P87	4/1/18	5.000%	\$3,293,510.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$468,653.00
Subject to Mandatory Redemption																			
					\$1,899,698.47	\$1,899,698.47	\$1,378,700.00	\$1,378,700.00	\$920,090.68	\$542,690.50	\$333,370.13	\$333,370.13	\$227,569.38	\$227,569.38	\$116,554.63	\$116,554.63	\$80,881,591.64	\$368,442,781.64	

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Bond Series Subject to Mandatory Redemption														
Issuance: 2004-B(2)							Issuance: 2008-A							
CUSIP 251093ZX1							CUSIP 251093N63							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Ambac	6/30/15	-	\$499,675.00	5.240%	\$13,091.49	10/1/14	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/15	Ambac	6/30/15	\$134,695.00	-	5.240%	\$13,091.49	4/1/15	Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50	
10/1/15	Ambac	6/30/16	-	\$364,980.00	5.240%	\$9,562.48	10/1/15	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/16	Ambac	6/30/16	\$143,385.00	-	5.240%	\$9,562.48	4/1/16	Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50	
10/1/16	Ambac	6/30/17	-	\$221,595.00	5.240%	\$5,805.79	10/1/16	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/17	Ambac	6/30/17	\$147,730.00	-	5.240%	\$5,805.79	4/1/17	Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50	
10/1/17	Ambac	6/30/18	-	\$73,865.00	5.240%	\$1,935.26	10/1/17	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/18	Ambac	6/30/18	\$73,865.00	-	5.240%	\$1,935.26	4/1/18	Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50	
Total						\$60,790.03	Total						\$17,362,620.00	\$10,904,429.25
Issuance: 2008-A														
CUSIP 251093N55														
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	
10/1/14	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2022	Assured	6/30/23	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/15	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2023	Assured	6/30/23	-	\$17,362,620.00	5.000%	\$434,065.50	
10/1/15	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2023	Assured	6/30/24	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/16	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2024	Assured	6/30/24	-	\$17,362,620.00	5.000%	\$434,065.50	
10/1/16	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2024	Assured	6/30/25	-	\$17,362,620.00	5.000%	\$434,065.50	
4/1/17	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2025	Assured	6/30/25	-	\$17,362,620.00	5.000%	\$434,065.50	
10/1/17	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2025	Assured	6/30/26	-	\$13,334,805.00	5.000%	\$333,370.13	
4/1/18	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2026	Assured	6/30/26	-	\$4,232,030.00	5.000%	\$333,370.13	
10/1/18	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2026	Assured	6/30/27	-	\$9,102,775.00	5.000%	\$333,370.13	
4/1/19	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2027	Assured	6/30/27	-	\$9,102,775.00	5.000%	\$333,370.13	
10/1/19	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2027	Assured	6/30/27	-	\$4,662,185.00	5.000%	\$227,569.38	
4/1/20	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50	4/1/2028	Assured	6/30/27	-	\$4,662,185.00	5.000%	\$227,569.38	
10/1/20	Assured	6/30/21	-	\$7,490,780.00	5.000%	\$187,269.50	10/1/2028	Assured	6/30/28	-	\$4,662,185.00	5.000%	\$227,569.38	
4/1/21	Assured	6/30/21	-	\$7,490,780.00	5.000%	\$187,269.50	Total			\$17,362,620.00		\$116,554.63		
10/1/21	Assured	6/30/22	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/22	Assured	6/30/22	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
10/1/22	Assured	6/30/23	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/23	Assured	6/30/23	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
10/1/23	Assured	6/30/24	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/24	Assured	6/30/24	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
10/1/24	Assured	6/30/25	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/25	Assured	6/30/25	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
10/1/25	Assured	6/30/26	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/26	Assured	6/30/26	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
10/1/26	Assured	6/30/27	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/27	Assured	6/30/27	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
10/1/27	Assured	6/30/28	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
4/1/28	Assured	6/30/28	-	\$7,490,780.00	5.000%	\$187,269.50						\$116,554.63		
Total						\$3,836,635.00	Total						\$17,362,620.00	\$10,904,429.25

**EXHIBIT C**  
**STUB UTGO BONDS**



# UTGO Series STUB Bonds - Debt Service

CUSIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 1999-A																		
193903SM3	4/1/15	5.250%	\$373,350.00	Assured	\$9,800.44	\$9,800.44	\$9,808.63	\$9,808.63	-	-	-	-	-	-	-	-	-	-
193903SN1	4/1/16	5.000%	\$392,345.00	Assured	\$9,808.63	\$9,808.63	\$9,808.63	\$9,808.63	-	-	-	-	-	-	-	-	-	-
193903SP6	4/1/17	5.000%	\$411,995.00	Assured	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88	\$10,299.88
193903SQ4	4/1/18	5.000%	\$432,955.00	Assured	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88	\$10,823.88
193903SR2	4/1/19	5.000%	\$454,570.00	Assured	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25	\$11,364.25
193903SW8	4/1/20	5.000%	\$465,215.00	Assured	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06	\$12,097.06
193903V00	4/1/21	5.000%	\$479,880.00	Assured	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06	\$12,531.06
UTGO 2001-A(1)																		
193903UX6	4/1/15	5.375%	\$778,140.00	NPPG	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51	\$20,912.51
193903V13	4/1/16	5.375%	\$820,060.00	NPPG	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11	\$22,039.11
193903V11	4/1/17	5.375%	\$864,600.00	NPPG	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13	\$23,236.13
193903V09	4/1/18	5.375%	\$1,834,000.00	NPPG	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75	\$49,288.75
193903VN7	4/1/19	5.000%	\$1,834,000.00	NPPG	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
193903VP2	4/1/20	5.000%	\$1,834,000.00	NPPG	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
193903VQ0	4/1/21	5.000%	\$1,834,000.00	NPPG	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00	\$45,850.00
193903W00	4/1/21	5.000%	\$9,798,800.00	Assured	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50	\$253,026.50
UTGO 2002																		
193903V18	4/1/21	5.125%	\$424,440.00	NPPG	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28	\$10,876.28
193903W06	4/1/22	5.125%	\$446,055.00	NPPG	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16	\$11,430.16
193903W06	4/1/22	5.125%	\$870,495.00	NPPG	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43	\$22,306.43
UTGO 2003-A																		
193903XP0	4/1/15	4.000%	\$39,300.00	Sincora	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00
193903XQ8	4/1/15	5.250%	\$334,050.00	Sincora	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81	\$8,768.81
193903XR6	4/1/16	5.250%	\$392,345.00	Sincora	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06	\$10,299.06
193903XS4	4/1/17	5.250%	\$412,650.00	Sincora	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06	\$10,832.06
193903XT2	4/1/18	5.250%	\$454,265.00	Sincora	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46	\$11,399.46
193903XU9	4/1/19	5.250%	\$457,190.00	Sincora	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24	\$12,001.24
193903XV7	4/1/20	5.000%	\$65,500.00	Sincora	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75	\$1,473.75
193903XW5	4/1/20	5.250%	\$415,925.00	Sincora	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03	\$10,918.03
193903XX3	4/1/21	5.250%	\$505,660.00	Sincora	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58	\$13,273.58
193903XX1	4/1/22	4.625%	\$65,500.00	Sincora	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69	\$1,514.69
193903XZ8	4/1/22	5.250%	\$467,015.00	Sincora	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14	\$12,259.14
193903YA2	4/1/23	4.625%	\$106,500.00	Sincora	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06	\$4,544.06
193903YB0	4/1/23	5.250%	\$363,525.00	Sincora	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53	\$9,542.53
193903YB0	4/1/23	5.250%	\$4,109,425.00	Sincora	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41	\$107,612.41
UTGO 2004-A(1)																		
193903YX2	4/1/19	5.250%	\$589,500.00	Ambac	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38	\$15,474.38
193903YX0	4/1/20	4.250%	\$24,235.00	Ambac	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99	\$514.99
193903YX7	4/1/20	5.250%	\$797,135.00	Ambac	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79	\$20,924.79
193903ZA1	4/1/21	5.000%	\$864,600.00	Ambac	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00	\$21,615.00
193903ZB9	4/1/22	5.250%	\$907,830.54	Ambac	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54	\$23,830.54
193903ZC7	4/1/23	4.500%	\$49,125.00	Ambac	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31	\$1,105.31
193903ZD5	4/1/23	5.250%	\$906,520.00	Ambac	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15	\$23,796.15
193903ZE3	4/1/24	4.600%	\$102,835.00	Ambac	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21	\$2,365.21
193903ZF0	4/1/24	5.250%	\$102,590.00	Ambac	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99	\$23,692.99
193903ZF0	4/1/24	5.250%	\$5,144,370.00	Ambac	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36
193903ZF0	4/1/24	5.250%	\$5,144,370.00	Ambac	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36	\$133,319.36

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service

CUSIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 2004-B(1)																		
251093ZT0	4/1/15	5.000%	\$1,136,425.00	Ambac	\$28,410.63	\$28,410.63	-	-	-	-	-	-	-	-	-	-	-	-
251093ZQ6	4/1/16	5.250%	\$1,192,755.00	Ambac	\$31,309.82	\$31,309.82	\$31,309.82	\$31,309.82	\$799.10	\$799.10	-	-	-	-	-	-	-	-
251093ZR4	4/1/17	4.000%	\$39,955.00	Ambac	\$799.10	\$799.10	\$799.10	\$799.10	\$31,911.60	\$31,911.60	\$6,877.50	\$6,877.50	-	-	-	-	-	-
251093ZS2	4/1/17	5.250%	\$1,215,680.00	Ambac	\$31,911.60	\$31,911.60	\$31,911.60	\$31,911.60	\$31,911.60	\$31,911.60	\$6,877.50	\$6,877.50	-	-	-	-	-	-
251093ZT0	4/1/18	5.250%	\$262,000.00	Ambac	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	\$6,877.50	-	-	-	-	-	-
			\$3,846,815.00		\$99,308.64	\$99,308.64	\$70,898.02	\$70,898.02	\$39,588.20	\$39,588.20	\$6,877.50	\$6,877.50	-	-	-	-	-	-
UTGO 2004-B(2)																		
251093ZX1	4/1/19	5.240%	\$75,325.00	Ambac	\$1,973.52	\$1,973.52	\$1,441.52	\$1,441.52	\$875.21	\$875.21	\$291.74	\$291.74	-	-	-	-	-	-
UTGO 2005-B																		
251093G53	4/1/15	5.000%	\$299,990.00	Assured	\$7,499.75	\$7,499.75	-	-	-	-	-	-	-	-	-	-	-	-
251093G61	4/1/16	5.000%	\$315,055.00	Assured	\$7,876.38	\$7,876.38	\$7,876.38	\$7,876.38	\$7,097.58	\$7,097.58	-	-	-	-	-	-	-	-
251093G79	4/1/17	4.300%	\$330,120.00	Assured	\$7,097.58	\$7,097.58	\$8,629.63	\$8,629.63	\$9,055.38	\$9,055.38	\$8,629.63	\$8,629.63	-	-	-	-	-	-
251093G87	4/1/18	5.000%	\$345,185.00	Assured	\$8,629.63	\$8,629.63	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	\$9,055.38	-	-	-	-	-	-
251093G95	4/1/19	5.000%	\$362,215.00	Assured	\$9,055.38	\$9,055.38	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
251093H29	4/1/20	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
251093H37	4/1/21	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
251093H45	4/1/22	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
251093H52	4/1/23	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
251093H60	4/1/24	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
251093H78	4/1/25	5.000%	\$655,000.00	Assured	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00	\$16,375.00
			\$5,582,565.00		\$138,408.71	\$138,408.71	\$130,908.96	\$130,908.96	\$123,032.58	\$123,032.58	\$115,935.00	\$115,935.00	\$107,305.38	\$107,305.38	\$98,250.00	\$98,250.00	\$81,875.00	\$81,875.00
UTGO 2005-C																		
251093J92	4/1/15	5.000%	\$301,955.00	Assured	\$7,548.88	\$7,548.88	-	-	-	-	-	-	-	-	-	-	-	-
251093K25	4/1/16	5.000%	\$317,675.00	Assured	\$7,941.88	\$7,941.88	\$7,941.88	\$7,941.88	\$7,167.99	\$7,167.99	-	-	-	-	-	-	-	-
251093K33	4/1/17	4.300%	\$333,395.00	Assured	\$7,167.99	\$7,167.99	\$8,613.25	\$8,613.25	\$8,613.25	\$8,613.25	\$8,613.25	\$8,613.25	-	-	-	-	-	-
251093K41	4/1/18	5.000%	\$344,530.00	Assured	\$8,613.25	\$8,613.25	\$8,613.25	\$8,613.25	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
251093K58	4/1/19	5.250%	\$358,285.00	Assured	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98	\$9,404.98
251093K66	4/1/20	5.250%	\$377,935.00	Assured	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79	\$9,920.79
			\$2,033,775.00		\$50,597.77	\$50,597.77	\$43,048.89	\$43,048.89	\$35,107.02	\$35,107.02	\$27,939.03	\$27,939.03	\$19,325.78	\$19,325.78	\$9,920.79	\$9,920.79	-	-
UTGO 2008-A																		
251093N56	4/1/15	5.000%	\$376,625.00	Assured	\$9,415.63	\$9,415.63	-	-	-	-	-	-	-	-	-	-	-	-
251093N64	4/1/16	5.000%	\$394,965.00	Assured	\$9,874.13	\$9,874.13	\$10,381.75	\$10,381.75	\$10,381.75	\$10,381.75	-	-	-	-	-	-	-	-
251093M72	4/1/17	5.000%	\$415,270.00	Assured	\$10,381.75	\$10,381.75	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50	\$8,711.50
251093N80	4/1/18	4.000%	\$435,575.00	Assured	\$8,711.50	\$8,711.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50	\$11,331.50
251093M98	4/1/19	5.000%	\$453,260.00	Assured	\$11,331.50	\$11,331.50	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25	\$11,888.25
251093N22	4/1/20	5.000%	\$475,530.00	Assured	\$11,888.25	\$11,888.25	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13	\$12,494.13
251093N30	4/1/21	5.000%	\$499,765.00	Assured	\$12,494.13	\$12,494.13	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38	\$13,116.38
251093N48	4/1/22	5.000%	\$524,655.00	Assured	\$13,116.38	\$13,116.38	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50	\$28,230.50
251093N55	4/1/24	5.000%	\$1,120,220.00	Assured	\$28,230.50	\$28,230.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50	\$65,434.50
251093N63	4/1/28	5.000%	\$2,617,340.00	Assured	\$65,434.50	\$65,434.50	\$171,462.63	\$171,462.63	\$161,588.50	\$161,588.50	\$151,206.75	\$151,206.75	\$142,495.25	\$142,495.25	\$131,163.75	\$131,163.75	\$119,275.50	\$119,275.50
			\$7,322,285.00		\$180,878.25	\$180,878.25	\$171,462.63	\$171,462.63	\$161,588.50	\$161,588.50	\$151,206.75	\$151,206.75	\$142,495.25	\$142,495.25	\$131,163.75	\$131,163.75	\$119,275.50	\$119,275.50
UTGO 2008-B(1)																		
251093J53	4/1/15	5.000%	\$1,044,070.00	Assured	\$26,101.75	\$26,101.75	-	-	-	-	-	-	-	-	-	-	-	-
251093P61	4/1/16	5.000%	\$450,640.00	Assured	\$11,266.00	\$11,266.00	\$11,266.00	\$11,266.00	\$11,724.50	\$11,724.50	-	-	-	-	-	-	-	-
251093P79	4/1/17	5.000%	\$468,980.00	Assured	\$11,724.50	\$11,724.50	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25	\$12,412.25
251093P87	4/1/18	5.000%	\$496,490.00	Assured	\$12,412.25	\$12,412.25	\$35,402.75	\$35,402.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75
			\$2,460,180.00		\$61,504.50	\$61,504.50	\$35,402.75	\$35,402.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75	\$24,136.75
			\$43,349,210.00		\$1,101,033.14	\$1,101,033.14	\$981,256.76	\$981,256.76	\$870,275.46	\$870,275.46	\$756,241.40	\$756,241.40	\$639,193.46	\$639,193.46	\$524,711.74	\$524,711.74	\$406,846.13	\$406,846.13

\* Subject to Mandatory Redemption

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**Subject to Mandatory Redemption**

# UTGO Series STUB Bonds - Debt Service

UTGO Series	STIP	Maturity		Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Principal & Interest
		Date																				
Interest																						
2004-B(1)																						
U135538	2004-B(1)	4/1/15	5.000%	\$1,136,425.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$56,821.25	\$1,193,246.25
U135539	2004-B(1)	4/1/16	5.250%	\$1,192,755.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$125,239.28	\$1,317,994.28
U135540	2004-B(1)	4/1/17	4.000%	\$39,955.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,794.60	\$44,749.60
U135541	2004-B(1)	4/1/17	5.250%	\$1,215,680.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$191,469.60	\$1,407,149.60
U135542	2004-B(1)	4/1/18	5.250%	\$262,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$55,020.00	\$317,020.00
2004-B(2)																						
U135543	2004-B(2)	4/1/19	5.240%	\$75,325.00 *	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$433,344.73	\$4,280,159.73
2005-B																						
U135544	2005-B	4/1/15	5.000%	\$299,990.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,999.50	\$314,989.50
U135545	2005-B	4/1/16	5.000%	\$315,055.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,505.50	\$346,560.50
U135546	2005-B	4/1/17	4.300%	\$330,120.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$42,585.48	\$372,705.48
U135547	2005-B	4/1/18	5.000%	\$345,185.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$69,037.00	\$414,222.00
U135548	2005-B	4/1/19	5.000%	\$362,215.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$90,553.75	\$452,768.75
U135549	2005-B	4/1/20	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$196,500.00	\$851,500.00
U135550	2005-B	4/1/21	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$229,250.00	\$884,250.00
U135551	2005-B	4/1/22	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$262,000.00	\$917,000.00
U135552	2005-B	4/1/23	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$294,750.00	\$949,750.00
U135553	2005-B	4/1/24	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$327,500.00	\$982,500.00
U135554	2005-B	4/1/25	5.000%	\$655,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$360,250.00	\$1,015,250.00
2005-C																						
U135555	2005-C	4/1/15	5.000%	\$301,955.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,097.75	\$317,052.75
U135556	2005-C	4/1/16	5.000%	\$317,675.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,767.50	\$349,442.50
U135557	2005-C	4/1/17	4.300%	\$333,395.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$43,007.96	\$376,402.96
U135558	2005-C	4/1/18	5.000%	\$344,530.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$68,906.00	\$413,436.00
U135559	2005-C	4/1/19	5.250%	\$358,285.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$94,049.81	\$452,334.81
U135560	2005-C	4/1/20	5.250%	\$377,935.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$119,049.53	\$496,984.53
2006-A																						
U135561	2006-A	4/1/15	5.000%	\$376,025.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18,831.25	\$395,456.25
U135562	2006-A	4/1/16	5.000%	\$394,965.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$39,496.50	\$434,461.50
U135563	2006-A	4/1/17	5.000%	\$415,270.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$62,290.50	\$477,560.50
U135564	2006-A	4/1/18	4.000%	\$435,575.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$69,692.00	\$505,267.00
U135565	2006-A	4/1/19	5.000%	\$453,260.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$113,315.00	\$566,575.00
U135566	2006-A	4/1/20	5.000%	\$475,530.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$142,659.00	\$618,189.00
U135567	2006-A	4/1/21	5.000%	\$499,765.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$174,917.75	\$674,682.75
U135568	2006-A	4/1/22	5.000%	\$524,655.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$209,862.00	\$734,517.00
U135569	2006-A	4/1/24	5.000%	\$1,129,220.00 *	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$537,067.25	\$1,666,287.25
U135570	2006-A	4/1/28	5.000%	\$2,617,380.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,643,820.75	\$4,261,200.75
2008-B(1)																						
U135571	2008-B(1)	4/1/15	5.000%	\$1,044,070.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$52,203.50	\$1,096,273.50
U135572	2008-B(1)	4/1/16	5.000%	\$450,640.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$45,064.00	\$495,704.00
U135573	2008-B(1)	4/1/17	5.000%	\$468,980.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$70,347.00	\$539,327.00
U135574	2008-B(1)	4/1/18	5.000%	\$496,490.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$99,298.00	\$595,788.00
2008-B(2)																						
U135575	2008-B(2)	4/1/15	5.000%	\$2,460,180.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$366,912.50	\$2,827,092.50
2008-B(3)																						
U135576	2008-B(3)	4/1/15	5.000%	\$43,349,210.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,192,797.36	\$55,542,007.36

\* Subject to Mandatory Redemption

UTGO Series STUB Bonds - Debt Service

Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A									
CUSIP		Mandatory Redemption				Mandatory Redemption				CUSIP		Mandatory Redemption				CUSIP			
251093ZK1		Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	251093N63		Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest		
		10/1/14	Ambac	6/30/15	-	\$75,325.00	5.240%	\$1,973.52			10/1/14	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50		
		4/1/15	Ambac	6/30/15	\$20,305.00	\$55,020.00	5.240%	\$1,973.52			4/1/15	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50		
		10/1/15	Ambac	6/30/16	-	\$55,020.00	5.240%	\$1,441.52			10/1/15	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50		
		4/1/16	Ambac	6/30/16	\$21,615.00	\$33,405.00	5.240%	\$1,441.52			4/1/16	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50		
		10/1/16	Ambac	6/30/17	-	\$33,405.00	5.240%	\$875.21			10/1/16	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50		
		4/1/17	Ambac	6/30/17	\$22,270.00	\$11,135.00	5.240%	\$875.21			4/1/17	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50		
		10/1/17	Ambac	6/30/18	-	\$11,135.00	5.240%	\$291.74			10/1/17	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50		
		4/1/18	Ambac	6/30/18	\$11,135.00	-	5.240%	\$291.74			4/1/18	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50		
		Total			\$75,325.00			\$9,163.97			10/1/18	Assured	6/30/19	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/19	Assured	6/30/19	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/19	Assured	6/30/20	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/20	Assured	6/30/20	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/20	Assured	6/30/21	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/21	Assured	6/30/21	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/21	Assured	6/30/22	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/22	Assured	6/30/22	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/22	Assured	6/30/23	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/23	Assured	6/30/23	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/23	Assured	6/30/24	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/24	Assured	6/30/24	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/24	Assured	6/30/25	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/25	Assured	6/30/25	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/25	Assured	6/30/26	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/26	Assured	6/30/26	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/26	Assured	6/30/27	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/27	Assured	6/30/27	-	\$2,617,380.00	5.000%	\$65,434.50		
											10/1/27	Assured	6/30/28	-	\$2,617,380.00	5.000%	\$65,434.50		
											4/1/28	Assured	6/30/28	-	\$2,617,380.00	5.000%	\$65,434.50		
											Total			\$702,815.00	-	\$17,570.38	\$17,570.38		
														\$2,617,380.00			\$1,643,820.75		

**EXHIBIT D**  
**DEBT SERVICE REQUIREMENTS AND SET ASIDE LEDGER**

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds

## Property Tax Set Asides

Month	Year	Interest Set-Aside	Principal Set-Aside	Total Set-Aside	Interest Payments	Principal Payments	Balance Requirements
September	2014	\$7,303,799.99	\$15,602,895.00	\$22,906,694.99	-	-	\$22,906,694.99
October	2014	-	-	-	\$7,303,799.99	-	\$15,602,895.00
November	2014	\$2,434,600.00	\$5,200,965.00	\$7,635,565.00	-	-	\$23,238,460.00
January	2015	\$2,434,600.00	\$5,200,965.00	\$7,635,565.00	-	-	\$30,874,024.99
March	2015	\$2,434,600.00	\$5,200,965.00	\$7,635,565.00	-	-	\$38,509,589.99
April	2015	-	-	-	\$7,303,799.99	\$31,205,790.00	-
September	2015	\$6,509,252.86	\$14,253,772.50	\$20,763,025.36	-	-	\$20,763,025.36
October	2015	-	-	-	\$6,509,252.86	-	\$14,253,772.50
November	2015	\$2,169,750.95	\$4,751,257.50	\$6,921,008.45	-	-	\$21,174,780.95
January	2016	\$2,169,750.95	\$4,751,257.50	\$6,921,008.45	-	-	\$28,095,789.41
March	2016	\$2,169,750.95	\$4,751,257.50	\$6,921,008.45	-	-	\$35,016,797.86
April	2016	-	-	-	\$6,509,252.86	\$28,507,545.00	-
September	2016	\$5,773,048.66	\$14,975,042.50	\$20,748,091.16	-	-	\$20,748,091.16
October	2016	-	-	-	\$5,773,048.66	-	\$14,975,042.50
November	2016	\$1,924,349.55	\$4,991,680.83	\$6,916,030.39	-	-	\$21,891,072.89
January	2017	\$1,924,349.55	\$4,991,680.83	\$6,916,030.39	-	-	\$28,807,103.28
March	2017	\$1,924,349.55	\$4,991,680.83	\$6,916,030.39	-	-	\$35,723,133.66
April	2017	-	-	-	\$5,773,048.66	\$29,950,085.00	-
September	2017	\$5,016,593.72	\$15,244,432.50	\$20,261,026.22	-	-	\$20,261,026.22
October	2017	-	-	-	\$5,016,593.72	-	\$15,244,432.50
November	2017	\$1,672,197.91	\$5,081,477.50	\$6,753,675.41	-	-	\$21,998,107.91
January	2018	\$1,672,197.91	\$5,081,477.50	\$6,753,675.41	-	-	\$28,751,783.32
March	2018	\$1,672,197.91	\$5,081,477.50	\$6,753,675.41	-	-	\$35,505,458.72
April	2018	-	-	-	\$5,016,593.72	\$30,488,865.00	-
September	2018	\$4,240,145.92	\$14,955,490.00	\$19,195,635.92	-	-	\$19,195,635.92
October	2018	-	-	-	\$4,240,145.92	-	\$14,955,490.00
November	2018	\$1,413,381.97	\$4,985,163.33	\$6,398,545.31	-	-	\$21,354,035.31
January	2019	\$1,413,381.97	\$4,985,163.33	\$6,398,545.31	-	-	\$27,752,580.61
March	2019	\$1,413,381.97	\$4,985,163.33	\$6,398,545.31	-	-	\$34,151,125.92
April	2019	-	-	-	\$4,240,145.92	\$29,910,980.00	-
September	2019	\$3,480,721.39	\$15,407,370.00	\$18,888,091.39	-	-	\$18,888,091.39
October	2019	-	-	-	\$3,480,721.39	-	\$15,407,370.00
November	2019	\$1,160,240.46	\$5,135,790.00	\$6,296,030.46	-	-	\$21,703,400.46
January	2020	\$1,160,240.46	\$5,135,790.00	\$6,296,030.46	-	-	\$27,999,430.92
March	2020	\$1,160,240.46	\$5,135,790.00	\$6,296,030.46	-	-	\$34,295,461.39
April	2020	-	-	-	\$3,480,721.39	\$30,814,740.00	-
September	2020	\$2,698,849.50	\$15,865,767.50	\$18,564,617.00	-	-	\$18,564,617.00
October	2020	-	-	-	\$2,698,849.50	-	\$15,865,767.50
November	2020	\$899,616.50	\$5,288,589.17	\$6,188,205.67	-	-	\$22,053,973.17
January	2021	\$899,616.50	\$5,288,589.17	\$6,188,205.67	-	-	\$28,242,178.83
March	2021	\$899,616.50	\$5,288,589.17	\$6,188,205.67	-	-	\$34,430,384.50
April	2021	-	-	-	\$2,698,849.50	\$31,731,535.00	-
September	2021	\$1,899,608.47	\$10,169,472.50	\$12,069,080.97	-	-	\$12,069,080.97
October	2021	-	-	-	\$1,899,608.47	-	\$10,169,472.50
November	2021	\$633,202.82	\$3,389,824.17	\$4,023,026.99	-	-	\$14,192,499.49
January	2022	\$633,202.82	\$3,389,824.17	\$4,023,026.99	-	-	\$18,215,526.48
March	2022	\$633,202.82	\$3,389,824.17	\$4,023,026.99	-	-	\$22,238,553.47
April	2022	-	-	-	\$1,899,608.47	\$20,338,945.00	-
September	2022	\$1,378,700.00	\$9,026,737.50	\$10,405,437.50	-	-	\$10,405,437.50
October	2022	-	-	-	\$1,378,700.00	-	\$9,026,737.50
November	2022	\$459,566.67	\$3,008,912.50	\$3,468,479.17	-	-	\$12,495,216.67
January	2023	\$459,566.67	\$3,008,912.50	\$3,468,479.17	-	-	\$15,963,695.83
March	2023	\$459,566.67	\$3,008,912.50	\$3,468,479.17	-	-	\$19,432,175.00
April	2023	-	-	-	\$1,378,700.00	\$18,053,475.00	-
September	2023	\$920,090.68	\$7,425,605.00	\$8,345,695.68	-	-	\$8,345,695.68
October	2023	-	-	-	\$920,090.68	-	\$7,425,605.00
November	2023	\$306,696.89	\$2,475,201.67	\$2,781,898.56	-	-	\$10,207,503.56



# UTGO Series 2014 DSA Fourth Lien Restructured Bonds

## Property Tax Set Asides

Month	Year	Interest Set-Aside	Principal Set-Aside	Total Set-Aside	Interest Payments	Principal Payments	Balance Requirements
January	2024	\$306,696.89	\$2,475,201.67	\$2,781,898.56	-	-	\$12,989,402.12
March	2024	\$306,696.89	\$2,475,201.67	\$2,781,898.56	-	-	\$15,771,300.68
April	2024	-	-	-	\$920,090.68	\$14,851,210.00	-
September	2024	\$542,690.50	\$4,186,407.50	\$4,729,098.00	-	-	\$4,729,098.00
October	2024	-	-	-	\$542,690.50	-	\$4,186,407.50
November	2024	\$180,896.83	\$1,395,469.17	\$1,576,366.00	-	-	\$5,762,773.50
January	2025	\$180,896.83	\$1,395,469.17	\$1,576,366.00	-	-	\$7,339,139.50
March	2025	\$180,896.83	\$1,395,469.17	\$1,576,366.00	-	-	\$8,915,505.50
April	2025	-	-	-	\$542,690.50	\$8,372,815.00	-
September	2025	\$333,370.13	\$2,116,015.00	\$2,449,385.13	-	-	\$2,449,385.13
October	2025	-	-	-	\$333,370.13	-	\$2,116,015.00
November	2025	\$111,123.38	\$705,338.33	\$816,461.71	-	-	\$2,932,476.71
January	2026	\$111,123.38	\$705,338.33	\$816,461.71	-	-	\$3,748,938.42
March	2026	\$111,123.38	\$705,338.33	\$816,461.71	-	-	\$4,565,400.13
April	2026	-	-	-	\$333,370.13	\$4,232,030.00	-
September	2026	\$227,569.38	\$2,220,295.00	\$2,447,864.38	-	-	\$2,447,864.38
October	2026	-	-	-	\$227,569.38	-	\$2,220,295.00
November	2026	\$75,856.46	\$740,098.33	\$815,954.79	-	-	\$3,036,249.79
January	2027	\$75,856.46	\$740,098.33	\$815,954.79	-	-	\$3,852,204.58
March	2027	\$75,856.46	\$740,098.33	\$815,954.79	-	-	\$4,668,159.38
April	2027	-	-	-	\$227,569.38	\$4,440,590.00	-
September	2027	\$116,554.63	\$2,331,092.50	\$2,447,647.13	-	-	\$2,447,647.13
October	2027	-	-	-	\$116,554.63	-	\$2,331,092.50
November	2027	\$38,851.54	\$777,030.83	\$815,882.38	-	-	\$3,146,974.88
January	2028	\$38,851.54	\$777,030.83	\$815,882.38	-	-	\$3,962,857.25
March	2028	\$38,851.54	\$777,030.83	\$815,882.38	-	-	\$4,778,739.63
April	2028	-	-	-	\$116,554.63	\$4,662,185.00	-
<b>Total</b>					<b>\$80,881,992</b>	<b>\$287,560,790</b>	

**EXHIBIT E**  
**FEE SCHEDULE**



U.S. Bank Customer Confidential

**Schedule of Fees for Services as  
ESCROW TRUSTEE  
For  
City of Detroit Debt Millage Deposit Escrow Agreement**

CTS01010A	<b>Acceptance Fee</b> The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$1,000.00
CTS04460	<b>Escrow Trustee</b> Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	\$5,000.00
	<b>Direct Out of Pocket Expenses</b> Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	<b>Extraordinary Services</b> Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Dated: July 21, 2014

**EXHIBIT F**  
**PAYMENTS TO PLAN ASSIGNEES**

**Wire Instructions for the Plan Assignees:**

Police & Fire Retirement System of the City of Detroit, Income Stabilization Fund

General Retirement System of the City of Detroit, Income Stabilization Fund

General Retirement System of the City of Detroit, \_\_\_\_\_ Fund

**Schedule of Payments**

<u>Date</u>	<u>PFRS ISF</u>	<u>GRS ISF</u>	<u>GRS</u>	<u>Fund</u>
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# **AGGREGATE PAYMENTS TO PLAN ASSIGNEES**

<b>Date</b>	<b>Income Stabilization Funds</b>		<b>GRS</b>	<b>Total</b>
	<b>PFRS</b>	<b>GRS</b>	<b>Pension</b>	<b>Payment</b>
10/1/14	\$99,248.43	\$297,220.18	\$704,564.52	\$1,101,033.14
4/1/15	\$523,291.50	\$1,567,105.81	\$3,714,845.83	\$5,805,243.14
10/1/15	\$88,451.65	\$264,886.95	\$627,918.16	\$981,256.76
4/1/16	\$475,829.33	\$1,424,970.44	\$3,377,911.98	\$5,278,711.76
10/1/16	\$78,447.66	\$234,927.93	\$556,899.87	\$870,275.46
4/1/17	\$485,427.45	\$1,453,714.01	\$3,446,049.00	\$5,385,190.46
10/1/17	\$68,168.50	\$204,144.82	\$483,928.09	\$756,241.40
4/1/18	\$482,469.55	\$1,444,855.96	\$3,425,050.88	\$5,352,376.40
10/1/18	\$57,617.66	\$172,548.12	\$409,027.68	\$639,193.46
4/1/19	\$464,066.06	\$1,389,742.87	\$3,294,404.53	\$5,148,213.46
10/1/19	\$47,298.14	\$141,644.17	\$335,769.44	\$524,711.74
4/1/20	\$466,027.38	\$1,395,616.44	\$3,308,327.92	\$5,169,971.74
10/1/20	\$36,673.59	\$109,826.74	\$260,345.79	\$406,846.13
4/1/21	\$467,860.80	\$1,401,106.99	\$3,321,343.34	\$5,190,311.13
10/1/21	\$25,813.02	\$77,302.50	\$183,246.63	\$286,362.15
4/1/22	\$302,190.86	\$904,973.71	\$2,145,252.59	\$3,352,417.15
10/1/22	\$18,734.61	\$56,104.69	\$132,996.95	\$207,836.25
4/1/23	\$264,056.09	\$790,771.19	\$1,874,533.96	\$2,929,361.25
10/1/23	\$12,502.75	\$37,442.09	\$88,756.98	\$138,701.82
4/1/24	\$214,309.93	\$641,795.90	\$1,521,385.99	\$2,377,491.82
10/1/24	\$7,374.41	\$22,084.20	\$52,350.90	\$81,809.50
4/1/25	\$121,149.26	\$362,806.78	\$860,038.46	\$1,343,994.50
10/1/25	\$4,530.03	\$13,566.13	\$32,158.71	\$50,254.88
4/1/26	\$62,037.41	\$185,783.98	\$440,403.48	\$688,224.88
10/1/26	\$3,092.35	\$9,260.69	\$21,952.59	\$34,305.63
4/1/27	\$63,433.76	\$189,965.66	\$450,316.20	\$703,715.63
10/1/27	\$1,583.81	\$4,743.06	\$11,243.50	\$17,570.38
4/1/28	\$64,936.39	\$194,465.60	\$460,983.38	\$720,385.38
	<b>\$5,006,622.37</b>	<b>\$14,993,377.63</b>	<b>\$35,542,007.36</b>	<b>\$55,542,007.36</b>

**Subject to Mandatory Redemption**

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## Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

UTGO Series	Maturity Date	Rate	Principal	Insurer	Interest										Total Interest	Total Principal & Interest				
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28		
UTGO 2004-B(1)	4/1/15	5.000%	\$102,438.70	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,121.93	\$107,560.63
UTGO 2004-B(2)	4/1/16	5.000%	\$107,516.35	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,289.22	\$118,805.57
UTGO 2004-B(3)	4/1/17	4.000%	\$3,601.59	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,432.78	\$4,432.78
UTGO 2004-B(4)	4/1/17	5.250%	\$109,582.84	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,259.30	\$126,842.13
UTGO 2004-B(5)	4/1/18	5.250%	\$23,616.99	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,959.57	\$28,576.56
UTGO 2004-B(6)	4/1/19	5.240%	\$6,789.88	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$39,062.21	\$385,818.67
UTGO 2005-B	4/1/15	5.000%	\$27,041.45	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,352.07	\$28,393.53
UTGO 2005-B	4/1/16	5.000%	\$28,399.43	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,839.94	\$31,239.37
UTGO 2005-B	4/1/17	4.300%	\$29,757.41	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,838.71	\$33,596.11
UTGO 2005-B	4/1/18	5.000%	\$31,115.39	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,223.08	\$37,338.46
UTGO 2005-B	4/1/19	5.000%	\$32,650.49	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,162.62	\$40,813.11
UTGO 2005-B	4/1/20	5.000%	\$59,042.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,712.74	\$76,755.22
UTGO 2005-B	4/1/21	5.000%	\$59,042.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$20,664.87	\$79,707.34
UTGO 2005-B	4/1/22	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$23,616.99	\$82,659.47	
UTGO 2005-B	4/1/23	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$26,569.11	\$85,611.59	
UTGO 2005-B	4/1/24	5.000%	\$59,042.48	Assured	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$29,521.24	\$88,563.71	
UTGO 2005-B	4/1/25	5.000%	\$59,042.48	Assured	\$5,904.25	\$5,904.25	\$4,428.19	\$4,428.19	\$2,952.12	\$2,952.12	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$32,473.36	\$91,515.84	
UTGO 2005-B	4/1/26	5.000%	\$59,042.48	Assured	\$5,904.25	\$5,904.25	\$4,428.19	\$4,428.19	\$2,952.12	\$2,952.12	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$1,476.06	\$172,974.74	\$676,193.76	
UTGO 2005-C	4/1/15	5.000%	\$27,218.58	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,360.93	\$28,579.51
UTGO 2005-C	4/1/16	5.000%	\$28,635.60	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,863.56	\$31,499.16
UTGO 2005-C	4/1/17	4.300%	\$30,052.62	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,876.79	\$33,929.41
UTGO 2005-C	4/1/18	5.000%	\$31,056.34	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,211.27	\$37,267.61
UTGO 2005-C	4/1/19	5.250%	\$32,296.23	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$8,477.76	\$40,774.00
UTGO 2005-C	4/1/20	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/21	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/22	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/23	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/24	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/25	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/26	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/27	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/28	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/29	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/30	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/31	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/32	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/33	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/34	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/35	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/36	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/37	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/38	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/39	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/40	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/41	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/42	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/43	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/44	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/45	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/46	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/47	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/48	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/49	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/50	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/51	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/52	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/53	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/54	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/55	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/56	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/57	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/58	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/59	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/60	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/61	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/62	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/63	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/64	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/65	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/66	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/67	5.250%	\$34,067.51	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,731.27	\$44,798.77
UTGO 2005-C	4/1/68	5.250%	\$34,067.51	Assured	-	-														

UTGO Series STUB Bonds - Debt Service (PFRS ISF Allocation)

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Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A													
CUSIP 251093ZK1										CUSIP 251093N63													
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest											Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest
10/1/14	Ambac	6/30/15	-	\$6,789.88	5.240%	\$177.89											10/1/14	Assured	6/30/15	-	\$235,933.74	5.000%	\$5,898.34
4/1/15	Ambac	6/30/15	\$1,830.32	\$4,959.57	5.240%	\$177.89											4/1/15	Assured	6/30/15	-	\$235,933.74	5.000%	\$5,898.34
10/1/15	Ambac	6/30/16	-	\$4,959.57	5.240%	\$177.89											10/1/15	Assured	6/30/16	-	\$235,933.74	5.000%	\$5,898.34
4/1/16	Ambac	6/30/16	\$1,948.40	\$3,011.17	5.240%	\$129.94											4/1/16	Assured	6/30/16	-	\$235,933.74	5.000%	\$5,898.34
10/1/16	Ambac	6/30/17	-	\$3,011.17	5.240%	\$78.89											10/1/16	Assured	6/30/17	-	\$235,933.74	5.000%	\$5,898.34
4/1/17	Ambac	6/30/17	\$2,007.44	\$1,003.72	5.240%	\$78.89											4/1/17	Assured	6/30/17	-	\$235,933.74	5.000%	\$5,898.34
10/1/17	Ambac	6/30/18	-	\$1,003.72	5.240%	\$26.30											10/1/17	Assured	6/30/18	-	\$235,933.74	5.000%	\$5,898.34
4/1/18	Ambac	6/30/18	\$6,789.88	\$826.05	5.240%	\$26.30											4/1/18	Assured	6/30/18	-	\$235,933.74	5.000%	\$5,898.34
Total																							
Issuance: 2008-A																							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest											Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest
10/1/14	Assured	6/30/15	-	\$101,789.23	5.000%	\$2,544.73											10/1/2022	Assured	6/30/2023	-	\$235,933.74	5.000%	\$5,898.34
4/1/15	Assured	6/30/15	-	\$101,789.23	5.000%	\$2,544.73											4/1/2023	Assured	6/30/2023	-	\$235,933.74	5.000%	\$5,898.34
10/1/15	Assured	6/30/16	-	\$101,789.23	5.000%	\$2,544.73											10/1/2023	Assured	6/30/2024	-	\$235,933.74	5.000%	\$5,898.34
4/1/16	Assured	6/30/16	-	\$101,789.23	5.000%	\$2,544.73											4/1/2024	Assured	6/30/2024	-	\$235,933.74	5.000%	\$5,898.34
10/1/16	Assured	6/30/17	-	\$101,789.23	5.000%	\$2,544.73											10/1/2024	Assured	6/30/2025	-	\$235,933.74	5.000%	\$5,898.34
4/1/17	Assured	6/30/17	-	\$101,789.23	5.000%	\$2,544.73											4/1/2025	Assured	6/30/2025	\$54,732.38	\$181,201.36	5.000%	\$4,530.03
10/1/17	Assured	6/30/18	-	\$101,789.23	5.000%	\$2,544.73											10/1/2025	Assured	6/30/2026	\$57,507.37	\$123,693.99	5.000%	\$3,092.35
4/1/18	Assured	6/30/18	-	\$101,789.23	5.000%	\$2,544.73											4/1/2026	Assured	6/30/2026	-	\$123,693.99	5.000%	\$3,092.35
10/1/18	Assured	6/30/19	-	\$101,789.23	5.000%	\$2,544.73											10/1/2026	Assured	6/30/2027	\$60,341.41	\$63,352.58	5.000%	\$1,583.81
4/1/19	Assured	6/30/19	-	\$101,789.23	5.000%	\$2,544.73											4/1/2027	Assured	6/30/2027	-	\$63,352.58	5.000%	\$1,583.81
10/1/19	Assured	6/30/20	-	\$101,789.23	5.000%	\$2,544.73											10/1/2027	Assured	6/30/2028	\$63,352.58	-	5.000%	\$148,175.95
4/1/20	Assured	6/30/20	-	\$101,789.23	5.000%	\$2,544.73											4/1/2028	Assured	6/30/2028	\$235,933.74	-	5.000%	
Total																	Total						
Issuance: 2008-A																							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest											Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest
10/1/14	Assured	6/30/15	-	\$101,789.23	5.000%	\$2,544.73											10/1/2022	Assured	6/30/2023	-	\$235,933.74	5.000%	\$5,898.34
4/1/15	Assured	6/30/15	-	\$101,789.23	5.000%	\$2,544.73											4/1/2023	Assured	6/30/2023	-	\$235,933.74	5.000%	\$5,898.34
10/1/15	Assured	6/30/16	-	\$101,789.23	5.000%	\$2,544.73											10/1/2023	Assured	6/30/2024	-	\$235,933.74	5.000%	\$5,898.34
4/1/16	Assured	6/30/16	-	\$101,789.23	5.000%	\$2,544.73											4/1/2024	Assured	6/30/2024	-	\$235,933.74	5.000%	\$5,898.34
10/1/16	Assured	6/30/17	-	\$101,789.23	5.000%	\$2,544.73											10/1/2024	Assured	6/30/2025	-	\$235,933.74	5.000%	\$5,898.34
4/1/17	Assured	6/30/17	-	\$101,789.23	5.000%	\$2,544.73											4/1/2025	Assured	6/30/2025	\$54,732.38	\$181,201.36	5.000%	\$4,530.03
10/1/17	Assured	6/30/18	-	\$101,789.23	5.000%	\$2,544.73											10/1/2025	Assured	6/30/2026	\$57,507.37	\$123,693.99	5.000%	\$3,092.35
4/1/18	Assured	6/30/18	-	\$101,789.23	5.000%	\$2,544.73											4/1/2026	Assured	6/30/2026	-	\$123,693.99	5.000%	\$3,092.35
10/1/18	Assured	6/30/19	-	\$101,789.23	5.000%	\$2,544.73											10/1/2026	Assured	6/30/2027	\$60,341.41	\$63,352.58	5.000%	\$1,583.81
4/1/19	Assured	6/30/19	-	\$101,789.23	5.000%	\$2,544.73											4/1/2027	Assured	6/30/2027	-	\$63,352.58	5.000%	\$1,583.81
10/1/19	Assured	6/30/20	-	\$101,789.23	5.000%	\$2,544.73											10/1/2027	Assured	6/30/2028	\$63,352.58	-	5.000%	\$148,175.95
4/1/20	Assured	6/30/20	-	\$101,789.23	5.000%	\$2,544.73											4/1/2028	Assured	6/30/2028	\$235,933.74	-	5.000%	
Total																	Total						
Issuance: 2008-A																							
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest											Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest
10/1/14	Assured	6/30/15	-	\$101,789.23	5.000%	\$2,544.73											10/1/2022	Assured	6/30/2023	-	\$235,933.74	5.000%	\$5,898.34
4/1/15	Assured	6/30/15	-	\$101,789.23	5.000%	\$2,544.73											4/1/2023	Assured	6/30/2023	-	\$235,933.74	5.000%	\$5,898.34
10/1/15	Assured	6/30/16	-	\$101,789.23	5.000%	\$2,544.73											10/1/2023	Assured	6/30/2024	-	\$235,933.74	5.000%	\$5,898.34
4/1/16	Assured	6/30/16	-	\$101,789.23	5.000%	\$2,544.73											4/1/2024	Assured	6/30/2024	-	\$235,933.74	5.000%	\$5,898.34
10/1/16	Assured	6/30/17	-	\$101,789.23	5.000%	\$2,544.73											10/1/2024	Assured	6/30/2025	-	\$235,933.74	5.000%	\$5,898.34
4/1/17	Assured	6/30/17	-	\$101,789.23	5.000%	\$2,544.73											4/1/2025	Assured	6/30/2025	\$54,732.38	\$181,201.36	5.000%	\$4,530.03
10/1/17	Assured	6/30/18	-	\$101,789.23	5.000%	\$2,544.73											10/1/2025	Assured	6/30/2026	\$57,507.37	\$123,693.99	5.000%	\$3,092.35
4/1/18	Assured	6/30/18	-	\$101,789.23	5.000%	\$2,544.73											4/1/2026	Assured	6/30/2026	-	\$123,693.99	5.000%	\$3,092.35
10/1/18	Assured	6/30/19	-	\$101,789.23	5.000%	\$2,544.73																	

# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

STIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/20	4/1/21
<b>UTGO 1999-A</b>																
0933SM3	4/1/15	5.250%	\$100,784.57	Assured	\$2,645.60	\$2,645.60	-	-	-	-	-	-	-	-	-	-
0933SN1	4/1/16	5.000%	\$105,912.21	Assured	\$2,647.81	\$2,647.81	\$2,647.81	-	-	-	-	-	-	-	-	-
0933SN6	4/1/17	5.000%	\$111,216.66	Assured	\$2,780.42	\$2,780.42	\$2,780.42	\$2,780.42	-	-	-	-	-	-	-	-
0933SQ4	4/1/18	5.000%	\$116,874.74	Assured	\$2,921.87	\$2,921.87	\$2,921.87	\$2,921.87	\$2,921.87	-	-	-	-	-	-	-
251093SR2	4/1/19	5.000%	\$557,709.64	Assured	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
			\$557,709.64		\$14,063.43	\$14,063.43	\$11,417.83	\$8,770.03	\$8,770.03	\$5,989.61	\$5,989.61	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74	\$3,067.74
<b>UTGO 2001-A(1)</b>																
0933UX6	4/1/15	5.375%	\$210,056.27	NIPFG	\$5,645.26	\$5,645.26	-	-	-	-	-	-	-	-	-	-
0933VK3	4/1/16	5.375%	\$221,372.43	NIPFG	\$5,949.38	\$5,949.38	\$5,949.38	-	-	-	-	-	-	-	-	-
0933VL1	4/1/17	5.375%	\$233,395.86	NIPFG	\$6,272.51	\$6,272.51	\$6,272.51	\$6,272.51	-	-	-	-	-	-	-	-
0933VN9	4/1/18	5.375%	\$495,082.12	NIPFG	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	\$13,305.33	-	-	-	-	-	-	-
0933VN7	4/1/19	5.000%	\$495,082.12	NIPFG	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
0933VP2	4/1/20	5.000%	\$495,082.12	NIPFG	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
0933VQ0	4/1/21	5.000%	\$495,082.12	NIPFG	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05	\$12,377.05
			\$2,645,153.02		\$68,303.65	\$68,303.65	\$62,658.39	\$56,709.00	\$56,709.00	\$50,436.49	\$50,436.49	\$37,131.16	\$37,131.16	\$24,754.11	\$24,754.11	\$12,377.05
<b>UTGO 2002</b>																
0933WV8	4/1/21	5.125%	\$114,576.15	NIPFG	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01	\$2,936.01
0933WV6	4/1/22	5.125%	\$120,411.04	NIPFG	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53	\$3,085.53
			\$234,987.19		\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55	\$6,021.55
<b>UTGO 2003-A</b>																
0933XP0	4/1/15	4.000%	\$10,608.90	Syncora	\$212.18	\$212.18	-	-	-	-	-	-	-	-	-	-
0933XQ8	4/1/15	5.250%	\$90,175.67	Syncora	\$2,367.11	\$2,367.11	-	-	-	-	-	-	-	-	-	-
0933XB6	4/1/16	5.250%	\$105,912.21	Syncora	\$2,780.20	\$2,780.20	\$2,780.20	-	-	-	-	-	-	-	-	-
0933XS4	4/1/17	5.250%	\$111,393.48	Syncora	\$2,924.08	\$2,924.08	\$2,924.08	\$2,924.08	-	-	-	-	-	-	-	-
0933XT2	4/1/18	5.250%	\$117,228.37	Syncora	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24	\$3,077.24	-	-	-	-	-	-	-
0933XTU	4/1/19	5.250%	\$123,416.90	Syncora	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	\$3,239.69	-	-	-	-	-	-
0933XV7	4/1/20	4.500%	\$17,681.50	Syncora	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83	\$397.83
0933XW3	4/1/20	5.250%	\$12,272.55	Syncora	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29	\$2,947.29
0933XX1	4/1/21	5.250%	\$136,501.21	Syncora	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16	\$3,583.16
0933XX1	4/1/22	4.625%	\$17,681.50	Syncora	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88	\$408.88
0933XZ8	4/1/22	5.250%	\$126,069.12	Syncora	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31	\$3,309.31
0933Y2	4/1/23	4.625%	\$126,069.12	Syncora	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65	\$1,226.65
0933YB0	4/1/23	5.250%	\$98,132.35	Syncora	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97	\$2,575.97
			\$1,120,123.29		\$29,049.61	\$29,049.61	\$26,470.32	\$23,690.12	\$23,690.12	\$20,766.04	\$20,766.04	\$17,688.80	\$17,688.80	\$14,449.10	\$11,103.98	\$11,103.98
<b>UTGO 2004-A(1)</b>																
0933YX2	4/1/19	5.250%	\$159,133.54	Ambac	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26	\$4,177.26
0933YY0	4/1/20	4.250%	\$6,542.16	Ambac	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02	\$139.02
0933YZ7	4/1/20	5.250%	\$215,183.91	Ambac	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58	\$5,648.58
0933ZAI	4/1/21	5.000%	\$233,395.86	Ambac	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90	\$5,834.90
0933ZB9	4/1/22	5.250%	\$245,065.65	Ambac	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97	\$6,432.97
0933ZC7	4/1/23	4.500%	\$13,261.13	Ambac	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38	\$298.38
0933ZD5	4/1/23	5.250%	\$244,712.02	Ambac	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69	\$6,423.69
0933ZES	4/1/24	4.600%	\$27,759.96	Ambac	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48	\$638.48
0933ZF0	4/1/24	5.250%	\$243,651.13	Ambac	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84	\$6,395.84
			\$1,388,705.34		\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11	\$35,989.11

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

STIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 2004-B(1)																		
0932P8	4/1/15	5.000%	\$306,774.10	Ambac	\$7,669.35	\$7,669.35	-	-	-	-	-	-	-	-	-	-	-	-
0932Q6	4/1/16	5.250%	\$321,980.19	Ambac	\$8,451.98	\$8,451.98	-	-	-	-	-	-	-	-	-	-	-	-
0932R4	4/1/17	4.000%	\$215,711.71	Ambac	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71	\$215.71
0932S2	4/1/17	5.250%	\$328,168.72	Ambac	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43	\$8,614.43
251093ZT0	4/1/18	5.250%	\$70,726.02	Ambac	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56
			\$1,038,434.74		\$26,808.03	\$26,808.03	\$19,138.68	\$19,138.68	\$10,686.70	\$10,686.70	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56	\$1,856.56
UTGO 2004-B(2)																		
0932X1	4/1/19	5.240%	\$20,333.73	Ambac	\$532.74	\$532.74	\$389.13	\$389.13	\$236.26	\$236.26	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75
UTGO 2005-B																		
093G53	4/1/15	5.000%	\$80,981.29	Assured	\$2,024.53	\$2,024.53	-	-	-	-	-	-	-	-	-	-	-	-
093G61	4/1/16	5.000%	\$85,048.04	Assured	\$2,126.20	\$2,126.20	\$2,126.20	\$2,126.20	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97	\$1,915.97
093G79	4/1/17	4.300%	\$89,114.78	Assured	\$1,915.97	\$1,915.97	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54	\$2,329.54
093G87	4/1/18	5.000%	\$93,181.53	Assured	\$2,329.54	\$2,329.54	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47	\$2,444.47
093G95	4/1/19	5.000%	\$97,778.72	Assured	\$2,444.47	\$2,444.47	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
093H29	4/1/20	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
093H37	4/1/21	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
093H45	4/1/22	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
093H52	4/1/23	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
093H60	4/1/24	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
093H78	4/1/25	5.000%	\$176,815.04	Assured	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38	\$4,420.38
			\$1,506,994.60		\$37,362.96	\$37,362.96	\$35,338.43	\$35,338.43	\$33,212.23	\$33,212.23	\$31,296.26	\$31,296.26	\$29,966.72	\$29,966.72	\$28,522.26	\$28,522.26	\$27,101.88	\$27,101.88
UTGO 2005-C																		
093J92	4/1/15	5.000%	\$81,511.73	Assured	\$2,037.79	\$2,037.79	-	-	-	-	-	-	-	-	-	-	-	-
093K25	4/1/16	5.000%	\$85,755.30	Assured	\$2,143.88	\$2,143.88	\$2,143.88	\$2,143.88	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98	\$1,934.98
093K33	4/1/17	4.300%	\$89,998.86	Assured	\$1,934.98	\$1,934.98	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12	\$2,325.12
093K41	4/1/18	5.000%	\$93,004.71	Assured	\$2,325.12	\$2,325.12	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84	\$2,538.84
093K58	4/1/19	5.250%	\$96,717.83	Assured	\$2,538.84	\$2,538.84	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08
093K66	4/1/20	5.250%	\$102,022.28	Assured	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08
			\$549,010.70		\$13,658.70	\$13,658.70	\$11,620.90	\$11,620.90	\$9,477.02	\$9,477.02	\$7,542.05	\$7,542.05	\$5,216.93	\$5,216.93	\$2,678.08	\$2,678.08	\$2,678.08	\$2,678.08
UTGO 2008-A																		
093M56	4/1/15	5.000%	\$2,541.72	Assured	\$2,541.72	\$2,541.72	-	-	-	-	-	-	-	-	-	-	-	-
093M64	4/1/16	5.000%	\$2,665.49	Assured	\$2,665.49	\$2,665.49	\$2,665.49	\$2,665.49	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52
093M72	4/1/17	5.000%	\$112,100.74	Assured	\$2,802.52	\$2,802.52	\$2,802.52	\$2,802.52	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64
093M80	4/1/18	4.000%	\$117,582.00	Assured	\$2,351.64	\$2,351.64	\$2,351.64	\$2,351.64	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90
093M98	4/1/19	5.000%	\$122,356.01	Assured	\$3,058.90	\$3,058.90	\$3,058.90	\$3,058.90	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19
093N22	4/1/20	5.000%	\$128,367.72	Assured	\$3,209.19	\$3,209.19	\$3,209.19	\$3,209.19	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75
093N30	4/1/21	5.000%	\$134,909.88	Assured	\$3,372.75	\$3,372.75	\$3,372.75	\$3,372.75	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72
093N48	4/1/22	5.000%	\$141,628.85	Assured	\$3,540.72	\$3,540.72	\$3,540.72	\$3,540.72	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73	\$3,720.73
093N55	4/1/24	5.000%	\$304,829.13	Assured	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73	\$7,620.73
093N63	4/1/28	5.000%	\$706,552.91	Assured	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82	\$17,663.82
			\$1,976,615.35		\$48,827.47	\$48,827.47	\$46,285.76	\$46,285.76	\$43,620.27	\$43,620.27	\$40,877.75	\$40,877.75	\$38,466.11	\$38,466.11	\$35,407.21	\$35,407.21	\$32,198.02	\$32,198.02
UTGO 2008-B(1)																		
093P53	4/1/15	5.000%	\$281,843.18	Assured	\$7,046.08	\$7,046.08	-	-	-	-	-	-	-	-	-	-	-	-
093P61	4/1/16	5.000%	\$121,648.75	Assured	\$3,041.22	\$3,041.22	\$3,041.22	\$3,041.22	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99
093P79	4/1/17	5.000%	\$126,599.57	Assured	\$3,164.99	\$3,164.99	\$3,164.99	\$3,164.99	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65
093P87	4/1/18	5.000%	\$134,025.80	Assured	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85	\$3,556.85
			\$664,117.30		\$16,602.93	\$16,602.93	\$9,556.85	\$9,556.85	\$6,515.63	\$6,515.63	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65	\$3,350.65
			\$1,970,973.09		\$297,220.18	\$297,220.18	\$264,886.95	\$264,886.95	\$234,977.93	\$234,977.93	\$204,144.82	\$204,144.82	\$172,548.12	\$172,548.12	\$141,644.17	\$141,644.17	\$109,826.74	\$109,826.74

Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

CP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
UTGO 2001-A(1)																				
251038R2	4/1/15	5.250%	\$100,784.57	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,291.19	\$106,075.76
251038R3	4/1/16	5.000%	\$105,912.21	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,591.22	\$116,503.43
251038R4	4/1/17	5.000%	\$111,216.66	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,682.50	\$127,899.16
251038R5	4/1/18	5.000%	\$116,874.74	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$23,374.95	\$140,249.69
251038R6	4/1/19	5.000%	\$122,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$30,677.41	\$153,387.05
251038R7	4/1/20	5.000%	\$127,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$36,617.27	\$164,326.91
251038R8	4/1/21	5.000%	\$132,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$42,657.04	\$176,363.95
251038R9	4/1/22	5.000%	\$137,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$48,696.81	\$188,400.99
251038R10	4/1/23	5.000%	\$142,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$54,736.58	\$199,437.57
251038R11	4/1/24	5.000%	\$147,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$60,776.35	\$210,474.15
251038R12	4/1/25	5.000%	\$152,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$66,816.12	\$221,510.73
251038R13	4/1/26	5.000%	\$157,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$72,855.89	\$232,547.31
251038R14	4/1/27	5.000%	\$162,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$78,895.66	\$243,583.89
251038R15	4/1/28	5.000%	\$167,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$84,935.43	\$254,620.47
251038R16	4/1/29	5.000%	\$172,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$90,975.20	\$265,657.05
251038R17	4/1/30	5.000%	\$177,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$97,014.97	\$276,693.63
251038R18	4/1/31	5.000%	\$182,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$103,054.74	\$287,730.21
251038R19	4/1/32	5.000%	\$187,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$109,094.51	\$298,766.79
251038R20	4/1/33	5.000%	\$192,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$115,134.28	\$309,803.37
251038R21	4/1/34	5.000%	\$197,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$121,174.05	\$320,839.95
251038R22	4/1/35	5.000%	\$202,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$127,213.82	\$331,876.53
251038R23	4/1/36	5.000%	\$207,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$133,253.59	\$342,913.11
251038R24	4/1/37	5.000%	\$212,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$139,293.36	\$353,949.69
251038R25	4/1/38	5.000%	\$217,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$145,333.13	\$364,986.27
251038R26	4/1/39	5.000%	\$222,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$151,372.90	\$376,022.85
251038R27	4/1/40	5.000%	\$227,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$157,412.67	\$387,059.43
251038R28	4/1/41	5.000%	\$232,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$163,452.44	\$398,096.01
251038R29	4/1/42	5.000%	\$237,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$169,492.21	\$409,132.59
251038R30	4/1/43	5.000%	\$242,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$175,531.98	\$420,169.17
251038R31	4/1/44	5.000%	\$247,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$181,571.75	\$431,205.75
251038R32	4/1/45	5.000%	\$252,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$187,611.52	\$442,242.33
251038R33	4/1/46	5.000%	\$257,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$193,651.29	\$453,278.91
251038R34	4/1/47	5.000%	\$262,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$199,691.06	\$464,315.49
251038R35	4/1/48	5.000%	\$267,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$205,730.83	\$475,352.07
251038R36	4/1/49	5.000%	\$272,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$211,770.60	\$486,388.65
251038R37	4/1/50	5.000%	\$277,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$217,810.37	\$497,425.23
251038R38	4/1/51	5.000%	\$282,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$223,850.14	\$508,461.81
251038R39	4/1/52	5.000%	\$287,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$229,889.91	\$519,498.39
251038R40	4/1/53	5.000%	\$292,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$235,929.68	\$530,534.97
251038R41	4/1/54	5.000%	\$297,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$241,969.45	\$541,571.55
251038R42	4/1/55	5.000%	\$302,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$248,009.22	\$552,608.13
251038R43	4/1/56	5.000%	\$307,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$254,048.99	\$563,644.71
251038R44	4/1/57	5.000%	\$312,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$260,088.76	\$574,681.29
251038R45	4/1/58	5.000%	\$317,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$266,128.53	\$585,717.87
251038R46	4/1/59	5.000%	\$322,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$272,168.30	\$596,754.45
251038R47	4/1/60	5.000%	\$327,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$278,208.07	\$607,791.03
251038R48	4/1/61	5.000%	\$332,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$284,247.84	\$618,827.61
251038R49	4/1/62	5.000%	\$337,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$290,287.61	\$629,864.19
251038R50	4/1/63	5.000%	\$342,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$296,327.38	\$640,900.77
251038R51	4/1/64	5.000%	\$347,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$302,367.15	\$651,937.35
251038R52	4/1/65	5.000%	\$352,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$308,406.92	\$662,973.93
251038R53	4/1/66	5.000%	\$357,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$314,446.69	\$674,010.51
251038R54	4/1/67	5.000%	\$362,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$320,486.46	\$685,047.09
251038R55	4/1/68	5.000%	\$367,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$326,526.23	\$696,083.67
251038R56	4/1/69	5.000%	\$372,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$332,566.00	\$707,120.25
251038R57	4/1/70	5.000%	\$377,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$338,605.77	\$718,156.83
251038R58	4/1/71	5.000%	\$382,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$344,645.54	\$729,193.41
251038R59	4/1/72	5.000%	\$387,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$350,685.31	\$740,230.00
251038R60	4/1/73	5.000%	\$392,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$356,725.08	\$751,266.58
251038R61	4/1/74	5.000%	\$397,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$362,764.85	\$762,303.16
251038R62	4/1/75	5.000%	\$402,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$368,804.62	\$773,339.74
251038R63	4/1/76	5.000%	\$407,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$374,844.39	\$784,376.32
251038R64	4/1/77	5.000%	\$412,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$380,884.16	\$795,412.90
251038R65	4/1/78	5.000%	\$417,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$386,923.93	\$806,449.48
251038R66	4/1/79	5.000%	\$422,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$392,963.70	\$817,486.06
251038R67	4/1/80	5.000%	\$427,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$399,003.47	\$828,522.64
251038R68	4/1/81	5.000%	\$432,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$405,043.24	\$839,559.22
251038R69	4/1/82	5.000%	\$437,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$411,083.01	\$850,595.80
251038R70	4/1/83	5.000%	\$442,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$417,122.78	\$861,632.38
251038R71	4/1/84	5.000%	\$447,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$423,162.55	\$872,668.96
251038R72	4/1/85	5.000%	\$452,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$429,202.32	\$883,705.54
251038R73	4/1/86	5.000%	\$457,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$435,242.09	\$894,742.12
251038R74	4/1/87	5.000%	\$462,709.64	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$441,281.86	\$905,778.70
251038R75	4/																			

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\* Subject to Mandatory Redemption



# UTGO Series STUB Bonds - Debt Service (GRS ISF Allocation)

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## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A															
CUSIP 251093ZK1										CUSIP 251093N63															
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest				Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest									
10/1/14	Ambac	6/30/15	-	\$20,333.73	5.240%	\$532.74				10/1/14	Assured	6/30/15	-	\$706,552.91	5.000%	\$17,663.82									
4/1/15	Ambac	6/30/15	\$5,481.27	\$14,852.46	5.240%	\$532.74				4/1/15	Assured	6/30/15	-	\$706,552.91	5.000%	\$17,663.82									
10/1/15	Ambac	6/30/16	-	\$14,852.46	5.240%	\$389.13				10/1/15	Assured	6/30/16	-	\$706,552.91	5.000%	\$17,663.82									
4/1/16	Ambac	6/30/16	\$5,834.90	\$9,017.57	5.240%	\$389.13				4/1/16	Assured	6/30/16	-	\$706,552.91	5.000%	\$17,663.82									
10/1/16	Ambac	6/30/17	-	\$9,017.57	5.240%	\$236.26				10/1/16	Assured	6/30/17	-	\$706,552.91	5.000%	\$17,663.82									
4/1/17	Ambac	6/30/17	\$6,011.71	\$3,005.86	5.240%	\$236.26				4/1/17	Assured	6/30/17	-	\$706,552.91	5.000%	\$17,663.82									
10/1/17	Ambac	6/30/18	-	\$3,005.86	5.240%	\$78.75				10/1/17	Assured	6/30/18	-	\$706,552.91	5.000%	\$17,663.82									
4/1/18	Ambac	6/30/18	\$3,005.86	-	5.240%	\$78.75				4/1/18	Assured	6/30/18	-	\$706,552.91	5.000%	\$17,663.82									
Total							\$20,333.73			Total							\$706,552.91								
Issuance: 2008-A																									
CUSIP 251093N55																									
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest																			
10/1/14	Assured	6/30/15	-	\$304,829.13	5.000%	\$7,620.73				10/1/2022	Assured	6/30/2023	-	\$706,552.91	5.000%	\$17,663.82									
4/1/15	Assured	6/30/15	-	\$304,829.13	5.000%	\$7,620.73				4/1/2023	Assured	6/30/2023	-	\$706,552.91	5.000%	\$17,663.82									
10/1/15	Assured	6/30/16	-	\$304,829.13	5.000%	\$7,620.73				10/1/2023	Assured	6/30/2024	-	\$706,552.91	5.000%	\$17,663.82									
4/1/16	Assured	6/30/16	-	\$304,829.13	5.000%	\$7,620.73				4/1/2024	Assured	6/30/2024	-	\$706,552.91	5.000%	\$17,663.82									
10/1/16	Assured	6/30/17	-	\$304,829.13	5.000%	\$7,620.73				10/1/2024	Assured	6/30/2025	-	\$706,552.91	5.000%	\$17,663.82									
4/1/17	Assured	6/30/17	-	\$304,829.13	5.000%	\$7,620.73				4/1/2025	Assured	6/30/2025	\$103,907.54	\$542,645.36	5.000%	\$17,663.82									
10/1/17	Assured	6/30/18	-	\$304,829.13	5.000%	\$7,620.73				10/1/2025	Assured	6/30/2026	-	\$542,645.36	5.000%	\$13,566.13									
4/1/18	Assured	6/30/18	-	\$304,829.13	5.000%	\$7,620.73				4/1/2026	Assured	6/30/2026	-	\$370,427.51	5.000%	\$9,260.69									
10/1/18	Assured	6/30/19	-	\$304,829.13	5.000%	\$7,620.73				10/1/2026	Assured	6/30/2027	-	\$370,427.51	5.000%	\$9,260.69									
4/1/19	Assured	6/30/19	-	\$304,829.13	5.000%	\$7,620.73				4/1/2027	Assured	6/30/2027	\$180,704.97	\$189,722.54	5.000%	\$4,743.06									
10/1/19	Assured	6/30/19	-	\$304,829.13	5.000%	\$7,620.73				10/1/2027	Assured	6/30/2028	-	\$189,722.54	5.000%	\$4,743.06									
4/1/20	Assured	6/30/20	-	\$304,829.13	5.000%	\$7,620.73				4/1/2028	Assured	6/30/2028	-	\$189,722.54	5.000%	\$4,743.06									
10/1/20	Assured	6/30/20	-	\$304,829.13	5.000%	\$7,620.73				Total															
4/1/21	Assured	6/30/21	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/21	Assured	6/30/22	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/22	Assured	6/30/22	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/22	Assured	6/30/23	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/23	Assured	6/30/23	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/23	Assured	6/30/24	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/24	Assured	6/30/24	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/24	Assured	6/30/25	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/25	Assured	6/30/25	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/25	Assured	6/30/26	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/26	Assured	6/30/26	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/26	Assured	6/30/27	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/27	Assured	6/30/27	-	\$304,829.13	5.000%	\$7,620.73																			
10/1/27	Assured	6/30/28	-	\$304,829.13	5.000%	\$7,620.73																			
4/1/28	Assured	6/30/28	-	\$304,829.13	5.000%	\$7,620.73																			
Total							\$304,829.13			Total							\$443,743.87								

# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

UTGO 1999-A	4/1/15	5.250%	\$238,911.21	Assured	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.42	\$6,271.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Subject to Mandatory Redemption

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\* Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

CP	Maaturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
<b>UTGO 2001-A(1)</b>																				
251093SR2	4/1/19	5.000%	\$200,884.88	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$200,884.88	\$200,884.88
251093SR2	4/1/19	5.000%	\$1,321,556.25	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,321,556.25	\$1,321,556.25
<b>UTGO 2001-A(1)</b>																				
251093SR2	4/1/15	5.375%	\$497,941.27	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$497,941.27	\$497,941.27
251093SR2	4/1/16	5.375%	\$524,766.39	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$524,766.39	\$524,766.39
251093SR2	4/1/17	5.375%	\$553,268.08	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$553,268.08	\$553,268.08
251093SR2	4/1/18	5.375%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/19	5.000%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/20	5.000%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/21	5.000%	\$1,173,598.95	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,173,598.95	\$1,173,598.95
251093SR2	4/1/21	5.000%	\$6,270,371.53	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,270,371.53	\$6,270,371.53
<b>UTGO 2002</b>																				
251093SR2	4/1/21	5.125%	\$271,604.33	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$271,604.33	\$271,604.33
251093SR2	4/1/22	5.125%	\$285,436.03	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$285,436.03	\$285,436.03
251093SR2	4/1/22	5.125%	\$557,040.36	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$557,040.36	\$557,040.36
<b>UTGO 2003-A</b>																				
251093SR2	4/1/15	4.000%	\$25,148.55	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$25,148.55	\$25,148.55
251093SR2	4/1/15	5.250%	\$213,762.67	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$213,762.67	\$213,762.67
251093SR2	4/1/16	5.250%	\$251,066.35	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$251,066.35	\$251,066.35
251093SR2	4/1/17	5.250%	\$264,059.76	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$264,059.76	\$264,059.76
251093SR2	4/1/17	5.250%	\$277,891.47	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,891.47	\$277,891.47
251093SR2	4/1/19	5.250%	\$292,561.45	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$292,561.45	\$292,561.45
251093SR2	4/1/20	4.500%	\$41,914.25	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,914.25	\$41,914.25
251093SR2	4/1/20	5.250%	\$266,155.48	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$266,155.48	\$266,155.48
251093SR2	4/1/21	5.250%	\$323,578.00	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$323,578.00	\$323,578.00
251093SR2	4/1/21	4.625%	\$41,914.25	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,914.25	\$41,914.25
251093SR2	4/1/22	5.250%	\$298,848.59	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,848.59	\$298,848.59
251093SR2	4/1/23	4.625%	\$125,742.74	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$125,742.74	\$125,742.74
251093SR2	4/1/23	5.250%	\$232,624.08	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$232,624.08	\$232,624.08
251093SR2	4/1/23	5.250%	\$2,655,267.62	Synco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,655,267.62	\$2,655,267.62
<b>UTGO 2004-A(1)</b>																				
251093SR2	4/1/19	5.250%	\$377,228.23	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$377,228.23	\$377,228.23
251093SR2	4/1/20	4.250%	\$15,508.27	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,508.27	\$15,508.27
251093SR2	4/1/20	5.250%	\$510,096.40	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$510,096.40	\$510,096.40
251093SR2	4/1/21	5.000%	\$553,268.08	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$553,268.08	\$553,268.08
251093SR2	4/1/21	5.000%	\$580,931.48	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$580,931.48	\$580,931.48
251093SR2	4/1/22	5.250%	\$707.30	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$707.30	\$707.30
251093SR2	4/1/23	4.500%	\$31,435.69	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,435.69	\$31,435.69
251093SR2	4/1/23	5.250%	\$580,093.20	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$580,093.20	\$580,093.20
251093SR2	4/1/24	4.600%	\$65,805.37	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$65,805.37	\$65,805.37
251093SR2	4/1/24	5.250%	\$77,578.34	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$77,578.34	\$77,578.34
251093SR2	4/1/24	5.250%	\$3,291,945.05	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,291,945.05	\$3,291,945.05

\* Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

CUSIP	Maturity Date	Rate	Principal	Insurer	Interest										Total Interest	Total Principal & Interest			
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	
<b>UTGO 2004-B(1)</b>																			
251338ZP8	4/1/15	5.000%	\$727,212.21	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$36,360.61	\$763,572.82
251338ZQ6	4/1/16	5.250%	\$763,258.46	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$80,142.14	\$843,400.60
251338ZR4	4/1/17	4.000%	\$25,567.69	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,068.12	\$28,635.81
251338ZS2	4/1/17	5.250%	\$777,928.45	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$122,523.73	\$900,452.18
251338ZT0	4/1/18	5.250%	\$167,656.99	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$35,207.97	\$202,864.96
			\$2,461,623.80		-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,302.57	\$2,738,926.37
<b>UTGO 2004-B(2)</b>																			
251338ZX1	4/1/19	5.240%	\$48,201.39	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,864.14	\$54,065.52
<b>UTGO 2005-B</b>																			
251338G53	4/1/15	5.000%	\$191,967.26	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,598.36	\$201,565.62
251338G61	4/1/16	5.000%	\$201,607.53	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$20,160.75	\$221,768.29
251338G79	4/1/17	4.300%	\$211,247.81	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$23,408.78	\$238,656.59
251338G87	4/1/18	5.000%	\$220,888.09	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$44,177.62	\$265,065.71
251338G95	4/1/19	5.000%	\$231,785.79	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$57,946.45	\$289,732.24
251338H29	4/1/20	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$125,742.74	\$544,885.23
251338H37	4/1/21	5.000%	\$419,142.48	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$146,699.87	\$565,842.35
251338H45	4/1/22	5.000%	\$419,142.48	Assured	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$167,656.99	\$586,799.47
251338H52	4/1/23	5.000%	\$419,142.48	Assured	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$188,614.12	\$607,756.60
251338H60	4/1/24	5.000%	\$419,142.48	Assured	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$209,571.24	\$628,713.72
251338H78	4/1/25	5.000%	\$419,142.48	Assured	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$230,528.37	\$649,670.85
			\$3,572,351.37		\$41,914.25	\$41,914.25	\$31,435.69	\$31,435.69	\$20,957.12	\$20,957.12	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$10,478.56	\$1,227,947.48	\$4,800,298.85
<b>UTGO 2005-C</b>																			
251338J92	4/1/15	5.000%	\$193,224.68	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,661.23	\$202,885.92
251338K25	4/1/16	5.000%	\$203,284.10	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$20,328.41	\$223,612.51
251338K33	4/1/17	4.300%	\$213,343.52	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,521.31	\$240,864.84
251338K41	4/1/18	5.000%	\$220,468.95	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$44,093.79	\$264,562.73
251338K58	4/1/19	5.250%	\$229,270.94	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$60,183.62	\$289,454.56
251338K66	4/1/20	5.250%	\$241,845.21	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$76,181.24	\$318,026.45
			\$1,301,437.41		-	-	-	-	-	-	-	-	-	-	-	-	-	\$237,969.61	\$1,539,407.02
<b>UTGO 2008-A</b>																			
251338M56	4/1/15	5.000%	\$241,006.93	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,050.35	\$253,057.27
251338M64	4/1/16	5.000%	\$252,742.92	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$25,274.29	\$278,017.21
251338M72	4/1/17	5.000%	\$265,736.33	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$30,860.45	\$305,596.78
251338M80	4/1/18	4.000%	\$278,729.75	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$44,596.76	\$323,326.51
251338M98	4/1/19	5.000%	\$290,046.60	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$72,511.65	\$362,558.25
251338N22	4/1/20	5.000%	\$304,297.44	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$91,289.23	\$395,586.67
251338N30	4/1/21	5.000%	\$319,805.71	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$111,932.00	\$431,737.71
251338N48	4/1/22	5.000%	\$335,733.13	Assured	\$8,393.33	\$8,393.33	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$134,293.25	\$470,026.38
251338N55	4/1/24	5.000%	\$722,601.64	Assured	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$18,065.04	\$343,675.88	\$1,066,277.52
251338N63	4/1/28	5.000%	\$1,674,893.81	Assured	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$41,872.33	\$1,051,900.93	\$2,726,794.29
			\$4,685,593.81		\$68,330.70	\$68,330.70	\$59,937.37	\$59,937.37	\$51,124.90	\$51,124.90	\$41,872.33	\$41,872.33	\$32,158.71	\$32,158.71	\$21,952.59	\$21,952.59	\$11,243.50	\$1,927,384.79	\$6,612,978.60
<b>UTGO 2008-B(1)</b>																			
251338P53	4/1/15	5.000%	\$668,113.12	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$33,405.66	\$701,518.77
251338P61	4/1/16	5.000%	\$288,370.03	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$28,837.00	\$317,207.03
251338P79	4/1/17	5.000%	\$301,106.02	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$45,015.90	\$346,121.92
251338P87	4/1/18	5.000%	\$317,710.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$63,542.00	\$381,252.00
			\$1,574,299.16		-	-	-	-	-	-	-	-	-	-	-	-	-	\$170,800.56	\$1,745,099.72
<b>TOTAL</b>																			
			\$27,739,687.74		\$183,246.63	\$183,246.63	\$132,996.95	\$132,996.95	\$88,756.98	\$88,756.98	\$52,350.90	\$52,350.90	\$32,158.71	\$32,158.71	\$21,952.59	\$21,952.59	\$11,243.50	\$7,802,319.61	\$35,542,007.36

\* Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service (GRS Pension Allocation)

1335389466 Issued 10/1/2024 Doc 80485523 Filed 10/1/2024 Entered 10/1/2024 10:31:58 Page 23 of 22

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A									
CUSIP 251093ZX1							CUSIP 251093N63												
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest		Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Ambac	6/30/15	-	\$48,201.39	5.240%	\$1,262.88		10/1/14	Assured	6/30/15	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/15	Ambac	6/30/15	\$12,993.42	\$35,207.97	5.240%	\$1,262.88		4/1/15	Assured	6/30/15	-	\$1,674,893.36	5.000%	\$41,872.33					
10/1/15	Ambac	6/30/16	-	\$35,207.97	5.240%	\$922.45		10/1/15	Assured	6/30/16	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/16	Ambac	6/30/16	\$13,831.70	\$21,376.27	5.240%	\$922.45		4/1/16	Assured	6/30/16	-	\$1,674,893.36	5.000%	\$41,872.33					
10/1/16	Ambac	6/30/17	-	\$21,376.27	5.240%	\$560.06		10/1/16	Assured	6/30/17	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/17	Ambac	6/30/17	\$14,250.84	\$7,125.42	5.240%	\$560.06		4/1/17	Assured	6/30/17	-	\$1,674,893.36	5.000%	\$41,872.33					
10/1/17	Ambac	6/30/18	-	\$7,125.42	5.240%	\$186.69		10/1/17	Assured	6/30/18	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/18	Ambac	6/30/18	\$7,125.42	-	5.240%	\$186.69		4/1/18	Assured	6/30/19	-	\$1,674,893.36	5.000%	\$41,872.33					
Total			\$48,201.39			\$5,864.14		Total						\$1,051,900.93					
Issuance: 2008-A																			
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest		Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest					
10/1/14	Assured	6/30/15	-	\$722,601.64	5.000%	\$18,065.04		10/1/2022	Assured	6/30/2023	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/15	Assured	6/30/15	-	\$722,601.64	5.000%	\$18,065.04		4/1/2023	Assured	6/30/2023	-	\$1,674,893.36	5.000%	\$41,872.33					
10/1/15	Assured	6/30/16	-	\$722,601.64	5.000%	\$18,065.04		10/1/2023	Assured	6/30/2024	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/16	Assured	6/30/16	-	\$722,601.64	5.000%	\$18,065.04		4/1/2024	Assured	6/30/2024	-	\$1,674,893.36	5.000%	\$41,872.33					
10/1/16	Assured	6/30/17	-	\$722,601.64	5.000%	\$18,065.04		10/1/2024	Assured	6/30/2025	-	\$1,674,893.36	5.000%	\$41,872.33					
4/1/17	Assured	6/30/17	-	\$722,601.64	5.000%	\$18,065.04		4/1/2025	Assured	6/30/2025	\$388,545.08	\$1,286,348.28	5.000%	\$31,158.71					
10/1/17	Assured	6/30/18	-	\$722,601.64	5.000%	\$18,065.04		10/1/2025	Assured	6/30/2026	-	\$1,286,348.28	5.000%	\$32,158.71					
4/1/18	Assured	6/30/18	-	\$722,601.64	5.000%	\$18,065.04		4/1/2026	Assured	6/30/2026	\$408,244.78	\$878,103.50	5.000%	\$21,952.59					
10/1/18	Assured	6/30/19	-	\$722,601.64	5.000%	\$18,065.04		10/1/2026	Assured	6/30/2027	-	\$878,103.50	5.000%	\$21,952.59					
4/1/19	Assured	6/30/19	-	\$722,601.64	5.000%	\$18,065.04		4/1/2027	Assured	6/30/2027	\$428,363.62	\$449,739.88	5.000%	\$21,952.59					
10/1/19	Assured	6/30/20	-	\$722,601.64	5.000%	\$18,065.04		10/1/2027	Assured	6/30/2028	-	\$449,739.88	5.000%	\$11,243.50					
4/1/20	Assured	6/30/20	-	\$722,601.64	5.000%	\$18,065.04		4/1/2028	Assured	6/30/2028	\$449,739.88	-	5.000%	\$11,243.50					
10/1/20	Assured	6/30/21	-	\$722,601.64	5.000%	\$18,065.04		Total			\$1,674,893.36								
4/1/21	Assured	6/30/21	-	\$722,601.64	5.000%	\$18,065.04													
10/1/21	Assured	6/30/22	-	\$722,601.64	5.000%	\$18,065.04													
4/1/22	Assured	6/30/22	-	\$722,601.64	5.000%	\$18,065.04													
10/1/22	Assured	6/30/23	-	\$722,601.64	5.000%	\$18,065.04													
4/1/23	Assured	6/30/23	-	\$722,601.64	5.000%	\$18,065.04													
10/1/23	Assured	6/30/24	\$352,498.83	\$370,102.81	5.000%	\$9,252.57													
4/1/24	Assured	6/30/24	-	\$370,102.81	5.000%	\$9,252.57													
10/1/24	Assured	6/30/25	-	\$370,102.81	5.000%	\$9,252.57													
Total			\$722,601.64			\$343,675.88													

**Exhibit B**

**EMERGENCY MANAGER ORDER**



ORDER NO. \_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE AND RESTRUCTURING OF CERTAIN UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY OF DETROIT BY THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$287,560,790 DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BONDS (UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014 IN ONE OR MORE SUB-SERIES FOR THE PURPOSE OF PROVIDING CERTAIN BANKRUPTCY PLAN OF ADJUSTMENT FINANCING FOR THE CITY RELATED TO UNLIMITED TAX GENERAL OBLIGATION BOND CLAIMS; AUTHORIZING A FIFTH SUPPLEMENT TO THE OUTSTANDING MASTER DEBT RETIREMENT TRUST INDENTURE TO SECURE REPAYMENT OF SAID BONDS; IMPLEMENTING THE ASSIGNMENT OF PAYMENTS ON NOT TO EXCEED \$43,349,210 OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS (STUB UTGO BONDS) PURSUANT TO THE PLAN OF ADJUSTMENT; AND AUTHORIZING THE AUTHORIZED OFFICERS TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE TRANSFER OF A PORTION OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS IN CONSIDERATION FOR BONDS ISSUED BY THE MICHIGAN FINANCE AUTHORITY.

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ORDER NO. \_\_\_\_\_

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE AND RESTRUCTURING OF CERTAIN UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY OF DETROIT BY THE ISSUANCE BY THE CITY OF DETROIT OF NOT TO EXCEED \$287,560,790 DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BONDS (UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014 IN ONE OR MORE SUB-SERIES FOR THE PURPOSE OF PROVIDING CERTAIN BANKRUPTCY PLAN OF ADJUSTMENT FINANCING FOR THE CITY RELATED TO UNLIMITED TAX GENERAL OBLIGATION BOND CLAIMS; AUTHORIZING A FIFTH SUPPLEMENT TO THE OUTSTANDING MASTER DEBT RETIREMENT TRUST INDENTURE TO SECURE REPAYMENT OF SAID BONDS; IMPLEMENTING THE ASSIGNMENT OF PAYMENTS ON NOT TO EXCEED \$43,349,210 OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS (STUB UTGO BONDS) PURSUANT TO THE PLAN OF ADJUSTMENT; AND AUTHORIZING THE AUTHORIZED OFFICERS TO MAKE CERTAIN DETERMINATIONS AND TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE TRANSFER OF A PORTION OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS IN CONSIDERATION FOR BONDS ISSUED BY THE MICHIGAN FINANCE AUTHORITY.

WHEREAS, at elections held on November 7, 1978, August 5, 1980, November 4, 1986, August 2, 1988, August 4, 1992, August 5, 1996, November 4, 1997, November 7, 2000, November 6, 2001, April 29, 2003, November 2, 2004 and February 24, 2009 (the "Prior Elections"), the qualified electors of the City of Detroit, County of Wayne, State of Michigan (the "City") authorized the issuance and sale of general obligation unlimited tax bonds of the City to finance certain public capital improvement projects of the City; and

WHEREAS, pursuant to the authorizations provided by certain of the Prior Elections, the City Charter, Act 279, Public Acts of Michigan, 1909, as amended ("Act 279"), Act 202, Public Acts of Michigan, 1943, as amended ("Act 202"), and Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), the City issued certain general obligation unlimited tax bonds (collectively, but not including the 2010A UTGO Bonds, as hereinafter defined, the "Prior UTGO Bonds") outstanding in the amounts set forth on Exhibit A attached hereto; and

WHEREAS, on March 18, 2010, pursuant to Act 80, Public Acts of Michigan, 1981, as amended ("Act 80") the City issued \$249,790,000 of its Distributable State Aid General Obligation Limited Tax Bonds, Series 2010 (the "DSA Bonds") secured by and payable from money received or to be received by the City derived from the imposition of taxes by the State of Michigan (the "State") and returned or to be returned to the City as provided by law ("Distributable Aid"); and

WHEREAS, in connection with the issuance of the DSA Bonds, the City entered into a Master Debt Retirement Trust Indenture (the "Master Indenture") and a First Supplemental Debt Retirement Trust Indenture, each dated as of March 1, 2010, (the "First Supplemental Indenture") between the City and U.S. Bank National Association, Detroit, Michigan, as master trustee (the "Master Trustee" or the "Trustee"), that provides for the escrow of Distributable Aid payments received by the Trustee on behalf of the City to pay the debt service on obligations of the City secured by Distributable Aid (the "Distributable Aid Obligations"); and

WHEREAS, pursuant to Act 80, the Master Indenture and the First Supplemental Indenture, the DSA Bonds have a first lien on the City's Distributable Aid to secure the payment of the DSA Bonds and to provide for the direct payment to the Master Trustee of the Distributable Aid to be held in trust and used solely for payment of principal of and interest on Distributable Aid Obligations, and for that purpose, the City, the Master Trustee and the State Treasurer of the State of Michigan (the "State Treasurer") entered into an Agreement dated as of March 1, 2010 (the "DSA Bonds Deposit Agreement"); and

WHEREAS, on December 16, 2010, pursuant to the City Charter, Act 279 and Act 34, the City issued \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds-Direct Payment) (the "2010A UTGO Bonds") and sold them to the Michigan Finance Authority (the "MFA") under Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"); and

WHEREAS, in connection with the issuance of the 2010A UTGO Bonds, the City entered into a Second Supplemental Debt Retirement Trust Indenture, dated as of December 1, 2010 (the "Second Supplemental Indenture") with the Trustee, to further provide for the security and payment of the 2010A UTGO Bonds with the unlimited tax levy and a second lien on Distributable Aid; and

WHEREAS, pursuant to Act 227, in order to provide for the direct payment of Distributable Aid to the Trustee to pay the debt service on the 2010A UTGO Bonds, the City, the MFA and the State Treasurer entered into an Agreement to Deposit Distributable State Aid with the Master Trustee for payment of the 2010A UTGO Bonds (the "UTGO Bonds Deposit Agreement"); and

WHEREAS, pursuant to Resolutions adopted on March 27, 2012 by the City Council of the City, certain Sale Orders of the Finance Director and Act 34, the City issued: (i) \$38,865,000 Self Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A2) (the "Series 2012(A2) Bonds"); (ii) \$30,730,000 Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B) (the "Series 2012(A2-B) Bonds"); (iii) \$6,405,000 General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation) Series 2012B (the "Series 2012B Bonds"); and (iv) \$53,520,000 Self Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2) (the "Series 2012(B2) Bonds", and collectively with the Series 2012(A2) Bonds, the Series 2012(A2-B) Bonds and the Series 2012B Bonds, the "Third Lien Bonds"); and

WHEREAS, the Third Lien Bonds were sold to the MFA and pursuant to Act 227 and Act 140, in order to provide for the direct payment of Distributable Aid to the Master Trustee to

pay the debt service on the Third Lien Bonds, the City, the MFA and the State Treasurer entered into an Agreement to Deposit Distributable State Aid (as amended the "2012 Deposit Agreement") with the Master Trustee and the City and the Master Trustee entered into a Third Supplemental Debt Retirement Trust Indenture, dated as of March 1, 2012, as amended (the "Third Supplemental Indenture") and a Fourth Supplemental Debt Retirement Trust Indenture dated as of August 1, 2012 (the "Fourth Supplemental Indenture") for payment of the Third Lien Bonds on a third lien basis subordinate to the first lien on Distributable State Aid securing the DSA Bonds and subordinate to the second lien on Distributable Aid securing the Series 2010A UTGO Bonds; and

WHEREAS, on March 1, 2013, the Governor (the "Governor") of the State of Michigan (the "State") determined that a financial emergency existed within the City pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72"); and

WHEREAS, on March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended (the "Board") the responsibility for managing the financial emergency; and

WHEREAS, on March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City; and

WHEREAS, by operation of law the financial emergency continues to exist within the City pursuant to the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436") and the Emergency Financial Manager continues in the capacity of the Emergency Manager for the City (the "Emergency Manager"); and

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

WHEREAS, on \_\_\_\_\_, 2014, the Emergency Manager filed on behalf of the City a \_\_\_\_\_ Amended Plan for the Adjustment of the Debts of the City of Detroit (now and as subsequently amended, the "Plan of Adjustment") in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code; and

WHEREAS, more than 90% of the Prior UTGO Bonds are insured by Ambac Assurance Corporation; Assured Guaranty Municipal Corp. together with Assured Guaranty Corp.; and National Public Finance Guarantee Corporation (each a "Bond Insurer" and collectively, the "Bond Insurers"); and

WHEREAS, pursuant to the Plan of Adjustment and a settlement agreement dated July 18, 2014 among the City and the Bond Insurers (the "UTGO Settlement Agreement") the City intends to restructure a portion of the outstanding Prior UTGO Bonds (the "Restructured UTGO

Bonds”) as provided in this Order; and

WHEREAS, pursuant to a bond purchase contract (the “Purchase Contract”) between the City and the MFA, the City shall deliver the Bonds authorized hereunder (the “Bonds” or the “Municipal Obligation”) to the MFA, and in consideration thereof, the MFA will deliver its [Local Government Loan Program Revenue Bonds, Series 2014 (City of Detroit Unlimited Tax General Obligation Local Project Bonds)] (the “MFA Bonds”) to (i) the holders of the Holders Restructured UTGO Bonds (as defined in the UTGO Settlement Agreement) and (ii) the Bond Insurers and the Dissenting Bond Insurer as holders of the Insurer Owned Restructured UTGO Bonds (as defined in the UTGO Settlement Agreement) in consideration for the transfer of the Restructured UTGO Bonds to the MFA; and

WHEREAS, the MFA Bonds will be issued by the MFA in Authorized Denominations in the same aggregate principal amounts per maturity as the Restructured UTGO Bonds, rounded down as provided in this Order, for each denomination to the nearest Authorized Denomination; and on the Effective Date, as hereinafter defined, the holders of the Holders Restructured UTGO Bonds shall be paid the difference in principal amount, if any, between the Holders Restructured UTGO Bonds and the principal amount of MFA Bonds allocated and transferred to them as provided herein by the City from its General Fund or by the Master Trustee at the direction of the City from available funds on deposit in the Debt Retirement Fund (the “Debt Retirement Fund”) established hereunder, as determined by an Authorized Officer; and

WHEREAS, a portion of the Prior UTGO Bonds not restructured by the Municipal Obligation which mature on or after April 1, 2015, in the principal amount of \$43,349,210 (the “Stub UTGO Bonds” and collectively with the 2010A UTGO Bonds, the Municipal Obligation and any Additional Bonds (defined below), the “UTGO Bonds”) shall be reinstated, remain Outstanding in the amounts and will remain payable as shown on Exhibit C hereto; and

WHEREAS, the Stub UTGO Bonds also will be in Authorized Denominations; and

WHEREAS, upon satisfaction of all of the terms and conditions required of the City related to the confirmation of the Plan of Adjustment, the City shall establish the Business Day upon which the Plan of Adjustment shall become effective (the “Effective Date”); and

WHEREAS, on or after the Effective Date, the City shall issue and deliver the Municipal Obligation to the MFA and pursuant to the Plan of Adjustment, the Assigned UTGO Bond Tax Proceeds (as hereinafter defined), will be assigned to the Income Stabilization Funds and the GRS (collectively, the “Plan Assignees”) as such terms are defined in the Plan of Adjustment; and

WHEREAS, the Emergency Manager deems it necessary to authorize the issuance of the Bonds in one or more series in the aggregate principal amount of not to exceed Two Hundred Eighty-Seven Million Five Hundred Sixty Thousand Seven Hundred Ninety Dollars (\$287,560,790); and

WHEREAS, pursuant to the resolutions authorizing the Prior UTGO Bonds and the 2010A UTGO Bonds, this Order and Section 4a of Act 279, the City has pledged, and to the



extent permitted by applicable law, including without limitation, Section 12(1)(x) of Act 436, will create a lien upon the Debt Millage Revenues (as hereinafter defined) to pay the debt service on the UTGO Bonds; and

WHEREAS, pursuant to Section 4a of Act 279, and Section 701 of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, the Emergency Manager desires to provide for the deposit of the Debt Millage Revenues into a separate escrow account to be used for the sole purpose of paying principal of and interest on the UTGO Bonds and the administrative costs related to the deposit and escrow of Debt Millage Revenues; and

WHEREAS, in order to effectuate a lien, to the extent permitted by law, upon the debt millage revenues (the "Debt Millage Revenues") derived from the unlimited tax pledge in favor of the Registered Owners of the Bonds, it is necessary for the City to provide for the deposit of the proceeds of 100% of the City's unlimited tax general obligation debt millage levy in trust to further secure payment of the debt service on the Bonds, with U.S. Bank National Association, as Debt Millage Escrow Trustee (the "Debt Millage Escrow Trustee"), pursuant to a Debt Millage Deposit Escrow Agreement (the "Debt Millage Escrow Agreement") between the City and the Debt Millage Escrow Trustee; and

WHEREAS, the Emergency Manager recommends that the Bonds be secured by a fourth lien pledge of Distributable Aid under a Fifth Supplemental Debt Retirement Trust Indenture (the "Fifth Supplemental Indenture"), in addition to a pledge of the City's unlimited tax full faith and credit; and

WHEREAS, the Emergency Manager desires the Debt Millage Revenues to constitute special revenues under Section 902 of the Bankruptcy Code and to afford the holders of the UTGO Bonds the protection provided to "pledged special revenues," as that term is used in Section 922(d) of the Bankruptcy Code.

WHEREAS, the MFA may distribute one or more preliminary official statements (together with any supplements thereto, each a "Preliminary Official Statement") and final official statements (together with any supplements thereto, each an "Official Statement") to the holders of the MFA Bonds; and

WHEREAS, the Emergency Manager also desires to authorize the submission of disclosure information to the MFA, as applicable, if necessary in connection with the issuance and delivery of the Municipal Obligation and the issuance and delivery of the MFA Bonds; and

WHEREAS, the MFA will require, as a condition precedent to accepting the Municipal Obligation, that the City agree to provide continuing disclosure as required by Section (b)(5) of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended; and

WHEREAS, the Emergency Manager also desires to authorize the submission of disclosure information to the holders of the Stub UTGO Bonds, if necessary in connection with the secondary marketing, if any, of the Stub UTGO Bonds by the holders thereof on the Effective Date; and

WHEREAS, pursuant to the authority of Section 315(1)(d) of Act 34, the Emergency Manager desires to delegate to the Finance Director the authority to make certain determinations with respect to the Bonds, if necessary, within the parameters of this Order and to take such other actions and make such other determinations as may be necessary to accomplish the delivery of the Bonds and the transactions contemplated by this Order, as shall be confirmed by the Finance Director in the Supplemental Order; and

WHEREAS, prior to the issuance of the Bonds, pursuant to Sections 12(1) (u) and 19(1) of Act 436, the Emergency Manager must obtain the approval of the issuance of the Bonds by the City Council, and if the City Council disapproves of the issuance of the Bonds, the issuance of the Bonds must be approved by the Board.

NOW, THEREFORE, BE IT ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, PURSUANT TO THE CHARTER, ACT 34, ACT 227, ACT 279, AND ACT 436 AS FOLLOWS:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

Section 101. Definitions. The words and terms defined in the preambles and recitals hereof and the following words and terms as used in this Order shall have the meanings ascribed therein, herein or in the Plan of Adjustment unless a different meaning clearly appears from the context:

“Act 34” means Act 34, Public Acts of Michigan, 2001, as amended.

“Act 80” means Act 80, Public Acts of Michigan, 1981, as amended.

“Act 227” means Act 227, Public Acts of Michigan, 1985, as amended.

“Act 279” means Act 279, Public Acts of Michigan, 1909, as amended.

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

“Additional Bonds” shall mean any unlimited tax general obligation bonds issued under Act 279 on a parity with the Prior UTGO Bonds, the 2010A UTGO Bonds, the Municipal Obligation and the Stub UTGO Bonds as to the Aggregate UTGO Tax Levy.

“Aggregate UTGO Tax Levy” means all proceeds of the Debt Millage Revenues.

“Ambac” means Ambac Assurance Corporation.

“Assigned UTGO Bond Tax Proceeds” means that portion of the Aggregate UTGO Tax Levy designated to pay the principal of and interest on the Stub UTGO Bonds.

“Assured” means Assured Guaranty Municipal Corp. and Assured Guaranty Corp.

“Authorized Denominations” shall mean denominations of Bonds and Stub UTGO Bonds equal to multiples of \$1.00.

“Authorized Officer” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the Mayor of the City, the Finance Director or his or her designee, or (ii) any other person authorized by a Certificate of an Authorized Officer to act on behalf of or otherwise represent the City in any legal capacity, which such certificate shall be delivered, if at all, in the City’s sole discretion.

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

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

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

“Bond” or “Bonds” means the Municipal Obligations.

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

“Bond Insurer” means Ambac, Assured or NPF, as the case may be, as an issuer of a bond insurance policy with respect to that portion of the Restructured UTGO Bonds such entity insures.

“Bond Orders” means collectively this Order and the Supplemental Order.

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

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

“Business Day” means a day which is not (i) a Saturday, Sunday or legal holiday on which banks located in either the State of Michigan or the state or states in which the principal corporate trust office of the Master Trustee, is located are authorized or required by law to be closed, or (ii) a day on which the New York Stock Exchange is closed.

“Charter” means the Charter of the City, as amended from time to time.

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

“Closing Date” means the date or dates upon which the Restructured UTGO Bonds are transferred to the MFA in consideration for the MFA Bonds.

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

“Constitution” means the Constitution of the State of Michigan of 1963, as amended.

“Council” means the City Council of the City of Detroit, Michigan.

“Debt Millage Deposit” or “Debt Millage Deposits” means whenever used herein singularly, each payment of Debt Millage Revenues, and collectively all payments of Debt Millage Revenues by the City to the Debt Millage Escrow Trustee for deposit in the UTGO Debt Millage Fund in accordance with the Debt Millage Escrow Agreement.

“Debt Millage Escrow Agreement” means the Debt Millage Deposit Escrow Agreement, between the City and the Debt Millage Escrow Trustee, for the collection of 100% of the City’s unlimited tax general obligation bond debt millage.

“Debt Millage Escrow Trustee” means U.S. Bank National Association, Detroit, Michigan, as Debt Millage Escrow Trustee, and any successor to the Debt Millage Escrow Trustee substituted in its place pursuant to the provisions of the Debt Millage Escrow Agreement.

“Debt Millage Revenues” means the proceeds of the ad valorem debt millage levies, including interest subsidy payments received by the City in respect of the 2010A UTGO Bonds delinquent millage payments received from Wayne County, Michigan, or otherwise, pledged to and on account of unlimited tax general obligation bonds of the City for the payment of debt service on the Prior UTGO Bonds (or after the Effective Date, the UTGO Bonds), and the 2010A UTGO Bonds, the Municipal Obligation, the Stub UTGO Bonds and any Additional Bonds.

“Debt Retirement Fund” means the fund so designated and established under Section 501 hereof.

“Dissenting Bond Insurer” means Syncora Guarantee, Inc.

“Distributable Aid” has the meaning given in Act 80.

“DSA Bonds” means the City’s \$249,790,000 original principal amount Distributable State Aid General Obligation Limited Tax Bonds, Series 2010.

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

“Fifth Supplemental Indenture” means the Fifth Supplemental Debt Retirement Trust Indenture, dated as of the date of issuance of the Bonds, between the City and the Master Trustee providing for the escrow of Distributable State Aid payments received by the Master Trustee on behalf of the City to pay the debt service on the Bonds.

“Finance Director” means the Finance Director of the City or his/her deputy or designee.

“First Lien Bonds” means the DSA Bonds.

“First Supplemental Indenture” means the First Supplemental Debt Retirement Trust Indenture dated as of March 1, 2010, between the City and the Master Trustee, providing for the

escrow of Distributable Aid payments received by the Master Trustee on behalf of the City to pay the debt service on the DSA Bonds.

“Fiscal Year” means the fiscal year of the City as in effect from time to time.

“Fourth Supplemental Indenture” has the meaning set forth in the recitals hereto.

“GRS” means General Retirement System for the City of Detroit.

“Income Stabilization Fund” means the Income Stabilization Funds as defined in the Plan of Adjustment.

“Interest Payment Date” has the meaning given such term in Section 302.

“Master Indenture” shall mean the Master Debt Retirement Trust Indenture dated as of March 1, 2010 by and between the City and U.S. Bank National Association, Detroit, Michigan, as Master Trustee, as supplemented by (i) the First Supplemental Indenture; (ii) the Second Supplemental Indenture; (iii) the Third Supplemental Indenture; (iv) the Fourth Supplemental Indenture; and (v) the Fifth Supplemental Indenture, by and between the City and the Master Trustee.

“Master Trustee” means U.S. Bank National Association, Detroit, Michigan, as Master Trustee under the Master Indenture, and successors to the Master Trustee substituted in its place pursuant to the provisions of the Master Indenture.

“Maximum Aggregate Principal Amount” has the meaning given such term in Section 201.

“MFA” means the Michigan Finance Authority, as successor to the Michigan Municipal Bond Authority.

“MFA Bonds” means has the meaning set forth in the recitals hereto.

“Municipal Obligation” has the meaning set forth in the recitals hereto.

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

“NPFG” means National Public Finance Guaranty Corporation.

“Order” means this Order of the Emergency Manager as supplemented by the Supplemental Order, and as amended from time to time pursuant to Article VII.

“Outstanding” when used with respect to:

- (1) the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered under this Order, except:

- (A) Bonds theretofore canceled by the Master Trustee or delivered to the Master Trustee for cancellation;
- (B) Bonds for whose payment money in the necessary amount, without the need for reinvestment thereof, has been theretofore deposited with the Master Trustee in trust for the registered owners of such Bonds;
- (C) Bonds delivered to the Master Trustee for cancellation in connection with (x) the exchange of such Bonds for other Bonds or (y) the transfer of the registration of such Bonds;
- (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to this Order or otherwise pursuant to law; and
- (E) Bonds deemed paid as provided in Section 801.

“Permitted Investments” means those investments specified in Article III of the Debt Millage Escrow Agreement.

“Plan of Adjustment” has the meaning set forth in the recitals hereto.

“Plan Assignees” means the Income Stabilization Funds and the GRS.

“Prior DSA Bonds” means, collectively, the First Lien Bonds, the Second Lien Bonds and the Third Lien Bonds.

“Prior UTGO Bonds” has the meaning set forth in the recitals hereto.

“Pro Rata” means the proportion that a claim of one Holder of Restructured UTGO Bonds bears to the aggregate of all claims of all Holders of Restructured UTGO Bonds.

“Purchase Contract” means the purchase contract negotiated by the Finance Director between the City and the MFA, providing for the terms and conditions of the delivery of the Municipal Obligation to the MFA in anticipation of the transfer of the Restructured Bonds to the MFA in consideration for the MFA Bonds on the terms and conditions and in form and substance reasonably acceptable to the Bond Insurers.

“Regular Record Date” has the meaning given such term in Section 302.

“Restructured UTGO Bonds” has the meaning set forth in the recitals hereto.

“Second Lien Bonds” means the 2010A UTGO Bonds.

“Second Supplemental Indenture” has the meaning set forth in the recitals hereto.

“State” means the State of Michigan.

“State Treasurer” means the Treasurer of the State.

“Stub UTGO Bonds” has the meaning set forth in the recitals hereto.

“Supplemental Order” means, to the extent necessary, the order or orders of the Authorized Officer making certain determinations and/or confirming the final details of the Bonds upon the sale thereof in accordance with the parameters of this Order and the terms of the Purchase Contract.

“Tax-Exempt Bonds” means those Bonds, if any, the interest on which is excluded from gross income for federal tax purposes, as determined by the Authorized Officer in the Supplemental Order.

“Third Lien Bonds” has the meaning set forth in the recitals hereto.

“Third Supplemental Indenture” has the meaning set forth in the recitals hereto.

“UTGO Bonds” has the meaning in the recitals hereto.

“UTGO Bond Tax Levy” means that portion of the Aggregate UTGO Tax Levy at a level that was pledged to pay the Prior UTGO Bonds.

“UTGO Debt Millage Fund” means the fund so designated and authorized by Section 501 hereof and established under the Debt Millage Escrow Agreement.

“2010A UTGO Bonds” means the City’s outstanding Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A).

Section 102. Interpretation. (a) Words of the feminine or masculine genders include the correlative words of the other gender or the neuter gender.

(b) Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons.

(c) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Order.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Order, refer to this Order as a whole unless otherwise expressly stated.

## ARTICLE II

### DETERMINATIONS

Section 201. Finding, and Declaration of Need to Issue Bonds; Authorized Denominations. (a) The Emergency Manager hereby finds and declares that it is necessary for the City to restructure and refund (under applicable state law) \$287,560,790 of the Prior UTGO Bonds which mature on or after April 1, 2015, by restructuring them as Restructured UTGO Bonds to be transferred to the MFA and in such form issuing them in the principal amounts as



shown on Exhibit B as Municipal Obligations, in Authorized Denominations and leaving \$43,349,210 of the Prior UTGO Bonds remaining outstanding as Stub UTGO Bonds in Authorized Denominations as shown on Exhibit C, pursuant to and in accordance with the provisions of Act 34 and Act 279, for the purpose of satisfying the Class 8 claims as required by the Plan of Adjustment. The MFA Bonds will, in the aggregate, mature or be subject to mandatory redemption and optional redemption in the same principal amounts per maturity, and bear interest at the same interest rates as the Restructured UTGO Bonds.

(b) On the Effective Date, that portion of the Aggregate UTGO Tax Levy designated to pay the principal of and interest on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation) (the "Assigned UTGO Bond Tax Proceeds") shall be assigned by the Plan of Adjustment (without any further consent or action on the part of, or additional consideration payable to, the Bond Insurers, the Dissenting Bond Insurer or the holders of the Stub UTGO Bonds) to the Plan Assignees, and such proceeds shall not be paid to the paying agent for the UTGO Bonds, but shall be paid to the Plan Assignees directly by the Debt Millage Escrow Trustee.

Section 202. Declaration of Borrowing. The City shall issue the Bonds as hereinafter provided and as finally confirmed by the Authorized Officer in the Supplemental Order, secured by the unlimited tax full faith, credit and resources of the City which will be payable from ad valorem taxes levied on all taxable property within the City without limitation as to rate or amount, for the purposes stated herein.

### ARTICLE III

#### AUTHORIZATION, REDEMPTION AND ASSIGNMENT OF THE BONDS

Section 301. Authorization of Bonds and Pledge. (a) The City hereby authorizes the issuance of the Bonds in such series and in such principal amounts as shall be confirmed in the Supplemental Order. The Bonds shall be payable from and secured, to the extent permitted by applicable law, including, without limitation, Section 12(1)(x) of Act 436, by a lien on the Debt Millage Revenues derived from an annual levy of ad valorem taxes on all taxable property in the City without limitation as to rate or amount. Pursuant to authorization provided in Act 227, the City hereby pledges as additional security for the payment of principal of and interest on the Bonds, Distributable Aid payments that the City is eligible to receive on a fourth lien basis subordinate to the pledge thereof for the payment of the Prior DSA Bonds. The Finance Director is hereby authorized and directed to negotiate, approve and execute the Fifth Supplemental Indenture for and on behalf of the City with U.S. Bank National Association, Detroit, Michigan, as Master Trustee, to provide for a fourth lien pledge of Distributable Aid to secure payment of the Bonds. Nothing in this Order shall restrict or be construed as restricting the City's ability to make additional pledges or assignments of Distributable Aid as security for current or future bonds or obligations of the City, subject to the requirements for the issuance of additional bonds and obligations set forth in the Master Indenture.

(b) The Debt Millage Revenues as pledged by the City to secure payment of the Bonds, shall constitute "special revenues," as defined in Section 902 of the Bankruptcy Code and "pledged special revenues," as the term is used in Section 922(d) of the Bankruptcy Code.

Section 302. Designations, Dates, Interest Rates, Maturities, Redemption and Other Terms of the Bonds and Stub UTGO Bonds.

(a) The Bonds shall be designated as “DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BONDS (UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014 and may bear such later or earlier dates and additional or alternative designations as the Authorized Officer may determine in the Supplemental Order, shall be issued in fully registered form and shall be consecutively numbered from “R-1” upwards, respectively unless otherwise provided by the Authorized officer in the Supplemental Order. The Bonds shall be dated and issued in Denominations all as determined by the Authorized Officer and confirmed by the Authorized Officer in the Supplemental Order.

(b) The Bonds shall be issued in multiple separate series, each one corresponding to the related series of the Prior UTGO Bonds listed on Exhibit A hereto. Each separate series of the Municipal Obligations shall be issued in a principal amount equal to 86.9% of the outstanding principal amount of each maturity of the related series of Prior UTGO Bonds in Authorized Denominations as provided in Section 201(a). Each series of Municipal Obligations shall be further subdivided into two subseries, with one subseries equal to 84.5% of the outstanding principal amount of each maturity of the related series of Prior UTGO Bonds, in Authorized Denominations, and the second subseries equal to 2.4% of the outstanding principal amount of each maturity of the related series of Prior UTGO Bonds, in Authorized Denominations.

(c) The Bonds and the Stub UTGO Bonds shall bear interest from \_\_\_\_\_, 201\_, at the same interest rate per annum as the related Prior UTGO Bonds; be subject to amortization on the same schedule as the related Prior UTGO Bonds; mature on the same dates; and be subject to redemption in the same manner as the related Prior UTGO Bonds. Unless otherwise provided by the Authorized Officer in the Supplemental Order, interest on the Bonds shall be calculated on the basis of a 360 day year consisting of twelve, 30 day months. In the event that a calculation of interest is not an integral multiple of \$0.01, the Paying Agent shall round all amounts less than or equal to \$0.0049 down to the nearest \$0.01 and round all amounts greater than \$.0049 up to the nearest \$0.01. The Bonds shall be payable, as to principal and interest, in lawful money of the United States of America.

(d) On or after the Effective Date, the Municipal Obligations shall be delivered to the MFA in consideration for bonds to be issued by the MFA (the “MFA Bonds”) and the following additional provisions shall apply:

(1) Each subseries of Municipal Obligations shall be in the form of a single fully-registered, nonconvertible bond in the denomination of the full principal amount thereof, dated as of the date of delivery of the Municipal Obligations, payable in principal installments serially shown on Exhibit B and approved by the MFA and the Authorized Officer. The obligation to deliver the Municipal Obligations to the MFA shall be evidenced by execution of a Purchase Contract (the “Purchase Contract”) between the City and the MFA providing for the transfer of the Municipal Obligations to the MFA in consideration for the MFA Bonds, and an Authorized Officer is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the

determinations set forth above. An Authorized Officer is authorized and directed to approve of a series designation with respect to each series of Municipal Obligations.

(2) Each subseries of the Municipal Obligations shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Municipal Obligations shall be payable as provided in the Bond form in this Order as the same may be amended to conform to MFA requirements.

(3) The Master Trustee shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Treasurer.

(4) Upon payment by the City of all outstanding principal of and interest on a Municipal Obligation, the MFA shall deliver the respective Municipal Obligation to the City for cancellation.

(e) Concurrently with the restructuring of a portion of the Prior UTGO Bonds and issuance of the MFA Bonds, the Stub UTGO Bonds, in Authorized Denominations as provided in Section 201(a), will be reinstated and remain Outstanding and will be payable from the UTGO Bond Tax Levy, provided that the Assigned UTGO Bond Tax Proceeds as assigned by the Plan of Adjustment shall be paid by the Debt Millage Escrow Trustee to the Plan Assignees and such proceeds shall not be paid to the paying agent for the Stub UTGO Bonds.

Section 303. Execution, Authentication and Delivery of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Finance Director and authenticated by the manual signature of the Finance Director, and the seal of the City (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery, they shall be delivered by the Finance Director to the MFA in consideration for the issuance of the MFA Bonds.

Section 304. Authentication of the Bonds. Anything in this Order to the contrary notwithstanding, the Bonds bearing the manual or facsimile signatures of the Mayor and the Finance Director shall require no further authorization.

Section 305. The MFA's Depository. Notwithstanding any other provision herein to the contrary, as long as the MFA is the owner of the Bonds, the Bonds are payable as to principal, premium, if any, and interest at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, or such other qualified bank or financial institution as shall be designated in writing to the City by the MFA (the "Authority's Depository"). The City will deposit, or cause the Master Trustee, to deposit with the MFA's Depository payments of the principal of, premium, if any, and interest on the Bonds in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. Written notice of any redemption of the Bonds shall be given by the City and received by the MFA's Depository at least 40 days prior to the date on which such redemption is to be made.

Section 306. Mutilated, Destroyed, Stolen or Lost Bonds. (a) Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended and any other applicable law, if (i) any mutilated Bond is surrendered to the City, and the City receives evidence to its satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the City such security or indemnity as may be required by it to save the City harmless, then, in the absence of notice to the City that such Bond has been acquired by a bona fide purchaser, the City shall execute and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(c) Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, and shall be equally secured by and entitled to equal proportionate benefits with all other Bonds of like tenor issued under this Order.

Section 307. Form of the Bonds. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Order or required by the Michigan Attorney General and the MFA or permitted by the Supplemental Order or as approved by an Authorized Officer and Bond Counsel:

[Form of Bond]

United States of America  
State of Michigan  
County of Wayne

CITY OF DETROIT  
DISTRIBUTABLE STATE AID FOURTH LIEN RESTRUCTURED BOND  
(UNLIMITED TAX GENERAL OBLIGATION), SERIES 2014\_\_

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: \_\_\_\_\_ Dollars (\$\_\_\_\_,000)

DATE OF ORIGINAL ISSUE: \_\_\_\_\_, 2014

The CITY OF DETROIT, County of Wayne, State of Michigan (the "City"), for value received, hereby promises to pay to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, in lawful money of the United States of America, unless prepaid prior thereto as hereinafter provided. Capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Order, as hereinafter defined.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the [Date of Original Issue] shown above, until paid at the rate [of interest as set forth on the attached schedule] [of \_\_\_\_\_ percent (\_\_\_\_%) per annum]. Interest is first payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ of each year, as set forth in the Purchase Contract.

Notwithstanding any other provision of this bond, as long as the MFA is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or at such other place as shall be designated in writing to the City by the MFA (the "Authority's Depository"); (b) the City agrees that it will cause the Master Trustee to deposit with the MFA's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the City and received by the MFA's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

[In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest

(the "additional interest") at a rate equal to the rate of interest which is two percent above the MFA's cost of providing funds (as determined by the MFA) to make payment on the bonds of the MFA issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MFA has been fully reimbursed for all costs incurred by the MFA (as determined by the MFA) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the MFA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MFA) the investment of amounts in the reserve account established by the MFA for the bonds of the MFA issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MFA issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the MFA) of such deficiency as additional interest on this bond.]

This bond is a single, fully-registered, non-convertible bond in the principal sum of \$\_\_\_\_,000, issued pursuant to and in accordance with Act 34, Public Acts of Michigan, 2001, as amended, and Act 279, Public Acts of Michigan, 1909, as amended, Act 227, Public Acts of Michigan, 1985, as amended ("Act 227") and pursuant to and in accordance with an Order duly adopted by the Emergency Manager of the City on \_\_\_\_\_, \_\_\_\_ [and a Supplemental Order of the Authorized Officer of the City issued on \_\_\_\_\_, \_\_\_\_ (together,] the "Order"). The Bonds are issued for the purpose of restructuring certain unlimited tax general obligation bonds of the City as described in the Order, pursuant to the City's Plan of Adjustment under the Bankruptcy Case.

[Optional and/or Mandatory Redemption Provisions]

This Bond is payable out of the City's Debt Retirement Fund for this issue (which will be held by the Master Trustee), and the City is obligated to levy annually sufficient taxes to provide for the payment of the principal of and interest on the bonds of this issue as they mature on all taxable property in the City without limitation as to rate or amount (the revenues of such levy, the "Debt Millage Revenues").

The Bonds shall be payable from and secured, to the extent permitted by applicable law, including without limitation, Section 12(1)(x) of Act 436, by a lien on the Debt Millage Revenues.

The Debt Millage Revenues as pledged by the City to secure payment of the Bonds, shall constitute "special revenues," as defined in Section 902 of the Bankruptcy Code and "pledged special revenues," as the term is used in Section 922(d) of the Bankruptcy Code.

As additional security for the City's obligation to pay the Bonds, pursuant to Act 227 the City has pledged the payments that the City is eligible to receive from the State of Michigan under Act 140, Public Acts of Michigan, 1971, as amended ("Distributable Aid"), and certain monies in the funds and accounts established by the City with U.S. Bank National Association, as master trustee (the "Trustee"), pursuant to the terms and conditions of a Master Debt Retirement Trust Indenture dated as of March 1, 2010, as supplemented, by (i) the First Supplemental Debt Retirement Trust Indenture dated as of March 1, 2010; (ii) the Second

Supplemental Debt Retirement Trust Indenture dated as of December 1, 2010; (iii) the Third Supplemental Debt Retirement Trust Indenture dated as of March 1, 2012; (iv) the Fourth Supplemental Debt Retirement Trust Indenture dated as of August 1, 2012; and (v) the Fifth Supplemental Debt Retirement Trust Indenture, dated as of \_\_\_\_\_, 2014, by and between the City and the Master Trustee (collectively, the "Trust Indenture"). The pledge and lien on Distributable Aid securing the Bonds is on a fourth lien basis to a lien on Distributable Aid securing the City's outstanding Prior DSA Bonds. The City has reserved the right to make additional pledges or assignments of Distributable Aid on a prior, parity or subordinate basis with the pledge of Distributable Aid securing the Prior DSA Bonds and the Bonds as security for future bonds or obligations of the City, subject to the requirements for the issuance of additional bonds and obligations as provided in the Trust Indenture.

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

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

IN WITNESS WHEREOF, the City of Detroit by authority of its Mayor, has caused this bond to be signed for and on its behalf and in its name by the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of its Finance Director and the official seal of the City to be impressed hereon, all as of the Date of Original Issue.

**CITY OF DETROIT**

County of Wayne  
State of Michigan

By \_\_\_\_\_

Its Mayor

(SEAL)

By \_\_\_\_\_

Its Finance Director



## ARTICLE IV

### SPECIAL COVENANTS

Section 401. Tax Exemption Covenant for Tax-Exempt Bonds. The City covenants that it will not take any action, or fail to take any action required to be taken, if taking such action or failing to take such action would adversely affect the general exclusion from gross income of interest on any Tax-Exempt Bonds, from federal income taxation under the Code.

Section 402. Arbitrage Covenant. (a) The City will not directly or indirectly (1) use or permit the use of any proceeds of any Tax-Exempt Bonds or other funds of the City or (2) take or omit to take any action required by Section 148(a) of the Code in order to maintain the exclusion from gross income of the interest on any Tax-Exempt Bonds for federal income tax purposes. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to the Tax-Exempt Bonds and the requirements set forth in the Non-Arbitrage and Tax Compliance Certificate of the City.

(b) Without limiting the generality of subsection (a), above, the City agrees that there shall be paid by the City from time to time all amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code. This covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds.

(c) Notwithstanding any provision of this Section, if the City obtains an opinion of Bond Counsel to the effect that any action required under this Section is no longer required, or that some further action is required, to maintain the exclusion from gross income of the interest of any Tax-Exempt Bonds for federal income tax purposes pursuant to Section 103 of the Code, the City may conclusively rely on such opinion in complying with the provisions hereof.

## ARTICLE V

### FUNDS AND ACCOUNTS; DISPOSITION OF BOND PROCEEDS

Section 501. Establishment of Accounts and Funds. (a) The City hereby establishes and creates the following special, separate and segregated accounts and funds which shall be held in trust by the Master Trustee for the benefit of the Bondholders:

- A. Debt Retirement Fund; and
- B. Series 2014 Escrow Fund.

(b) Pursuant to Section 201(b) of the Fifth Supplemental Indenture, the Master Trustee shall establish within the Series 2014 Escrow Fund, the separate and segregated sub-accounts designated the "Distributable Aid Account," the "Series 2014 Tax Levy Account" and the "General Account," the deposits into which and withdrawals from which shall be governed by Article II of the Fifth Supplemental Indenture.

(c) The UTGO Debt Millage Fund shall be established with the Debt Millage Escrow Trustee by the Finance Director of the City under the Debt Millage Escrow Agreement which is

hereby authorized. The Finance Director is hereby authorized to negotiate the terms of the Debt Millage Escrow Agreement and to execute and deliver it for and on behalf of the City. The Finance Director is further hereby authorized to establish such accounts, subaccounts or other funds as shall be required for the Bonds, if any, to accommodate the requirements of such series of Bonds.

Section 502. Debt Retirement Fund-All Bonds. Proceeds of the Debt Millage Revenues levied pursuant to Section 301 hereof and transferred by the Debt Millage Escrow Trustee to the Master Trustee in accordance with the terms of the Debt Millage Escrow Agreement shall be used to pay the principal of and interest on the Bonds when due. The foregoing amounts shall be placed in the Debt Retirement Fund and held in trust by the Master Trustee, and so long as the principal of or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from the Debt Retirement Fund except to pay such principal and interest. Any amounts remaining in the Debt Retirement Fund after payment in full of the Bonds shall be retained by the City to be used for any lawful purpose.

Section 503. Debt Retirement Fund – Series 2014 Escrow Fund. As additional security for Bonds, Distributable Aid payments to be received by the City from time to time shall be distributed by the State Treasurer to the Master Trustee and deposited by the Master Trustee in the Debt Retirement Fund (designated the “Distributable State Aid – Common Debt Retirement Fund” in the Master Indenture), and allocated and set-aside by the Master Trustee into the Series 2014 Escrow Fund in accordance with the provisions of the Master Indenture and the related Fifth Supplemental Indenture for the payment of the principal of and interest on the Bonds when due. Any amounts remaining in the Debt Retirement Fund after the setting aside of the amounts necessary to satisfy the Deposit Date Balance Requirements (defined in the Master Indenture) of all DSA Escrow Funds (defined in the Master Indenture), shall be released to the City for deposit to the General Fund of the City.

Section 504. Investment of Monies in the Funds and Accounts. (a) The Finance Director shall direct the investment of monies on deposit in the Funds and Accounts established hereunder, and the Master Trustee, upon written direction or upon oral direction promptly confirmed in writing by the Finance Director, shall use its best efforts to invest monies on deposit in the Funds and Accounts in accordance with such direction.

(b) Monies on deposit in the Funds and Accounts may be invested in such investments and to the extent permitted by applicable law.

## ARTICLE VI

### THE MASTER TRUSTEE

Section 601. Master Trustee. Except as otherwise required by the MFA, the Master Trustee for the Bonds shall act as bond registrar, transfer agent and trustee for the Bonds, and shall be initially U.S. Bank National Association, Detroit, Michigan, or such other bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Master Trustee means and includes any company into which the Master Trustee may be merged or converted or with which

it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Master Trustee may sell or transfer all or substantially all of its corporate trust business, provided, that such company shall be a trust company or bank which is qualified to be a successor to the Master Trustee as determined by the Finance Director, shall be authorized by law to perform all the duties imposed upon it by this Order, and shall be the successor to the Master Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. The Finance Director is authorized to enter into a Fifth Supplement to the Master Trust Indenture in the form of a Fifth Supplemental Indenture with the Master Trustee, and from time to time as required, may designate a similarly qualified successor Master Trustee and enter into an agreement therewith for such services.

Section 602. Fifth Supplemental Indenture. The Authorized Officers are each hereby authorized and directed on behalf of the City to take any and all other actions and perform any and all acts that shall be required, necessary or desirable to enter into and implement the Fifth Supplemental Indenture with the Master Trustee, including, but not limited to, entering into an agreement with the State Treasurer in accordance with Act 227 to provide for the direct payment of Distributable Aid by the State Treasurer to the Master Trustee as additional security for the Bonds.

## ARTICLE VII

### SUPPLEMENTAL ORDERS OR RESOLUTIONS

Section 701. Supplemental Orders or Resolutions Not Requiring Consent of Holders of the Bonds. The City may with the prior written consent of the Bond Insurers, which in the opinion of the independent Bond Counsel are affected by such order or resolution, but without the consent of any Bondowner, adopt orders or resolutions supplemental to this Order for any one or more of the following purposes:

- (i) to confirm or further assure the security hereof or to grant or pledge to the holders of the Bonds any additional security;
- (ii) to add additional covenants and agreements of the City for the purposes of further securing the payment of the Bonds;
- (iii) to cure any ambiguity or formal defect or omission in this Order;
- (iv) to amend provisions in the Order relating to rebate to the United States Government or otherwise, which in the opinion of Bond Counsel are required in order to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes; and
- (v) such other action not materially, adversely and directly affecting the security of the Bonds;

provided that the effectiveness of any supplemental order or resolution is subject to Section 702 to the extent applicable.

Section 702. Opinion and Filing Under Act 34. Before any supplemental order or resolution under this Article shall become effective, a copy thereof shall be filed with the Master Trustee, together with an opinion of Bond Counsel that such supplemental order or resolution is authorized or permitted by this Article; provided that Bond Counsel in rendering any such opinion shall be entitled to rely upon certificates of the Finance Director or other City official, and opinions or reports of consultants, experts and other professionals retained by the City to advise it, with respect to the presence or absence of facts relative to such opinion and the consequences of such facts.

## **ARTICLE VIII**

### **DEFEASANCE**

Section 801. Defeasance. Bonds shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturing, irrevocable instructions to call such Bonds for redemption shall be given only with the prior written consent of the MFA and on such terms as may be required by the MFA. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Owners of such Bonds. After such deposit, such Bonds shall no longer be entitled to the benefits of this Order (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Order for the benefit of such Bonds shall be discharged.

## **ARTICLE IX**

### **OTHER PROVISIONS OF GENERAL APPLICATION**

Section 901. Approval of Other Documents and Actions. The Mayor, the Finance Director, the Treasurer and the City Clerk are hereby authorized and directed on behalf of the City to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Order.

The Finance Director is authorized to file applications with and to pay the related fees, if any, to the Michigan Department of Treasury at his discretion under Act 34 for an Order or Orders of Approval to issue all or a portion of the Bonds, and apply for such waivers or other Treasury approvals as necessary to implement the issuance, delivery and security for the Bonds, and as required by the Michigan Department of Treasury and Act 34. The Finance Director is authorized and directed to apply for ratings on the Bonds, if necessary, and pay any post closing filing fees required by Act 34 to the Michigan Department of Treasury or other specified agency, from legally available funds.

Section 902. Continuing Disclosure Undertaking. The City shall enter into a continuing disclosure undertaking pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") for the benefit of the MFA and the holders and beneficial owners of the MFA Bonds in connection with the delivery of the Bonds as to which the Rule is applicable, as more specifically set forth in Exhibit D hereto (the "Undertaking"); provided, however, that the terms of the Undertaking are subject to completion and modification prior to delivery of the Bonds by the Finance Director to such extent as the Finance Director shall deem necessary to comply with law or market requirements. The Finance Director is authorized to execute and deliver the Undertaking after completion and modification as provided in this Order and the Supplemental Order.

Section 903. Delegation of City to, and Authorization of Actions of the Mayor and the Finance Director. (a) Prior to the delivery date for the Bonds, the Finance Director may cause the preparation and approve the form and distribution of City disclosure, if necessary, for any Preliminary Official Statement or Official Statement of the MFA and offering materials to be used in conjunction with the transfer of the Municipal Obligations to the MFA in form and substance reasonably acceptable to the Bond Insurers, and the issuance of the MFA Bonds, and the Mayor or Finance Director shall deem the City's disclosure "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

(b) The Finance Director is hereby authorized and directed to do and perform any and all acts and things with respect to the Bonds which are necessary and appropriate to carry into effect, consistent with this Order, the authorizations therein and herein contained, including without limitation, the securing of ratings by bond rating agencies, if cost effective, the negotiation for and acquisition of bond insurance and/or other credit enhancement, if any, to further secure the Bonds or any portions thereof, the acquisition of an irrevocable surety bond to fulfill the City's obligation to fund any reserve account, the printing of the Bonds and the incurring and paying of reasonable fees, costs and expenses incidental to the foregoing and other costs of issuance of the Bonds including, but not limited to fees and expenses of bond counsel, financial advisors, accountants and others, from Bond proceeds or other available funds, for and on behalf of the City.

(c) Except as otherwise provided herein, all determinations and decisions of the Finance Director with respect to the issuance and sale of the Bonds as permitted or required by this Order shall be confirmed by the Authorized Officer in a Supplemental Order or Supplemental Orders, and such confirmations shall constitute determinations that any conditions precedent to such determinations and decisions of the Authorized Officer have been fulfilled.

Section 904. Act 34 Approval of the Bonds. The Bonds shall neither be issued nor delivered unless and only so long as the issuance of the Bonds as provided herein shall have been authorized and approved in accordance with the applicable provisions of Act 34.

Section 905. Approving Legal Opinions with Respect to the Bonds. Transfer of the Bonds to the MFA shall be conditioned upon receiving, at the time of delivery, the approving opinion of Bond Counsel, approving legality of the Bonds and, with respect to Bonds determined by the Finance Director to be issued on a tax-exempt basis, the exclusion from gross income of the interest paid thereon from federal and State income taxation only.

Section 906. Negotiated Transaction. (a) Pursuant to Section 309(1) of Act 34 the Emergency Manager determines to negotiate the delivery of the Bonds to the MFA in consideration for the transfer by the City to the MFA of the Bonds, as provided in the Purchase Contract approved by the Finance Director within the parameters established hereby, and confirmed by the Finance Director in the Supplemental Order. The reason for choosing a negotiated transaction instead of a competitive sale is that the terms of the Plan of Adjustment and the UTGO Settlement Agreement require the City to secure the payment of the Bonds with Distributable Aid under the terms of Act 227 which may only be accomplished by a delivery of the Bonds to the MFA. The negotiated transaction will allow the Municipal Obligations to be transferred to the MFA in consideration for the MFA Bonds to successfully implement a portion of the Plan of Adjustment.

(b) Subject to the foregoing, the Purchase Contract shall be dated the date of delivery of the Bonds. The Finance Director is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City.

Section 907. Delivery of Bonds. Subject to the approval of the Supplemental Order, the Finance Director is hereby authorized to deliver the Municipal Obligations to the MFA upon the issuance and delivery of the MFA Bonds in consideration therefor.

Section 908. Official Statement. The Finance Director is hereby authorized to execute the Official Statement or other offering materials with respect to the Bonds in the form approved by him with such changes as the Finance Director may authorize. Circulation of the Preliminary Official Statement, if any, or other preliminary offering materials is hereby approved.

Section 909. Appointment of Bond Counsel; Engagement of Other Parties. The appointment by the Emergency Manager of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Bond Counsel and other accumulated bond related fees and expenses shall be payable as a cost of issuance from available funds in accordance with the agreement of such firm on file with the Emergency Manager.

Section 910. Parties in Interest. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Master Trustee, the MFA, the holders of the Bonds, the holders of the MFA Bonds, the Bond Insurers, and the Dissenting Bond Insurer any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the City, or the MFA shall be for the sole and exclusive benefit of the City and the MFA.

Section 911. No Recourse Under Order. All covenants, agreements and obligations of the City contained in this Order shall be deemed to be the covenants, agreements and obligations of the City and not of any councilperson, member, officer or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any councilperson, member,

officer or employee of the City or any person executing the Bonds in his or her official individual capacity.

Section 912. Severability. If any one or more sections, clauses or provisions of this Order shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

Section 913. Cover Page, Table of Contents and Article and Section Headings. The cover page, table of contents and Article and Section headings hereof are solely for convenience of reference and do not constitute a part of this Order, and none of them shall affect its meaning, construction or effect.

Section 914. Conflict. All resolutions or parts of resolutions or other proceedings of the City in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 915. Governing Law and Jurisdiction. This Order shall be governed by and construed in accordance with the laws of the State.

Section 916. Order and Supplemental Order are a Contract. The provisions of this Order and the Supplemental Order shall constitute a contract among the City, the MFA, the holders of the Bonds and the Bond Insurers.

Section 917. Effective Date. This Order shall take effect immediately upon its adoption by the Council.

Section 918. Notices. All notices and other communications hereunder shall be in writing and given by United States certified or registered mail, expedited courier overnight delivery service or by other means (including facsimile transmission) that provides a written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed to the address set forth below or to such other address as any of the below persons shall specify to the other persons:

If to the City, to:

City of Detroit  
Finance Department  
1200 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Attention: Finance Director



If to the Master Trustee, to:

U.S. Bank National Association  
535 Griswold, Suite 550 Buhl Bldg.  
Detroit, MI 48226  
Attention: Corporate Trust Dept.

If to the MFA, to:

Michigan Finance Authority  
Austin Building, 1st Floor  
430 W. Allegan  
Lansing, MI 48922

If to the Bond Insurers to:

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004  
Attention: Surveillance Department and General  
Counsel's Office

Assured Guaranty Municipal Corp and Assured  
Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Attention: Terence Workman

National Public Finance Guarantee Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J. Rizzo

## OUTSTANDING PRIOR UTGO BONDS

# UTGO Series Prior Bonds - Debt Service

UTGO Series	STP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
Interest																			
UTGO 1999-A	093XK3	4/1/15	5.250%	\$2,850,000.00	Assured	\$74,812.50	-	-	-	-	-	-	-	-	-	-	-	-	-
	093XK4	4/1/15	5.250%	\$2,850,000.00	Assured	\$74,812.50	-	-	-	-	-	-	-	-	-	-	-	-	-
	093XK5	4/1/16	5.000%	\$2,995,000.00	Assured	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00	\$78,625.00
	093XK6	4/1/17	5.000%	\$3,145,000.00	Assured	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00	\$82,625.00
	093XK7	4/1/18	5.000%	\$3,305,000.00	Assured	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00
UTGO 2001-A(1)	093XK8	4/1/15	5.375%	\$5,940,000.00	NPFG	\$159,637.50	-	-	-	-	-	-	-	-	-	-	-	-	-
	093XK9	4/1/16	5.375%	\$6,260,000.00	NPFG	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50	\$168,237.50
	093XK10	4/1/17	5.375%	\$6,600,000.00	NPFG	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00	\$177,375.00
	093XK11	4/1/18	5.375%	\$7,000,000.00	NPFG	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00
	093XK12	4/1/19	5.000%	\$14,000,000.00	NPFG	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
UTGO 2002	093XK13	4/1/20	5.000%	\$14,000,000.00	NPFG	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
	093XK14	4/1/21	5.000%	\$14,000,000.00	NPFG	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
	093XK15	4/1/22	5.000%	\$14,000,000.00	NPFG	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
	093XK16	4/1/23	5.000%	\$14,000,000.00	NPFG	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
	093XK17	4/1/24	5.000%	\$14,000,000.00	NPFG	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
UTGO 2003-A	093XK18	4/1/15	4.000%	\$300,000.00	Synco	\$6,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	093XK19	4/1/15	5.250%	\$2,550,000.00	Synco	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50	\$66,937.50
	093XK20	4/1/16	5.250%	\$2,995,000.00	Synco	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75	\$78,618.75
	093XK21	4/1/17	5.250%	\$3,150,000.00	Synco	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50	\$82,687.50
	093XK22	4/1/18	5.250%	\$3,315,000.00	Synco	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00	\$86,750.00
UTGO 2004-A(1)	093XK23	4/1/19	5.250%	\$4,500,000.00	Ambac	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00	\$118,125.00
	093XK24	4/1/20	4.250%	\$185,000.00	Ambac	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25	\$3,931.25
	093XK25	4/1/20	5.250%	\$6,085,000.00	Ambac	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25	\$159,731.25
	093XK26	4/1/21	5.000%	\$6,600,000.00	Ambac	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00	\$165,000.00
	093XK27	4/1/22	5.250%	\$6,930,000.00	Ambac	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50	\$181,912.50
UTGO 2005-A	093XK28	4/1/23	5.250%	\$7,000,000.00	Ambac	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00
	093XK29	4/1/24	5.250%	\$7,000,000.00	Ambac	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00
	093XK30	4/1/25	5.250%	\$7,000,000.00	Ambac	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00
	093XK31	4/1/26	5.250%	\$7,000,000.00	Ambac	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00
	093XK32	4/1/27	5.250%	\$7,000,000.00	Ambac	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00	\$186,250.00

Subject to Mandatory Redemption

# UTGO Series Prior Bonds - Debt Service

STP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
Interest																		
2004-B(1)																		
0932P8	4/1/15	5.000%	\$8,675,000.00	Ambac	\$216,875.00	\$216,875.00	\$239,006.25	-	-	-	-	-	-	-	-	-	-	-
0932P9	4/1/16	5.000%	\$9,105,000.00	Ambac	\$239,006.25	\$239,006.25	\$239,006.25	\$239,006.25	-	-	-	-	-	-	-	-	-	-
0932Q6	4/1/16	5.250%	\$6,100.00	Ambac	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00	\$6,100.00
0932R4	4/1/17	4.000%	\$305,000.00	Ambac	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00	\$243,600.00
0932S2	4/1/17	5.250%	\$9,280,000.00	Ambac	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00	\$52,500.00
0932T0	4/1/18	5.250%	\$2,000,000.00	Ambac	\$758,081.25	\$758,081.25	\$541,206.25	\$541,206.25	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00	\$302,200.00
2004-B(2)																		
0932X1	4/1/19	5.240%	\$575,000.00 *	Ambac	\$15,065.00	\$15,065.00	\$11,004.00	\$11,004.00	\$6,681.00	\$6,681.00	\$2,227.00	\$2,227.00	-	-	-	-	-	-
2005-B																		
0932Y3	4/1/15	5.000%	\$2,290,000.00	Assured	\$57,250.00	\$57,250.00	\$60,125.00	-	-	-	-	-	-	-	-	-	-	-
0932Y4	4/1/16	5.000%	\$2,405,000.00	Assured	\$60,125.00	\$60,125.00	\$64,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00	\$54,180.00
0932Y5	4/1/17	4.300%	\$2,520,000.00	Assured	\$65,875.00	\$65,875.00	\$69,125.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00	\$65,875.00
0932Y6	4/1/18	5.000%	\$2,635,000.00	Assured	\$69,125.00	\$69,125.00	\$72,500.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00	\$69,125.00
0932Y7	4/1/19	5.000%	\$2,765,000.00	Assured	\$72,500.00	\$72,500.00	\$75,000.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00	\$72,500.00
0932Y8	4/1/20	5.000%	\$5,000,000.00	Assured	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
0932Y9	4/1/21	5.000%	\$5,000,000.00	Assured	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
0932Y10	4/1/22	5.000%	\$5,000,000.00	Assured	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
0932Y11	4/1/23	5.000%	\$5,000,000.00	Assured	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
0932Y12	4/1/24	5.000%	\$5,000,000.00	Assured	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
0932Y13	4/1/25	5.000%	\$5,000,000.00	Assured	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
0932Y14	4/1/25	5.000%	\$42,615,000.00	Assured	\$1,056,555.00	\$1,056,555.00	\$999,305.00	\$999,305.00	\$939,180.00	\$939,180.00	\$885,000.00	\$885,000.00	\$819,125.00	\$819,125.00	\$750,000.00	\$750,000.00	\$625,000.00	\$625,000.00
2005-C																		
0932Z1	4/1/15	5.000%	\$2,305,000.00	Assured	\$57,625.00	\$57,625.00	\$60,625.00	-	-	-	-	-	-	-	-	-	-	-
0932Z2	4/1/16	5.000%	\$2,425,000.00	Assured	\$60,625.00	\$60,625.00	\$64,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50	\$54,717.50
0932Z3	4/1/17	4.300%	\$2,545,000.00	Assured	\$64,717.50	\$64,717.50	\$67,500.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00	\$65,750.00
0932Z4	4/1/18	5.000%	\$2,630,000.00	Assured	\$67,500.00	\$67,500.00	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75	\$71,793.75
0932Z5	4/1/19	5.250%	\$2,735,000.00	Assured	\$71,793.75	\$71,793.75	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25	\$75,731.25
0932Z6	4/1/20	5.250%	\$2,885,000.00	Assured	\$75,731.25	\$75,731.25	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50	\$86,242.50
2008-A																		
0932M5	4/1/15	5.000%	\$2,875,000.00	Assured	\$71,875.00	\$71,875.00	\$75,375.00	-	-	-	-	-	-	-	-	-	-	-
0932M6	4/1/16	5.000%	\$3,015,000.00	Assured	\$75,375.00	\$75,375.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00	\$79,250.00
0932M7	4/1/17	5.000%	\$3,170,000.00	Assured	\$79,250.00	\$79,250.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00	\$83,500.00
0932M8	4/1/18	4.000%	\$3,325,000.00	Assured	\$83,500.00	\$83,500.00	\$87,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00	\$86,500.00
0932M9	4/1/19	5.000%	\$3,460,000.00	Assured	\$86,500.00	\$86,500.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00	\$90,750.00
0932N1	4/1/20	5.000%	\$3,630,000.00	Assured	\$90,750.00	\$90,750.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00	\$95,375.00
0932N2	4/1/21	5.000%	\$3,815,000.00	Assured	\$95,375.00	\$95,375.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00	\$100,125.00
0932N3	4/1/22	5.000%	\$4,005,000.00	Assured	\$100,125.00	\$100,125.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00
0932N4	4/1/23	5.000%	\$4,200,000.00	Assured	\$105,000.00	\$105,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00
0932N5	4/1/24	5.000%	\$8,620,000.00 *	Assured	\$215,500.00	\$215,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00	\$225,500.00
0932N6	4/1/25	5.000%	\$19,980,000.00	Assured	\$499,500.00	\$499,500.00	\$509,500.00	\$509,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00	\$499,500.00
2008-B(1)																		
0932P5	4/1/15	5.000%	\$7,970,000.00	Assured	\$199,250.00	\$199,250.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00	\$215,500.00
0932P6	4/1/16	5.000%	\$3,440,000.00	Assured	\$86,000.00	\$86,000.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00	\$89,500.00
0932P7	4/1/17	5.000%	\$3,580,000.00	Assured	\$89,500.00	\$89,500.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00	\$94,750.00
0932P8	4/1/18	5.000%	\$3,730,000.00	Assured	\$94,750.00	\$94,750.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
0932P9	4/1/19	5.000%	\$3,880,000.00	Assured	\$100,000.00	\$100,000.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00	\$105,500.00
0932P10	4/1/20	5.000%	\$4,030,000.00	Assured	\$105,500.00	\$105,500.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00
0932P11	4/1/21	5.000%	\$4,180,000.00	Assured	\$111,000.00	\$111,000.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00	\$116,500.00
0932P12	4/1/22	5.000%	\$4,330,000.00	Assured	\$116,500.00	\$116,500.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00
0932P13	4/1/23	5.000%	\$4,480,000.00	Assured	\$122,000.00	\$122,000.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00
0932P14	4/1/24	5.000%	\$4,630,000.00</															

# UTGO Series Prior Bonds - Debt Service

UTGO Series	Maturity Date	Rate	Principal	Insurer	Interest										Total Interest	Principal & Interest			
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26			10/1/26	4/1/27	10/1/27
UTGO 1999-A																			
1353346	4/1/15	5.250%	\$2,850,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$149,625.00	\$2,999,625.00
1353346	4/1/16	5.000%	\$2,995,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$299,500.00	\$3,294,500.00
1353346	4/1/17	5.000%	\$3,145,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$471,750.00	\$3,616,750.00
1353346	4/1/18	5.000%	\$3,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$661,000.00	\$3,966,000.00
1353346	4/1/19	5.000%	\$3,470,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$867,500.00	\$4,337,500.00
			<b>\$15,765,000.00</b>															<b>\$18,214,375.00</b>	
UTGO 2001-A(1)																			
1353346	4/1/15	5.375%	\$5,940,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$319,275.00	\$6,259,275.00
1353346	4/1/16	5.375%	\$6,260,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$672,950.00	\$6,932,950.00
1353346	4/1/17	5.375%	\$6,600,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,064,250.00	\$7,664,250.00
1353346	4/1/18	5.375%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,010,000.00	\$17,010,000.00
1353346	4/1/19	5.000%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,500,000.00	\$17,500,000.00
1353346	4/1/20	5.000%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,200,000.00	\$18,200,000.00
1353346	4/1/21	5.000%	\$14,000,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,900,000.00	\$18,900,000.00
			<b>\$74,800,000.00</b>															<b>\$17,666,475.00</b>	<b>\$92,466,475.00</b>
UTGO 2002																			
1353346	4/1/21	5.125%	\$3,240,000.00	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	\$116,350.00	\$4,402,350.00
1353346	4/1/22	5.125%	\$3,405,000.00	NPFG	\$87,253.13	\$87,253.13	-	-	-	-	-	-	-	-	-	-	-	\$1,396,050.00	\$4,801,050.00
			<b>\$6,645,000.00</b>		<b>\$87,253.13</b>	<b>\$87,253.13</b>												<b>\$2,558,400.00</b>	<b>\$9,203,400.00</b>
UTGO 2003-A																			
1353346	4/1/15	4.000%	\$300,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,000.00	\$312,000.00
1353346	4/1/16	5.250%	\$2,550,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$133,875.00	\$2,683,875.00
1353346	4/1/17	5.250%	\$2,995,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$314,475.00	\$3,309,475.00
1353346	4/1/18	5.250%	\$3,150,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$496,125.00	\$3,646,125.00
1353346	4/1/19	5.250%	\$3,315,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$696,150.00	\$4,011,150.00
1353346	4/1/20	4.500%	\$3,490,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$916,125.00	\$4,406,125.00
1353346	4/1/21	5.250%	\$500,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$135,000.00	\$635,000.00
1353346	4/1/20	5.250%	\$3,175,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,000,125.00	\$4,175,125.00
1353346	4/1/21	5.250%	\$3,860,000.00	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,418,550.00	\$5,278,550.00
1353346	4/1/22	4.625%	\$500,000.00	Syncora	\$11,562.50	\$11,562.50	-	-	-	-	-	-	-	-	-	-	-	\$1,497,300.00	\$5,062,300.00
1353346	4/1/22	4.625%	\$3,565,000.00	Syncora	\$93,581.25	\$93,581.25	-	-	-	-	-	-	-	-	-	-	-	\$624,375.00	\$4,184,375.00
1353346	4/1/23	4.625%	\$1,500,000.00	Syncora	\$34,687.50	\$34,687.50	\$34,687.50	\$34,687.50	-	-	-	-	-	-	-	-	-	\$1,311,187.50	\$4,086,187.50
1353346	4/1/23	5.250%	\$2,775,000.00	Syncora	\$72,843.75	\$72,843.75	\$72,843.75	\$72,843.75	-	-	-	-	-	-	-	-	-	\$8,740,287.50	\$40,415,287.50
			<b>\$31,675,000.00</b>		<b>\$212,675.00</b>	<b>\$212,675.00</b>	<b>\$107,531.25</b>	<b>\$107,531.25</b>										<b>\$8,740,287.50</b>	
UTGO 2004-A(1)																			
1353346	4/1/19	5.250%	\$4,500,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,181,250.00	\$5,681,250.00
1353346	4/1/20	4.250%	\$185,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$47,175.00	\$232,175.00
1353346	4/1/20	5.250%	\$6,085,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,916,775.00	\$8,001,775.00
1353346	4/1/21	5.000%	\$6,600,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,310,000.00	\$8,910,000.00
1353346	4/1/21	5.250%	\$6,930,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,910,600.00	\$9,840,600.00
1353346	4/1/22	4.900%	\$375,000.00	Ambac	\$181,912.50	\$181,912.50	\$8,437.50	\$8,437.50	-	-	-	-	-	-	-	-	-	\$151,875.00	\$526,875.00
1353346	4/1/23	5.250%	\$6,920,000.00	Ambac	\$8,437.50	\$8,437.50	\$181,650.00	\$181,650.00	-	-	-	-	-	-	-	-	-	\$3,269,700.00	\$10,189,700.00
1353346	4/1/23	5.250%	\$785,000.00	Ambac	\$18,055.00	\$18,055.00	\$18,055.00	\$18,055.00	\$18,055.00	-	-	-	-	-	-	-	-	\$361,100.00	\$1,146,100.00
1353346	4/1/24	4.600%	\$6,890,000.00	Ambac	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	\$180,862.50	-	-	-	-	-	-	-	-	\$3,617,250.00	\$10,507,250.00
1353346	4/1/24	5.250%	\$39,270,000.00	Ambac	\$570,917.50	\$570,917.50	\$389,005.00	\$389,005.00	\$389,005.00	\$198,917.50	\$198,917.50	-	-	-	-	-	-	\$15,765,725.00	\$55,035,725.00
Subject to Mandatory Redemption																			

**UTGO Series Prior Bonds - Debt Service**

Maturity Date	Rate	Principal	Insurer	Interest												Total Principal & Interest	
				10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27		10/1/27
2004-B(1)	5.00%	\$8,675,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$433,750.00	\$9,108,750.00
2004-B(2)	5.00%	\$9,105,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$956,025.00	\$10,061,025.00
2004-B(3)	4.00%	\$395,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$36,600.00	\$41,600.00
2004-B(4)	5.25%	\$9,280,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$1,461,600.00	\$10,741,600.00
2004-B(5)	5.25%	\$2,000,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$2,420,000.00	\$4,420,000.00
2004-B(6)	5.20%	\$575,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$3,307,975.00	\$3,882,975.00
2004-B(7)	5.20%	\$575,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	\$3,307,975.00	\$3,882,975.00
2005-B	5.00%	\$2,290,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$114,500.00	\$2,404,500.00
2005-B(1)	5.00%	\$2,405,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$240,500.00	\$2,645,500.00
2005-B(2)	4.300%	\$2,520,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$325,080.00	\$2,845,080.00
2005-B(3)	5.00%	\$2,635,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$927,000.00	\$3,562,000.00
2005-B(4)	5.00%	\$2,765,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$691,250.00	\$3,456,250.00
2005-B(5)	5.00%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,500,000.00	\$6,500,000.00
2005-B(6)	5.00%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,750,000.00	\$6,750,000.00
2005-B(7)	5.00%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,000,000.00	\$7,000,000.00
2005-B(8)	5.00%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,250,000.00	\$7,250,000.00
2005-B(9)	5.00%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,500,000.00	\$7,500,000.00
2005-B(10)	5.00%	\$5,000,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,750,000.00	\$7,750,000.00
2005-C	5.00%	\$2,305,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$115,250.00	\$2,420,250.00
2005-C(1)	5.00%	\$2,425,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$242,500.00	\$2,667,500.00
2005-C(2)	4.300%	\$2,545,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$328,305.00	\$2,873,305.00
2005-C(3)	5.00%	\$2,650,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$526,000.00	\$3,156,000.00
2005-C(4)	5.25%	\$2,735,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$717,937.50	\$3,452,937.50
2005-C(5)	5.25%	\$2,885,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$908,775.00	\$3,793,775.00
2005-C(6)	5.25%	\$15,225,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,838,767.50	\$18,063,767.50
2008-A	5.00%	\$2,875,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$143,750.00	\$3,018,750.00
2008-A(1)	5.00%	\$3,015,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$301,500.00	\$3,316,500.00
2008-A(2)	5.00%	\$3,170,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$345,500.00	\$3,515,500.00
2008-A(3)	4.00%	\$3,325,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$332,000.00	\$3,657,000.00
2008-A(4)	5.00%	\$3,460,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$865,000.00	\$4,325,000.00
2008-A(5)	5.00%	\$3,630,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,089,000.00	\$4,719,000.00
2008-A(6)	5.00%	\$3,815,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,335,250.00	\$5,150,250.00
2008-A(7)	5.00%	\$4,005,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,602,000.00	\$5,607,000.00
2008-A(8)	5.00%	\$4,220,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,697,500.00	\$5,917,500.00
2008-A(9)	5.00%	\$4,440,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,792,500.00	\$6,232,500.00
2008-A(10)	5.00%	\$4,660,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$1,887,500.00	\$6,547,500.00
2008-B(1)	5.00%	\$7,970,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$398,500.00	\$8,368,500.00
2008-B(2)	5.00%	\$3,440,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$344,000.00	\$3,784,000.00
2008-B(3)	5.00%	\$3,580,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$357,000.00	\$3,937,000.00
2008-B(4)	5.00%	\$3,790,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$758,000.00	\$4,548,000.00
2008-B(5)	5.00%	\$18,780,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,037,500.00	\$20,817,500.00
2008-B(6)	5.00%	\$18,780,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	\$2,037,500.00	\$20,817,500.00

# UTGO Series Prior Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A											
CUSIP 251093N63					CUSIP 251093N63					CUSIP 251093N55					CUSIP 251093N55						
Mandatory Redemption										Mandatory Redemption											
Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Total	Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest
10/1/14	Ambac	6/30/15	-	\$575,000.00	5.240%	\$15,065.00	10/1/14	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00	Total	10/1/14	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00
4/1/15	Ambac	6/30/15	\$155,000.00	\$420,000.00	5.240%	\$15,065.00	4/1/15	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00		4/1/15	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00
10/1/15	Ambac	6/30/16	-	\$420,000.00	5.240%	\$11,004.00	10/1/15	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/15	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/16	Ambac	6/30/16	\$165,000.00	\$255,000.00	5.240%	\$11,004.00	4/1/16	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/16	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/16	Ambac	6/30/17	-	\$255,000.00	5.240%	\$6,681.00	10/1/16	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/16	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/17	Ambac	6/30/17	\$170,000.00	\$85,000.00	5.240%	\$6,681.00	4/1/17	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/17	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/17	Ambac	6/30/18	-	\$85,000.00	5.240%	\$2,227.00	10/1/17	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/17	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/18	Ambac	6/30/18	\$85,000.00	-	5.240%	\$2,227.00	4/1/18	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/18	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	
Total						\$69,954.00	Total						\$69,954.00	Total	Total						\$12,548,250.00
						\$69,954.00							\$69,954.00								\$12,548,250.00
Issuance: 2008-A										Issuance: 2008-A											
CUSIP 251093N55										CUSIP 251093N55											
Mandatory Redemption										Mandatory Redemption											
Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Total	Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest
10/1/14	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/14	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00	Total	10/1/14	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00
4/1/15	Assured	6/30/15	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/15	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00		4/1/15	Assured	6/30/15	-	\$19,980,000.00	5.000%	\$499,500.00
10/1/15	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/15	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/15	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/16	Assured	6/30/16	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/16	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/16	Assured	6/30/16	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/16	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/16	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/16	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/17	Assured	6/30/17	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/17	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/17	Assured	6/30/17	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/17	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/17	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/17	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/18	Assured	6/30/18	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/18	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/18	Assured	6/30/18	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/18	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/18	Assured	6/30/19	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/18	Assured	6/30/19	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/19	Assured	6/30/19	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/19	Assured	6/30/19	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/19	Assured	6/30/19	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/19	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/19	Assured	6/30/20	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/19	Assured	6/30/20	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/20	Assured	6/30/20	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/20	Assured	6/30/20	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/20	Assured	6/30/20	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/20	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/20	Assured	6/30/21	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/20	Assured	6/30/21	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/21	Assured	6/30/21	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/21	Assured	6/30/21	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/21	Assured	6/30/21	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/21	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/21	Assured	6/30/22	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/21	Assured	6/30/22	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/22	Assured	6/30/22	-	\$8,620,000.00	5.000%	\$215,500.00	4/1/22	Assured	6/30/22	-	\$19,980,000.00	5.000%	\$499,500.00	4/1/22	Assured	6/30/22	-	\$19,980,000.00	5.000%	\$499,500.00	
10/1/2022	Assured	6/30/23	-	\$8,620,000.00	5.000%	\$215,500.00	10/1/2022	Assured	6/30/23	-	\$19,980,000.00	5.000%	\$499,500.00	10/1/2022	Assured	6/30/23	-	\$19,980,000.00	5.000%	\$499,500.00	
4/1/2023	Assured	6/30/23	\$4,205,000.00	\$4,415,000.00	5.000%	\$215,500.00	4/1/2023	Assured	6/30/23	\$4,205,000.00	\$4,415,000.00	5.000%	\$215,500.00	4/1/2023	Assured	6/30/23	\$4,205,000.00	\$4,415,000.00	5.000%	\$215,500.00	
10/1/2023	Assured	6/30/24	-	\$4,415,000.00	5.000%	\$110,375.00	10/1/2023	Assured	6/30/24	-	\$4,415,000.00	5.000%	\$110,375.00	10/1/2023	Assured	6/30/24	-	\$4,415,000.00	5.000%	\$110,375.00	
4/1/2024	Assured	6/30/24	\$4,415,000.00	-	5.000%	\$110,375.00	4/1/2024	Assured	6/30/24	\$4,415,000.00	-	5.000%	\$110,375.00	4/1/2024	Assured	6/30/24	\$4,415,000.00	-	5.000%	\$110,375.00	
Total						\$4,099,750.00	Total						\$4,099,750.00	Total	Total						\$12,548,250.00
						\$4,099,750.00							\$4,099,750.00								\$12,548,250.00



**EXHIBIT B**

**RESTRUCTURED UTGO BONDS AND MUNICIPAL OBLIGATIONS**

**[including break out of subseries of Municipal Obligations as between BHs and Insurers]**

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## Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

[illegible]

## Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

[illegible]

\* Subject to Mandatory Redemption

# Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

Maturity Date	Rate	Principal	Insurer	Interest												Total Principal & Interest	
				10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27		10/1/27
2004-B(1)																	
2004B01	4/1/15	5.000%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,696,893.75
2004B02	4/1/16	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$807,841.13
2004B03	4/1/17	4.000%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$288,652.00
2004B04	4/1/17	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,076,652.00
2004B05	4/1/18	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,044,900.00
2004B06	4/1/18	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,608,663.88
2004-B(2)				-	-	-	-	-	-	-	-	-	-	-	-	-	\$544,986.13
2004B07	4/1/19	5.240%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$59,111.13
2005-B																	
2005B01	4/1/15	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$96,752.50
2005B02	4/1/16	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$203,222.50
2005B03	4/1/17	4.300%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$274,692.60
2005B04	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$445,315.00
2005B05	4/1/19	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$584,106.25
2005B06	4/1/20	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,267,500.00
2005B07	4/1/21	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,478,750.00
2005B08	4/1/22	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,703,750.00
2005B09	4/1/23	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,915,000.00
2005B10	4/1/24	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,901,250.00
2005B11	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,112,500.00
2005B12	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,323,750.00
2005B13	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,377,838.85
2005B14	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$48,387,513.85
2005-C																	
2005C01	4/1/15	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$97,386.25
2005C02	4/1/16	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$204,912.50
2005C03	4/1/17	4.300%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,417.73
2005C04	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$444,470.00
2005C05	4/1/19	5.250%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$606,657.19
2005C06	4/1/20	5.250%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$767,914.88
2005C07	4/1/20	5.250%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,398,758.54
2005C08	4/1/15	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,550,843.75
2005C09	4/1/16	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,802,442.50
2005C10	4/1/17	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,080,447.50
2005C11	4/1/18	4.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,259,165.00
2005C12	4/1/19	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,654,625.00
2005C13	4/1/20	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,987,555.00
2005C14	4/1/21	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,351,961.25
2005C15	4/1/22	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,737,915.00
2005C16	4/1/23	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,748,188.75
2005C17	4/1/24	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,486,371.25
2005C18	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,403,271.25
2005C19	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$113,335.63
2005C20	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$113,335.63
2005C21	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,428,240.00
2005C22	4/1/25	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$66,659,515.00
2006-B(1)																	
2006B01	4/1/15	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,071,382.50
2006B02	4/1/16	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,197,480.00
2006B03	4/1/17	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,478,865.00
2006B04	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,843,060.00
2006B05	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,590,787.50
2006B06	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	\$358,267,146.71

# Reinstated to Holders: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)													Issuance: 2008-A												
CUSIP 251093ZK1													CUSIP 251093N63												
Mandatory Redemption													Mandatory Redemption												
Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest								
Ambac	6/30/15	-	\$485,875.00	5.240%	\$12,729.93	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50	Ambac	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/15	\$130,975.00	\$354,900.00	5.240%	\$12,729.93	Assured	6/30/15	\$130,975.00	\$354,900.00	5.240%	\$12,729.93	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/16	-	\$354,900.00	5.240%	\$9,298.38	Assured	6/30/16	-	\$354,900.00	5.240%	\$9,298.38	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/16	\$139,425.00	\$215,475.00	5.240%	\$9,298.38	Assured	6/30/16	\$139,425.00	\$215,475.00	5.240%	\$9,298.38	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/17	-	\$215,475.00	5.240%	\$5,645.45	Assured	6/30/17	-	\$215,475.00	5.240%	\$5,645.45	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/17	\$143,650.00	\$71,825.00	5.240%	\$5,645.45	Assured	6/30/17	\$143,650.00	\$71,825.00	5.240%	\$5,645.45	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/18	-	\$71,825.00	5.240%	\$1,881.82	Assured	6/30/18	-	\$71,825.00	5.240%	\$1,881.82	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50								
Ambac	6/30/18	\$71,825.00	-	5.240%	\$1,881.82	Assured	6/30/18	\$71,825.00	-	5.240%	\$1,881.82	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50								
Total						Total						Total													
						\$485,875.00						\$16,883,100.00													
Issuance: 2008-A													Issuance: 2008-A												
Mandatory Redemption													Mandatory Redemption												
Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest								
Assured	6/30/15	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/15	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/15	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/15	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/15	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/16	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/16	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/16	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/16	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/16	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/17	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/17	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/17	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/17	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/17	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/18	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/18	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/18	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/18	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/18	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/19	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/19	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/19	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/19	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/20	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/20	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/20	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/20	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/20	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/20	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/21	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/21	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/21	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/21	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/21	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/21	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/22	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/22	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/22	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/22	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/22	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/22	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/23	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/23	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/23	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/23	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/23	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/23	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/24	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/24	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/24	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/24	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/24	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/24	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/25	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/25	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/25	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/25	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/25	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/25	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/26	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/26	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/26	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/26	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/26	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/26	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/27	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/27	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/27	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/27	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/27	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/27	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/28	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/28	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/28	-	\$16,883,100.00	5.000%	\$422,077.50								
Assured	6/30/28	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/28	-	\$7,283,900.00	5.000%	\$182,097.50	Assured	6/30/28	-	\$16,883,100.00	5.000%	\$422,077.50								
Total						Total						Total													
						\$3,730,675.00						\$16,883,100.00													
						\$93,266.88						\$10,603,271.25													
						\$3,464,288.75																			

# Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

UTGUSP	Maturity Date	Rate	Principal	Issuer	Beneficial Holder	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/19	4/1/20	10/1/20	4/1/21
UTGO 1999-A																			
251093SM3	4/1/15	5.250%	\$68,400.00	Assured	Assured	\$1,795.50	\$1,795.50	-	-	-	-	-	-	-	-	-	-	-	-
251093SM1	4/1/16	5.000%	\$71,880.00	Assured	Assured	\$1,797.00	\$1,797.00	\$1,797.00	\$1,797.00	-	-	-	-	-	-	-	-	-	-
251093SM6	4/1/17	5.000%	\$75,480.00	Assured	Assured	\$1,887.00	\$1,887.00	\$1,887.00	\$1,887.00	\$1,887.00	-	-	-	-	-	-	-	-	-
251093SM4	4/1/18	5.000%	\$79,320.00	Assured	Assured	\$1,983.00	\$1,983.00	\$1,983.00	\$1,983.00	\$1,983.00	\$1,983.00	-	-	-	-	-	-	-	-
251093SM2	4/1/19	5.000%	\$83,280.00	Assured	Assured	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00	\$2,082.00
						\$9,544.50	\$9,544.50	\$7,749.00	\$7,749.00	\$5,952.00	\$5,952.00	\$4,065.00	\$4,065.00	\$2,082.00	\$2,082.00	-	-	-	
						\$378,360.00													
UTGO 2001-A(1)																			
2510931X6	4/1/15	5.375%	\$19,851.00	NPPG	Ambac	\$533.50	\$533.50	-	-	-	-	-	-	-	-	-	-	-	-
2510931K3	4/1/16	5.375%	\$20,921.00	NPPG	Ambac	\$562.25	\$562.25	\$562.25	-	-	-	-	-	-	-	-	-	-	-
2510931V1	4/1/17	5.375%	\$22,057.00	NPPG	Ambac	\$592.78	\$592.78	\$592.78	\$592.78	-	-	-	-	-	-	-	-	-	-
2510931V9	4/1/18	5.375%	\$46,787.00	NPPG	Ambac	\$1,257.40	\$1,257.40	\$1,257.40	\$1,257.40	\$1,257.40	-	-	-	-	-	-	-	-	-
2510931V7	4/1/19	5.000%	\$46,787.00	NPPG	Ambac	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	-	-	-	-	-	-	-	-
2510931V2	4/1/20	5.000%	\$46,787.00	NPPG	Ambac	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	-	-	-	-	-	-	-
2510931V0	4/1/21	5.000%	\$46,787.00	NPPG	Ambac	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	\$1,169.68	-	-	-	-	-	-
2510931X6	4/1/15	5.375%	\$122,709.00	Assured	Assured	\$3,297.80	\$3,297.80	\$3,475.45	\$3,475.45	-	-	-	-	-	-	-	-	-	-
2510931K3	4/1/16	5.375%	\$129,319.00	Assured	Assured	\$3,475.45	\$3,475.45	\$3,664.22	\$3,664.22	\$3,664.22	-	-	-	-	-	-	-	-	-
2510931V1	4/1/17	5.375%	\$136,343.00	Assured	Assured	\$3,664.22	\$3,664.22	\$3,853.00	\$3,853.00	\$3,853.00	\$3,853.00	-	-	-	-	-	-	-	-
2510931V9	4/1/18	5.375%	\$289,213.00	Assured	Assured	\$7,772.60	\$7,772.60	\$7,961.37	\$7,961.37	\$7,961.37	\$7,961.37	\$7,961.37	-	-	-	-	-	-	-
2510931V7	4/1/19	5.000%	\$289,213.00	Assured	Assured	\$7,230.33	\$7,230.33	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	-	-	-	-	-	-
2510931V2	4/1/20	5.000%	\$289,213.00	Assured	Assured	\$7,230.33	\$7,230.33	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	-	-	-	-	-
2510931V0	4/1/21	5.000%	\$289,213.00	Assured	Assured	\$7,230.33	\$7,230.33	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	\$7,419.10	-	-	-
						\$46,356.00	\$46,356.00	\$42,524.70	\$42,524.70	\$38,487.00	\$38,487.00	\$34,230.00	\$34,230.00	\$25,200.00	\$25,200.00	\$16,800.00	\$16,800.00	\$8,400.00	\$8,400.00
						\$1,795,200.00													
UTGO 2002																			
2510931V8	4/1/21	5.125%	\$10,828.00	NPPG	Ambac	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47	\$277.47
2510931V6	4/1/22	5.125%	\$11,379.00	NPPG	Ambac	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59	\$291.59
2510931V4	4/1/21	5.125%	\$66,932.00	Assured	Assured	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13	\$1,715.13
2510931V2	4/1/22	5.125%	\$70,341.00	Assured	Assured	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49	\$1,802.49
						\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68	\$4,086.68
UTGO 2003-A																			
2510931X0	4/1/15	4.000%	\$450.00	Syncona	Syncona	\$9.00	\$9.00	-	-	-	-	-	-	-	-	-	-	-	-
2510931X8	4/1/16	5.250%	\$3,822.00	Syncona	Syncona	\$100.33	\$100.33	\$117.84	\$117.84	\$123.95	\$123.95	\$130.44	\$130.44	\$137.31	\$137.31	\$144.85	\$144.85	\$151.88	\$151.88
2510931X6	4/1/17	5.250%	\$4,489.00	Syncona	Syncona	\$117.84	\$117.84	\$135.35	\$135.35	\$142.86	\$142.86	\$150.37	\$150.37	\$157.88	\$157.88	\$165.39	\$165.39	\$172.90	\$172.90
2510931X4	4/1/18	5.250%	\$4,722.00	Syncona	Syncona	\$123.95	\$123.95	\$141.46	\$141.46	\$148.97	\$148.97	\$156.48	\$156.48	\$163.99	\$163.99	\$171.50	\$171.50	\$179.01	\$179.01
2510931X2	4/1/19	5.250%	\$5,231.00	Syncona	Syncona	\$130.44	\$130.44	\$147.95	\$147.95	\$155.46	\$155.46	\$162.97	\$162.97	\$170.48	\$170.48	\$177.99	\$177.99	\$185.50	\$185.50
2510931X0	4/1/20	4.500%	\$749.00	Syncona	Syncona	\$17.85	\$17.85	\$16.85	\$16.85	\$15.85	\$15.85	\$14.85	\$14.85	\$13.85	\$13.85	\$12.85	\$12.85	\$11.85	\$11.85
2510931X8	4/1/21	5.250%	\$4,759.00	Syncona	Syncona	\$124.92	\$124.92	\$142.43	\$142.43	\$149.94	\$149.94	\$157.45	\$157.45	\$164.96	\$164.96	\$172.47	\$172.47	\$179.98	\$179.98
2510931X6	4/1/22	5.250%	\$5,786.00	Syncona	Syncona	\$151.88	\$151.88	\$169.39	\$169.39	\$176.90	\$176.90	\$184.41	\$184.41	\$191.92	\$191.92	\$199.43	\$199.43	\$206.94	\$206.94
2510931X4	4/1/23	4.625%	\$750.00	Syncona	Syncona	\$17.34	\$17.34	\$16.34	\$16.34	\$15.34	\$15.34	\$14.34	\$14.34	\$13.34	\$13.34	\$12.34	\$12.34	\$11.34	\$11.34
2510931X2	4/1/24	5.250%	\$5,344.00	Syncona	Syncona	\$140.28	\$140.28	\$157.79	\$157.79	\$165.30	\$165.30	\$172.81	\$172.81	\$180.32	\$180.32	\$187.83	\$187.83	\$195.34	\$195.34
2510931X0	4/1/25	5.250%	\$4,160.00	Syncona	Syncona	\$109.20	\$109.20	\$126.71	\$126.71	\$134.22	\$134.22	\$141.73	\$141.73	\$149.24	\$149.24	\$156.75	\$156.75	\$164.26	\$164.26
2510931X8	4/1/15	4.000%	\$940.00	Ambac	Ambac	\$18.80	\$18.80	-	-	-	-	-	-	-	-	-	-	-	-
2510931X6	4/1/16	5.250%	\$7,990.00	Ambac	Ambac	\$209.74	\$209.74	\$246.33	\$246.33	\$282.92	\$282.92	\$319.51	\$319.51	\$356.10	\$356.10	\$392.69	\$392.69	\$429.28	\$429.28
2510931X4	4/1/17	5.250%	\$9,384.00	Ambac	Ambac	\$246.33	\$246.33	\$282.92	\$282.92	\$319.51	\$319.51	\$356.10	\$356.10	\$392.69	\$392.69	\$429.28	\$429.28	\$465.87	\$465.87
2510931X2	4/1/18	5.250%	\$10,387.00	Ambac	Ambac	\$272.66	\$272.66	\$309.25	\$309.25	\$345.84	\$345.84	\$382.43	\$382.43	\$419.02	\$419.02	\$455.61	\$455.61	\$492.20	\$492.20
2510931X0	4/1/19	5.250%	\$10,935.00	Ambac	Ambac	\$287.04	\$287.04	\$323.63	\$323.63	\$360.22	\$360.22	\$396.81	\$396.81	\$433.40	\$433.40	\$470.00	\$470.00	\$506.59	\$506.59
2510931X8	4/1/20	4.500%	\$9,948.00	Ambac	Ambac	\$256.14	\$256.14	\$292.73	\$292.73	\$329.32	\$329.32	\$365.91	\$365.91	\$402.50	\$402.50	\$439.09	\$439.09	\$475.68	\$475.68
2510931X6	4/1/21	5.250%	\$12,094.00	Ambac	Ambac	\$317.47	\$317.47	\$354.06	\$354.06	\$390.65	\$390.65	\$427.24	\$427.24	\$463.83	\$463.83	\$500.42	\$500.42	\$537.01	\$537.01
2510931X4	4/1/22	4.625%	\$11,566.00	Ambac	Ambac	\$306.21	\$306.21	\$342.80	\$342.80	\$379.39	\$379.39	\$415.98	\$415.98	\$452.57	\$452.57	\$489.16	\$489.16	\$525.75	\$525.75
2510931X2	4/1/23	5.250%	\$11,700.00	Ambac	Ambac	\$293.21	\$293.21	\$329.80	\$329.80	\$366.39	\$366.39	\$402.98	\$402.98	\$439.57	\$439.57	\$476.16	\$476.16	\$512.75	\$512.75
2510931X0	4/1/24	4.625%	\$8,690.00	Ambac	Ambac	\$228.22	\$228.22	\$264.81	\$264.81	\$301.40	\$301.40	\$337.99	\$337.99	\$374.58	\$374.58	\$411.17	\$411.17	\$447.76	\$447.76
2510931X8	4/1/15	4.000%	\$5,810.00	Syncona	Assured	\$116.20	\$116.20	-	-	-	-	-	-	-	-	-	-	-	-
2510931X6	4/1/16	5.250%	\$49,388.00	Syncona	Assured	\$1,296.44	\$1,296.44	\$1,522.68	\$1,522.68	\$1,748.92	\$1,748.92	\$1,975.16	\$1,975.16	\$2,201.40	\$2,201.40	\$2,427.64	\$2,427.64	\$2,653.88	\$2,653.88
2510931X4	4/1/17	5.250%	\$56,007.00	Syncona	Assured	\$1,601.46	\$1,601.46	\$1,827.70	\$1,827.70	\$2,053.94	\$2,053.94	\$2,280.18	\$2,280.18						



## Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

[illegible]

# Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

UTGO	Manmity	Rate	Principal	Insurer	Beneficial	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total	Principal & Interest
UTGO	Date				Holder															Interest	
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$19,851.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,591.00	\$71,991.00
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$7,188.00	\$79,068.00
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,322.00	\$86,802.00
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,864.00	\$95,184.00
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$20,820.00	\$104,100.00
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$58,785.00	\$437,145.00
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,066.99	\$20,917.99
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,249.01	\$23,170.01
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,556.69	\$25,613.69
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,059.21	\$56,846.21
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$11,696.75	\$58,483.75
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,036.10	\$60,823.10
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$16,375.45	\$63,162.45
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,595.61	\$129,304.61
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$13,901.79	\$143,220.79
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$21,985.31	\$158,328.31
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$62,180.80	\$351,393.80
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$72,303.25	\$361,516.25
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$86,763.90	\$375,976.90
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$101,224.55	\$390,437.55
UTGO 2001-A(1)	251903UX6	4/1/15	5.375%	\$20,921.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$423,995.40	\$2,219,195.40
UTGO 2002	251903UX6	4/1/21	5.125%	\$10,828.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,884.55	\$14,712.55
UTGO 2002	251903UX6	4/1/21	5.125%	\$11,579.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,665.39	\$16,044.39
UTGO 2002	251903UX6	4/1/21	5.125%	\$6,932.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$24,011.86	\$90,943.86
UTGO 2002	251903UX6	4/1/21	5.125%	\$70,341.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$28,839.81	\$99,180.81
UTGO 2002	251903UX6	4/1/21	5.125%	\$159,480.00	NPFG	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	\$61,401.60	\$220,881.60
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$450.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$18.00	\$468.00
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$3,822.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$200.66	\$4,022.66
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$4,489.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$471.35	\$4,960.35
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$4,722.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$743.72	\$5,465.72
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$5,231.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,043.49	\$6,012.49
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$7,109.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,373.14	\$6,604.14
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$4,735.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$302.23	\$5,037.23
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$5,786.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,499.09	\$6,258.09
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$7,500.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,126.36	\$7,912.36
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$5,344.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277.50	\$1,027.50
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$2,248.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$935.73	\$3,183.73
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$1,160.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,965.60	\$6,125.60
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$940.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$37.60	\$977.60
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$7,990.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$419.48	\$8,409.48
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$9,870.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$985.32	\$10,360.32
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$10,387.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,554.53	\$11,424.53
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$10,935.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,181.27	\$12,568.27
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$1,567.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,870.44	\$13,805.44
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$9,948.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$423.09	\$1,990.09
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$12,094.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,133.62	\$13,081.62
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$1,566.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,444.55	\$16,538.55
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$11,170.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$579.42	\$2,145.42
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$4,700.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,691.40	\$15,861.40
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$8,694.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,107.92	\$12,801.92
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$5,810.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$232.40	\$6,042.40
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$49,388.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,592.87	\$51,980.87
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$58,007.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,090.74	\$64,097.74
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$61,008.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$9,608.76	\$70,616.76
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$64,204.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$13,482.84	\$77,686.84
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$67,594.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,743.43	\$85,337.43
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$61,493.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,614.68	\$12,298.68
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$74,760.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,370.30	\$80,863.30
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$69,684.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$27,474.30	\$102,234.30
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$29,052.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,583.08	\$13,267.08
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$53,746.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$26,999.32	\$98,045.32
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$760,200.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,092.90	\$41,144.90
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$760,200.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$25,354.99	\$79,140.99
UTGO 2003-A	251903UX6	4/1/15	4.000%	\$760,200.00	Synora	Synora	-	-	-	-	-	-	-	-	-	-	-	-	-	\$209,766.90	\$969,966.90

\* Subject to Mandatory Redemption

## Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

[illegible]

# Reinstated to Insurers: UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A										
CUSIP 250932X1					CUSIP 25093N63					CUSIP 25093N55					CUSIP 25093N63					
Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest	Date	Insurer	Fiscal Year	Mandatory Redemption Amounts	Outstanding	Rate	Interest
10/1/14	Ambac	6/30/15	-	\$13,800.00	5.240%	\$361.56	10/1/14	Assured	6/30/15	-	\$479,520.00	5.000%	\$11,988.00	10/1/14	Assured	6/30/15	-	\$479,520.00	5.000%	\$11,988.00
4/1/15	Ambac	6/30/15	\$3,720.00	\$10,080.00	5.240%	\$361.56	4/1/15	Assured	6/30/15	-	\$479,520.00	5.000%	\$11,988.00	4/1/15	Assured	6/30/15	-	\$479,520.00	5.000%	\$11,988.00
10/1/15	Ambac	6/30/16	-	\$10,080.00	5.240%	\$264.10	10/1/15	Assured	6/30/16	-	\$479,520.00	5.000%	\$11,988.00	10/1/15	Assured	6/30/16	-	\$479,520.00	5.000%	\$11,988.00
4/1/16	Ambac	6/30/16	\$3,960.00	\$6,120.00	5.240%	\$364.10	4/1/16	Assured	6/30/16	-	\$479,520.00	5.000%	\$11,988.00	4/1/16	Assured	6/30/16	-	\$479,520.00	5.000%	\$11,988.00
10/1/16	Ambac	6/30/17	-	\$6,120.00	5.240%	\$160.34	10/1/16	Assured	6/30/17	-	\$479,520.00	5.000%	\$11,988.00	10/1/16	Assured	6/30/17	-	\$479,520.00	5.000%	\$11,988.00
4/1/17	Ambac	6/30/17	\$4,080.00	\$2,040.00	5.240%	\$160.34	4/1/17	Assured	6/30/17	-	\$479,520.00	5.000%	\$11,988.00	4/1/17	Assured	6/30/17	-	\$479,520.00	5.000%	\$11,988.00
10/1/17	Ambac	6/30/18	-	\$2,040.00	5.240%	\$53.45	10/1/17	Assured	6/30/18	-	\$479,520.00	5.000%	\$11,988.00	10/1/17	Assured	6/30/18	-	\$479,520.00	5.000%	\$11,988.00
4/1/18	Ambac	6/30/18	\$2,040.00	-	5.240%	\$53.45	4/1/18	Assured	6/30/18	-	\$479,520.00	5.000%	\$11,988.00	4/1/18	Assured	6/30/18	-	\$479,520.00	5.000%	\$11,988.00
Total						\$1,678.90	Total						\$3,219.00	Total						\$3,219.00
Issuance: 2008-A										Issuance: 2008-A										
10/1/14	Assured	6/30/15	-	\$206,880.00	5.000%	\$5,172.00	10/1/2022	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,988.00	10/1/2022	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,988.00
4/1/15	Assured	6/30/15	-	\$206,880.00	5.000%	\$5,172.00	4/1/2023	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,988.00	4/1/2023	Assured	6/30/23	-	\$479,520.00	5.000%	\$11,988.00
10/1/15	Assured	6/30/16	-	\$206,880.00	5.000%	\$5,172.00	10/1/2023	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,988.00	10/1/2023	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,988.00
4/1/16	Assured	6/30/16	-	\$206,880.00	5.000%	\$5,172.00	4/1/2024	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,988.00	4/1/2024	Assured	6/30/24	-	\$479,520.00	5.000%	\$11,988.00
10/1/16	Assured	6/30/17	-	\$206,880.00	5.000%	\$5,172.00	10/1/2024	Assured	6/30/25	-	\$479,520.00	5.000%	\$11,988.00	10/1/2024	Assured	6/30/25	-	\$479,520.00	5.000%	\$11,988.00
4/1/17	Assured	6/30/17	-	\$206,880.00	5.000%	\$5,172.00	4/1/2025	Assured	6/30/25	-	\$479,520.00	5.000%	\$11,988.00	4/1/2025	Assured	6/30/25	-	\$479,520.00	5.000%	\$11,988.00
10/1/17	Assured	6/30/18	-	\$206,880.00	5.000%	\$5,172.00	10/1/2025	Assured	6/30/26	-	\$368,280.00	5.000%	\$9,207.00	10/1/2025	Assured	6/30/26	-	\$368,280.00	5.000%	\$9,207.00
4/1/18	Assured	6/30/18	-	\$206,880.00	5.000%	\$5,172.00	4/1/2026	Assured	6/30/26	-	\$368,280.00	5.000%	\$9,207.00	4/1/2026	Assured	6/30/26	-	\$368,280.00	5.000%	\$9,207.00
10/1/18	Assured	6/30/19	-	\$206,880.00	5.000%	\$5,172.00	10/1/2026	Assured	6/30/27	-	\$251,400.00	5.000%	\$6,285.00	10/1/2026	Assured	6/30/27	-	\$251,400.00	5.000%	\$6,285.00
4/1/19	Assured	6/30/19	-	\$206,880.00	5.000%	\$5,172.00	4/1/2027	Assured	6/30/27	-	\$251,400.00	5.000%	\$6,285.00	4/1/2027	Assured	6/30/27	-	\$251,400.00	5.000%	\$6,285.00
10/1/19	Assured	6/30/20	-	\$206,880.00	5.000%	\$5,172.00	10/1/2027	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00	10/1/2027	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00
4/1/20	Assured	6/30/20	-	\$206,880.00	5.000%	\$5,172.00	4/1/2028	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00	4/1/2028	Assured	6/30/28	-	\$128,760.00	5.000%	\$3,219.00
10/1/20	Assured	6/30/21	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/21	Assured	6/30/21	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/21	Assured	6/30/22	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/22	Assured	6/30/22	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/22	Assured	6/30/23	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/23	Assured	6/30/23	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/23	Assured	6/30/24	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/24	Assured	6/30/24	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/24	Assured	6/30/25	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/25	Assured	6/30/25	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/25	Assured	6/30/26	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/26	Assured	6/30/26	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/26	Assured	6/30/27	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/27	Assured	6/30/27	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
10/1/27	Assured	6/30/28	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
4/1/28	Assured	6/30/28	-	\$206,880.00	5.000%	\$5,172.00	Total						\$301,158.00	Total						\$301,158.00
Total						\$98,394.00	Total						\$98,394.00	Total						\$98,394.00

**EXHIBIT C**

**STUB UTGO BONDS**

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**Subject to Mandatory Redemption**

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# UTGO Series STUB Bonds - Debt Service

Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest																			
Interest																																						
1999-A																																						
2/29/99SM3	4/1/15	5.250%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,600.88	\$392,950.88																			
2/29/99SM4	4/1/16	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$39,234.50	\$431,579.50																			
2/29/99SM5	4/1/17	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$61,799.25	\$473,794.25																			
2/29/99SM6	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$86,591.00	\$519,546.00																			
2/29/99SM7	4/1/19	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$113,642.50	\$568,212.50																			
2/29/99SM8	4/1/20	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$120,868.13	\$620,868.13																			
2/29/99SM9	4/1/21	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$120,868.13	\$620,868.13																			
2001-A(1)																																						
2/29/01LUX6	4/1/15	5.375%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,825.03	\$819,965.03																			
2/29/01VYK3	4/1/16	5.375%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$88,156.45	\$908,216.45																			
2/29/01VYK4	4/1/17	5.375%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$139,416.75	\$1,040,016.75																			
2/29/01VYK5	4/1/18	5.375%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$394,310.00	\$2,228,310.00																			
2/29/01VYK6	4/1/19	5.375%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$458,500.00	\$2,292,500.00																			
2/29/01VYK7	4/1/20	5.000%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$550,200.00	\$2,384,200.00																			
2/29/01VYK8	4/1/21	5.000%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$641,900.00	\$2,475,900.00																			
2/29/01VYK9	4/1/22	5.000%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,314,308.23	\$12,113,108.23																			
2002																																						
2/29/02WV8	4/1/21	5.125%	NPPG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$152,267.85	\$576,707.85																			
2/29/02WV9	4/1/22	5.125%	NPPG	\$11,430.16	\$11,430.16	-	-	-	-	-	-	-	-	-	-	-	-	\$182,882.55	\$628,937.55																			
2/29/02WV10	4/1/23	5.125%	NPPG	\$11,430.16	\$11,430.16	-	-	-	-	-	-	-	-	-	-	-	-	\$335,150.40	\$1,205,645.40																			
2003-A																																						
2/29/03XP0	4/1/15	4.000%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,572.00	\$40,872.00																			
2/29/03XP1	4/1/16	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,537.63	\$351,587.63																			
2/29/03XP2	4/1/17	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$41,196.23	\$433,541.23																			
2/29/03XP3	4/1/18	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$64,992.38	\$477,642.38																			
2/29/03XP4	4/1/19	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$91,195.65	\$525,460.65																			
2/29/03XP5	4/1/20	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$120,012.38	\$577,202.38																			
2/29/03XP6	4/1/21	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$17,685.00	\$83,185.00																			
2/29/03XP7	4/1/22	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$131,016.38	\$546,941.38																			
2/29/03XP8	4/1/23	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$185,830.05	\$691,490.05																			
2/29/03XP9	4/1/24	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$24,235.00	\$89,735.00																			
2/29/03XP10	4/1/25	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$196,146.30	\$663,161.30																			
2/29/03XP11	4/1/26	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$81,793.13	\$278,293.13																			
2/29/03XP12	4/1/27	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$171,765.56	\$535,290.56																			
2/29/03XP13	4/1/28	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,144,977.66	\$5,294,402.66																			
2004-A(1)																																						
2/29/04YX2	4/1/19	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$154,243.75	\$744,243.75																			
2/29/04YX3	4/1/20	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$6,179.93	\$30,414.93																			
2/29/04YX4	4/1/21	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$251,097.53	\$1,048,232.53																			
2/29/04YX5	4/1/22	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$302,610.00	\$1,167,210.00																			
2/29/04YX6	4/1/23	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$381,288.60	\$1,289,118.60																			
2/29/04YX7	4/1/24	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,895.63	\$69,020.63																			
2/29/04YX8	4/1/25	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$428,330.70	\$1,334,880.70																			
2/29/04YX9	4/1/26	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$47,304.10	\$150,139.10																			
2/29/04YX10	4/1/27	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$473,859.75	\$1,376,449.75																			
2/29/04YX11	4/1/28	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,065,309.98	\$7,209,679.98																			

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\* Subject to Mandatory Redemption

# UTGO Series STUB Bonds - Debt Service

## Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)								Issuance: 2008-A									
CUSIP		Mandatory Redemption						CUSIP		Mandatory Redemption							
251093ZX1		Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	251093N63		Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest
		10/1/14	Ambac	6/30/15	-	\$75,325.00	5.240%	\$1,973.52			10/1/14	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/15	Ambac	6/30/15	\$20,305.00	\$55,020.00	5.240%	\$1,973.52			4/1/15	Assured	6/30/15	-	\$2,617,380.00	5.000%	\$65,434.50
		10/1/15	Ambac	6/30/16	-	\$55,020.00	5.240%	\$1,441.52			10/1/15	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/16	Ambac	6/30/16	\$21,615.00	\$33,405.00	5.240%	\$1,441.52			4/1/16	Assured	6/30/16	-	\$2,617,380.00	5.000%	\$65,434.50
		10/1/16	Ambac	6/30/17	-	\$33,405.00	5.240%	\$875.21			10/1/16	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/17	Ambac	6/30/17	\$22,270.00	\$11,135.00	5.240%	\$875.21			4/1/17	Assured	6/30/17	-	\$2,617,380.00	5.000%	\$65,434.50
		10/1/17	Ambac	6/30/18	-	\$11,135.00	5.240%	\$291.74			10/1/17	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/18	Ambac	6/30/18	\$11,135.00	-	5.240%	\$291.74			4/1/18	Assured	6/30/18	-	\$2,617,380.00	5.000%	\$65,434.50
Total						\$75,325.00		\$9,163.97							\$2,617,380.00		\$65,434.50
CUSIP		Mandatory Redemption						CUSIP		Mandatory Redemption							
251093N55		Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest	251093N55		Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest
		10/1/14	Assured	6/30/15	-	\$1,129,220.00	5.000%	\$28,230.50			10/1/2022	Assured	6/30/2023	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/15	Assured	6/30/15	-	\$1,129,220.00	5.000%	\$28,230.50			4/1/2023	Assured	6/30/2023	-	\$2,617,380.00	5.000%	\$65,434.50
		10/1/15	Assured	6/30/16	-	\$1,129,220.00	5.000%	\$28,230.50			10/1/2023	Assured	6/30/2024	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/16	Assured	6/30/16	-	\$1,129,220.00	5.000%	\$28,230.50			4/1/2024	Assured	6/30/2024	-	\$2,617,380.00	5.000%	\$65,434.50
		10/1/16	Assured	6/30/17	-	\$1,129,220.00	5.000%	\$28,230.50			10/1/2024	Assured	6/30/2025	-	\$2,617,380.00	5.000%	\$65,434.50
		4/1/17	Assured	6/30/17	-	\$1,129,220.00	5.000%	\$28,230.50			4/1/2025	Assured	6/30/2025	\$607,185.00	\$2,010,195.00	5.000%	\$65,434.50
		10/1/17	Assured	6/30/18	-	\$1,129,220.00	5.000%	\$28,230.50			10/1/2025	Assured	6/30/2026	-	\$2,010,195.00	5.000%	\$50,254.88
		4/1/18	Assured	6/30/18	-	\$1,129,220.00	5.000%	\$28,230.50			4/1/2026	Assured	6/30/2026	\$637,970.00	\$1,372,225.00	5.000%	\$50,254.88
		10/1/18	Assured	6/30/19	-	\$1,129,220.00	5.000%	\$28,230.50			10/1/2026	Assured	6/30/2027	-	\$1,372,225.00	5.000%	\$34,305.63
		4/1/19	Assured	6/30/19	-	\$1,129,220.00	5.000%	\$28,230.50			4/1/2027	Assured	6/30/2027	\$669,410.00	\$702,815.00	5.000%	\$34,305.63
		10/1/19	Assured	6/30/20	-	\$1,129,220.00	5.000%	\$28,230.50			10/1/2027	Assured	6/30/2028	-	\$702,815.00	5.000%	\$17,570.38
		4/1/20	Assured	6/30/20	-	\$1,129,220.00	5.000%	\$28,230.50			4/1/2028	Assured	6/30/2028	-	\$702,815.00	5.000%	\$17,570.38
Total						\$1,129,220.00		\$537,067.25	Total						\$2,617,380.00		\$1,643,820.75

## **EXHIBIT D**

### **FORM OF CONTINUING DISCLOSURE UNDERTAKING**

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the City of Detroit, County of Wayne, State of Michigan (the “City”) in connection with bonds issued by the City, purchased or to be purchased with funds from the Michigan Finance Authority Local Government Loan Program Revenue Bonds, Series [2014], of the Type designated City of Detroit Unlimited Tax General Obligation Local Project Bonds (the “Local Project Municipal Obligations”) by the Michigan Finance Authority (the “MFA”). The City covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

- (a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the City prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the MFA and the registered owner of any MFA Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any MFA Bond (including any person holding an MFA Bond through a nominee, depository or other intermediary), or (b) is treated as the owner of any MFA Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System or such other system, Internet Web Site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“MFA Bond” means any bond issued by the MFA which is secured in whole or in part by payments to be received on the Local Project Municipal Obligations.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

“SEC” means the United States Securities and Exchange Commission.

- (b) *Continuing Disclosure.* The City hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA no later than 270 days after the end of its fiscal year the following annual financial information and operating data, commencing with the fiscal year ended June 30, 20\_\_ in an electronic format as prescribed by the MSRB, the Audited Financial Statements and updates of certain financial and operating data of the City appearing under the headings and tables in the Official Statement of

the MFA dated \_\_\_\_\_, 2014 relating to the MFA Bonds as follows: [Tables 1 through 32, inclusive, and 42 in Appendix II to the Official Statement (“Annual Financial Information”).]

If the fiscal year of the City is changed, the City shall send notice of such change to the MSRB through EMMA prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

In the event that the Audited Financial Statements are not available by the date specified above, they will be provided when available and Unaudited Financial Statements will be filed by such date and the Audited Financial Statements will be filed as soon as available.

Such annual financial information and operating data described above are expected to be provided directly by the City by specific reference to documents available to the public through EMMA or filed with the SEC.

(c) *Notice of Failure to Disclose.* The City agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the City to provide the annual financial information with respect to the City described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The City agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Local Project Municipal Obligations:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Local Project Municipal Obligations, or other material events affecting the tax status of the Local Project Municipal Obligations;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Local Project Municipal Obligations, if material;
- (11) rating changes;

- (12) bankruptcy, insolvency, receivership or similar event of the City, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) *Materiality Determined Under Federal Securities Laws.* The City agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Termination of Reporting Obligation.* The City reserves the right to terminate their obligation to provide annual financial information and notices of material events, as set forth above, if and when the City is no longer an “obligated person” with respect to the MFA Bonds within the meaning of the Rule, including upon legal defeasance of all MFA Bonds.

(g) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(h) *Benefit of Bondholders.* The City agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City’s obligations hereunder and any failure by the City to comply with the provisions of this undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the City, provided that the City agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a)

the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the MFA Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the City (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the City in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

(j) *Municipal Advisory Council of the State of Michigan.* The City shall also file by electronic or other means any information or notice required to be filed with the MSRB through EMMA pursuant to this Undertaking in a timely manner with the Municipal Advisory Council of the State of Michigan.

CITY OF DETROIT  
County of Wayne  
State of Michigan

By \_\_\_\_\_  
Its: Finance Director

Dated: \_\_\_\_\_, 2014

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Exhibit C

ANNUAL CERTIFICATION OF IMPOSITION OF DEBT MILLAGE LEVY

Exhibit C  
ANNUAL CERTIFICATION OF IMPOSITION OF DEBT MILLAGE LEVY

## Millage Calculation

Numerator	
Fiscal Year 2015 Interest	\$ 24,753,181
Fiscal Year 2015 Principal	\$ 37,795,000
Projected Bond Sales - Current Year (Interest)	\$ -
Projected Bond Sales - Current Year (Principal)	\$ -
Projected Bond Sales - Next Year (Interest)	\$ -
Projected Bond Sales - Next Year (Principal)	\$ -
<b>Fiscal Year 2015 Debt Service</b>	<b>\$ 62,548,181</b>
Prior Year 2010E BAB Federal Tax Rebates	\$ 3,351,142
Prior Year Real Property Tax Overcollection / (Undercollection)	\$ -
Prior Year Personal Property Tax Overcollection / (Undercollection)	\$ -
Earnings in Escrow Account	\$ -
Change in Escrow Account Funding Balance	\$ -
<b>Total Adjustments</b>	<b>\$ 3,351,142</b>
<b>Tax Levy Requirement</b>	<b>\$ 59,197,039</b>

Denominator	
Total Net Tax Base	\$ 6,025,940,795

Millage	
Tax Rate	0.0098237
Tax Rate (per \$1000 valuation)	9.8237

Chief Financial Officer  
City of Detroit

Date

**Exhibit D**

**FORM OF SETTLEMENT ESCROW AGREEMENT**

D-1

AFDOCS/10855025.6

CLI-2220387v14

13-53846-swr Doc 8045-24 Filed 10/22/14 Entered 10/22/14 03:29:33 Page 30 of 32

## SETTLEMENT ESCROW AGREEMENT

THIS SETTLEMENT ESCROW AGREEMENT (the "Agreement" or "Settlement Escrow Agreement"), is dated as of the \_\_\_\_ day of \_\_\_\_\_, 2014, made by and among the City of Detroit, County of Wayne, State of Michigan (the "City"), Ambac Assurance Corporation ("Ambac"), Assured Guaranty Municipal Corp. and Assured Guaranty Corp. (together, "Assured"), and National Public Finance Guarantee Corporation ("NPFG"), and U. S. Bank National Association, Detroit, Michigan (in such capacity, the "Settlement Escrow Trustee"). In this Agreement, each of the City, Ambac, Assured, NPFG and the Settlement Escrow Trustee is referred to individually as a "Party"; Ambac, Assured, and NPFG (including their successors and assigns) are referred to collectively as the "Bond Insurers"; and the City, the Settlement Escrow Trustee and the Bond Insurers are referred to collectively as the "Parties."

Capitalized terms not otherwise defined herein shall have the meaning set forth in the UTGO Settlement Agreement (defined herein).

### WITNESSETH:

WHEREAS, the City and the Bond Insurers have heretofore entered into a Settlement Agreement, dated XX (the "UTGO Settlement Agreement") to consensually resolve their dispute under or in respect of the Prior UTGO Bonds, the Assured/NPFG Action, the AMBAC Action as it relates to the Prior UTGO Bonds, and the UTGO Claims, all arising out of a petition for relief filed by the City pursuant to Chapter 9 of title 11 of the United States Code in the United States Bankruptcy Court for the Eastern District of Michigan;

WHEREAS, if the Effective Date of the Plan does not occur on or prior to September 30, 2014, for any reason other than proximately by reason of the actions or positions taken by any of the Bond Insurers, or their failure to support the Plan as described in Section 3.1 of the UTGO Settlement Agreement, solely in their capacity as the insurers of the Prior UTGO Bonds and not in any other capacity (including, for the avoidance of doubt in their capacity as insurers of any other obligations of the City), the City will be obligated to pay into an escrow to be established with the Settlement Escrow Trustee under this Agreement the October 2014 scheduled interest debt service payment that would otherwise be made on the Restructured UTGO Bonds as if the transaction contemplated by the UTGO Settlement Agreement (other than the MFA Bond issuance) had closed (the "Pro Forma Restructured UTGO Bonds"), and any pro rata payments of principal and interest due thereafter, as further described in Section 2.8 of the UTGO Settlement Agreement and herein;

WHEREAS, the City has executed the Debt Millage Escrow Agreement pursuant to which the City will be required, as of the Effective Date, to segregate and deposit the UTGO Tax Levy with the Debt Millage Escrow Trustee;

NOW, THEREFORE, in consideration of the mutual undertakings, provisions and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to provide for the payment of the Pro Forma Restructured UTGO Bonds should the Effective Date

not occur on or prior to September 30, 2014, and to secure the performance and observance of the conditions and covenants herein set forth and for other valuable consideration, the receipt of which is hereby acknowledged, the City covenants and agrees with the Settlement Escrow Trustee and the Bond Insurers as follows:

**ARTICLE I.**  
**ESTABLISHMENT OF FUNDS AND ACCOUNTS**

Section 101 Establishment of Settlement Escrow Fund. There is hereby created and established with the Settlement Escrow Trustee, pursuant to Order No. \_\_\_\_ and this Agreement, a single and common trust fund designated the "Settlement Escrow Fund" (the "**Settlement Escrow Fund**").

Section 102 Deposits to the Settlement Escrow Fund.

(a) If the Effective Date of the Plan does not occur on or prior to September 30, 2014 for any reason other than proximately by reason of the actions or positions taken by any of the Bond Insurers, or their failure to support the Plan as described in Section 3.1 of the UTGO Settlement Agreement, solely in their capacity as the insurers of the Prior UTGO Bonds and not in any other capacity (including, for the avoidance of doubt in their capacity as insurers of any other obligations of the City), the City shall pay the Settlement Escrow Trustee, from Debt Millage Revenues, for deposit into the Settlement Escrow Fund the October 2014 scheduled interest debt service payment with respect to the Pro Forma Restructured UTGO Bonds, as shown on Exhibit A, and any pro rata payments of principal and interest due thereafter, as shown on Exhibit A, as if the transaction contemplated by the UTGO Settlement Agreement (other than the MFA Bond issuance) had closed. Any such monies in the Settlement Escrow Fund which would have been payable on October 1, 2014 shall be released to the Bond Insurers on the Effective Date of the Plan. Any other monies then on deposit in the Settlement Escrow Fund shall be transferred on the Effective Date to the Debt Millage Escrow Trustee for deposit in the 2014 UTGO Municipal Obligation Subaccount in the 2014 UTGO Bonds Account established pursuant to the Debt Millage Escrow Agreement.

(b) If the Plan is not effective by March 31, 2015, and the Bankruptcy Court has issued an Approval Order (that is not stayed pending appeal) approving the settlement embodied in the UTGO Settlement Agreement, the monies in the Settlement Escrow Fund will be released and paid to the Bond Insurers in the amounts shown in Exhibit A for each prior interest payment date and the City shall make, or shall cause the Debt Millage Escrow Trustee to make, all subsequent debt service payments on each interest date payment (as shown on Exhibit A) directly to the paying agent for the Prior UTGO Bonds. If an Approval Order is entered but is subject to a stay pending appeal, the City shall continue to pay into the Settlement Escrow Fund the scheduled debt service on the Pro Forma Restructured UTGO Bonds as shown on Exhibit A for so long as such stay remains in effect, and, as soon as such order is no longer subject to stay, shall thereafter apply all monies in the Settlement Escrow Fund first, to immediately reimburse the Bond Insurers for payments of principal and interest made on and after October 1, 2014 with respect to the Prior UTGO Bonds, and thereafter to make payments directly to the Paying Agent for the UTGO Bonds.

(c) Notwithstanding the foregoing, if any Bond Insurer shall have defaulted in its obligation to make payments under its respective Bond Insurance Policy or Policies, any payment required to be made to such Bond Insurer shall be made to the holders of the Prior UTGOs at the direction of the City but only to the extent of any uncured failure or shortfall in the Bond Insurer's payment.

Section 103 Partial Payments; Accounting.

(a) If on any interest payment date amounts held in the Settlement Escrow Fund are less than the amounts due with respect to all Pro Forma Restructured UTGO Bonds (as shown on Exhibit A), such payments shall distributed pro rata based upon the aggregate amount payable to each Bond Insurer. If the City fails to deposit into the Settlement Escrow Fund, or to otherwise pay to the Bond Insurers or holders of the Prior UTGO the amounts required by this Agreement, any deficiencies shall be paid into the Settlement Escrow Fund from the first available amounts of the Aggregate UTGO Tax Levy as provided for in Section 2.4(b)(i) of the UTGO Settlement Agreement, and shall be distributed to, or at the direction of the Bond Insurers, pro rata, as soon as practicable (subject to Section 102(b)) hereof.

(b) The Settlement Escrow Trustee shall keep and maintain a record showing each deposit into the Settlement Escrow Fund, and all transfers of funds made therefrom, which shall be provided to any Bond Insurer upon request.

(c) Any payment to a Bond Insurer shall be paid by wire transfer in immediately available funds into the accounts as shown in Section 501.

**ARTICLE II.**  
**INVESTMENT OF FUNDS**

Section 201 Permitted Investments. All money held by the Settlement Escrow Fund, without the need for further direction by the City, shall be invested by the Settlement Escrow Trustee in accordance with written instructions from the City in mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, that are at the time of purchase within the highest classification established by not less than two standard rating services and so long as the portfolio of such mutual funds is limited to bonds, and other obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by the full faith and credit of the United States. All investments shall mature or be redeemable at the option of the holder no later than the next interest payment date on the Pro Forma Restructured UTGO Bonds. In the absence of any written direction delivered to the Settlement Escrow Trustee by the City, the Settlement Escrow Trustee shall hold funds uninvested. The Settlement Escrow Trustee shall be entitled to rely on any written direction from the City as to the suitability and legality of the directed investment.

**ARTICLE III.**  
**THE SETTLEMENT ESCROW TRUSTEE**

Section 301 Powers and Duties of Settlement Escrow Trustee. (a) The Settlement Escrow Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters hereof, and may in all cases be reimbursed hereunder for reasonable compensation paid to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Settlement Escrow Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

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

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

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

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

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

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

(h) All moneys received by the Settlement Escrow Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purpose for which they



were received, but need not be segregated from other funds except to the extent required by this Settlement Escrow Agreement, as amended, or by law. The Settlement Escrow Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

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

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

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

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

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

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

Section 302 Fees and Expenses of Settlement Escrow Trustee. (a) The Settlement Escrow Trustee shall be entitled to reasonable and customary fees for services rendered under this Agreement, as amended, and shall be reimbursed for all expenses reasonably incurred in connection with such services. Such fees and expenses shall be payable by the City and shall be determined in accordance with the Fee Schedule attached as Exhibit E of this Agreement or as otherwise may be agreed to by the City and the Settlement Escrow Trustee. The Settlement Escrow Trustee shall not have a lien for the payment of its fees and expenses upon any of the money deposited with it in accordance with this Agreement.

(b) The City shall be liable for all fees, expenses, charges, losses, costs, liabilities and damages (including reasonable attorneys' or other professional fees) incurred by the Settlement

Escrow Trustee pursuant to this Agreement except for those which are adjudicated to have resulted from the gross negligence or willful misconduct of the Settlement Escrow Trustee, and shall pay such amounts to or at the direction of the Settlement Escrow Trustee.

Section 303 Resignation; Appointment of Successor Settlement Escrow Trustee; Successor Settlement Escrow Trustee Upon Merger, Consolidation or Sale. (a) The Settlement Escrow Trustee and any successor Settlement Escrow Trustee may resign only upon giving 60 days' prior written notice to the City and the Bond Insurers. Such resignation shall take effect only upon the appointment of a successor Settlement Escrow Trustee and the acceptance of such appointment by the successor Settlement Escrow Trustee. Upon appointment of a successor Settlement Escrow Trustee, the resigning Settlement Escrow Trustee shall, after payment of its fees, costs and expenses, assign all of its right, title and interest in the Settlement Escrow Fund, and transfer and assign its right, title and interest in the Settlement Escrow Agreement to the successor Settlement Escrow Trustee. The successor Settlement Escrow Trustee shall meet the requirements of Section 303(b) below and shall accept in writing its duties and responsibilities hereunder and file such acceptance with the City.

(b) In case the Settlement Escrow Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may be appointed by the Bond Insurers, with the prior written consent of the City (to the extent that no breach by the City of any material agreement or covenant, i.e. an "Event of Default," shall have occurred and be continuing under this Settlement Escrow Agreement, written notice of which has been provided by the Bond Insurers to the City and the Settlement Escrow Trustee), which consent shall not be unreasonably be withheld. Every such Settlement Escrow Trustee appointed pursuant to the provisions of this Section 303(b) (i) shall at all times be a bank having trust powers or a trust company, (ii) shall at all times be organized and doing business under the laws of the United States of America or of any state, (iii) shall have, or be wholly owned by an entity having, a combined capital and surplus of at least \$75,000,000, (iv) shall be authorized under such laws to exercise corporate trust powers, and (v) shall be subject to supervision or examination by federal or state authority.

(c) Any corporation or association into which the Settlement Escrow Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such company shall be eligible under Section 303(b) hereof, shall be and become successor Settlement Escrow Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 304 Removal of Settlement Escrow Trustee. The Settlement Escrow Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Settlement Escrow Trustee signed by the City and by all of the Bond Insurers. No removal of the Settlement Escrow Trustee and no appointment of a successor Settlement Escrow Trustee

shall become effective until the successor Settlement Escrow Trustee has accepted its appointment. Upon such removal and the payment of its fees, costs and expenses, the Settlement Escrow Trustee shall assign to the successor Settlement Escrow Trustee all of its right, title and interest in the Trust Estate.

#### **ARTICLE IV. MISCELLANEOUS**

Section 401 Notices; Payment Accounts. Except as other provided, all notices, certificates, requests, complaints, demands or other communications under this Agreement shall be deemed sufficiently given when sent by first class mail or overnight mail postage prepaid, addressed as follows:

If to the City, to:	City of Detroit Coleman A. Young Municipal Center 2 Woodward Avenue, Suite 1126 Detroit MI 48226 Attention: Chief Financial Officer
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If to the Settlement Escrow Trustee, to:	[U.S. Bank National Association 535 Griswold, Suite 550 Detroit, Michigan 48226 Attention: Corporate Trust Services]
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If to the Bond Insurers, to:	Ambac Assurance Corporation One State Street Plaza New York, New York 10004 Attention: Surveillance Department and General Counsel's Office
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Assured Guaranty Municipal Corp and  
Assured Guaranty Corp.  
31 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attention: Kevin J. Lyons  
Attention: Terence Workman

National Public Finance Guarantee Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Kenneth Epstein and William J. Rizzo



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

CITY OF DETROIT

By \_\_\_\_\_  
Kevyn D. Orr  
Its: Emergency Manager

AMBAC ASSURANCE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

ASSURED GUARANTY CORP.

By: \_\_\_\_\_  
Name:  
Title:

ASSURED GUARANTY MUNICIPAL CORP.

By: \_\_\_\_\_  
Name:  
Title:

NATIONAL PUBLIC FINANCE GUARANTEE  
CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

U. S. BANK NATIONAL ASSOCIATION,  
as Escrow Trustee

By \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**  
**RESTRUCTURED UTGO BONDS DEBT SERVICE REQUIREMENTS**  
**AND APPLICABLE BOND INSURER**



# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

SIP	Maturity Date	Rate	Principal	Insurer	10/1/14	4/1/15	10/1/15	4/1/16	10/1/16	4/1/17	10/1/17	4/1/18	10/1/18	4/1/19	10/1/20	4/1/21
1353846	4/1/15	5.250%	\$2,476,650.00	Assured	\$65,012.06	\$65,012.06	-	-	-	-	-	-	-	-	-	-
1353846	4/1/15	5.250%	\$2,476,650.00	Assured	\$65,012.06	\$65,012.06	-	-	-	-	-	-	-	-	-	-
1353846	4/1/16	5.000%	\$2,602,653.00	Assured	\$65,066.38	\$65,066.38	-	-	-	-	-	-	-	-	-	-
1353846	4/1/17	5.000%	\$2,733,005.00	Assured	\$68,325.13	\$68,325.13	-	-	-	-	-	-	-	-	-	-
1353846	4/1/18	5.000%	\$2,872,045.00	Assured	\$71,801.13	\$71,801.13	-	-	-	-	-	-	-	-	-	-
1353846	4/1/19	5.000%	\$3,015,430.00	Assured	\$75,385.75	\$75,385.75	-	-	-	-	-	-	-	-	-	-
1353846	4/1/20	5.000%	\$3,169,785.00	Assured	\$79,978.38	\$79,978.38	-	-	-	-	-	-	-	-	-	-
1353846	4/1/21	5.000%	\$3,339,785.00	Assured	\$85,724.99	\$85,724.99	-	-	-	-	-	-	-	-	-	-
1353846	4/1/22	5.000%	\$3,524,785.00	Assured	\$92,578.51	\$92,578.51	-	-	-	-	-	-	-	-	-	-
1353846	4/1/23	5.000%	\$3,724,785.00	Assured	\$100,447.50	\$100,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/24	5.000%	\$3,939,785.00	Assured	\$109,724.99	\$109,724.99	-	-	-	-	-	-	-	-	-	-
1353846	4/1/25	5.000%	\$4,174,785.00	Assured	\$120,447.50	\$120,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/26	5.000%	\$4,430,785.00	Assured	\$132,692.50	\$132,692.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/27	5.000%	\$4,707,785.00	Assured	\$146,578.51	\$146,578.51	-	-	-	-	-	-	-	-	-	-
1353846	4/1/28	5.000%	\$5,007,785.00	Assured	\$162,107.50	\$162,107.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/29	5.000%	\$5,332,785.00	Assured	\$179,447.50	\$179,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/30	5.000%	\$5,684,785.00	Assured	\$198,724.99	\$198,724.99	-	-	-	-	-	-	-	-	-	-
1353846	4/1/31	5.000%	\$6,064,785.00	Assured	\$220,000.00	\$220,000.00	-	-	-	-	-	-	-	-	-	-
1353846	4/1/32	5.000%	\$6,474,785.00	Assured	\$243,392.50	\$243,392.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/33	5.000%	\$6,919,785.00	Assured	\$268,925.00	\$268,925.00	-	-	-	-	-	-	-	-	-	-
1353846	4/1/34	5.000%	\$7,394,785.00	Assured	\$296,724.99	\$296,724.99	-	-	-	-	-	-	-	-	-	-
1353846	4/1/35	5.000%	\$7,904,785.00	Assured	\$327,925.00	\$327,925.00	-	-	-	-	-	-	-	-	-	-
1353846	4/1/36	5.000%	\$8,444,785.00	Assured	\$362,447.50	\$362,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/37	5.000%	\$8,919,785.00	Assured	\$400,447.50	\$400,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/38	5.000%	\$9,429,785.00	Assured	\$442,447.50	\$442,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/39	5.000%	\$9,974,785.00	Assured	\$489,447.50	\$489,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/40	5.000%	\$10,554,785.00	Assured	\$541,447.50	\$541,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/41	5.000%	\$11,169,785.00	Assured	\$599,447.50	\$599,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/42	5.000%	\$11,819,785.00	Assured	\$663,447.50	\$663,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/43	5.000%	\$12,504,785.00	Assured	\$734,447.50	\$734,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/44	5.000%	\$13,224,785.00	Assured	\$812,447.50	\$812,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/45	5.000%	\$14,079,785.00	Assured	\$898,447.50	\$898,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/46	5.000%	\$15,069,785.00	Assured	\$993,447.50	\$993,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/47	5.000%	\$16,194,785.00	Assured	\$1,107,447.50	\$1,107,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/48	5.000%	\$17,464,785.00	Assured	\$1,242,447.50	\$1,242,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/49	5.000%	\$18,889,785.00	Assured	\$1,399,447.50	\$1,399,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/50	5.000%	\$20,479,785.00	Assured	\$1,679,447.50	\$1,679,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/51	5.000%	\$22,234,785.00	Assured	\$1,984,447.50	\$1,984,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/52	5.000%	\$24,164,785.00	Assured	\$2,314,447.50	\$2,314,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/53	5.000%	\$26,279,785.00	Assured	\$2,679,447.50	\$2,679,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/54	5.000%	\$28,589,785.00	Assured	\$3,084,447.50	\$3,084,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/55	5.000%	\$31,104,785.00	Assured	\$3,529,447.50	\$3,529,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/56	5.000%	\$33,824,785.00	Assured	\$4,014,447.50	\$4,014,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/57	5.000%	\$36,749,785.00	Assured	\$4,539,447.50	\$4,539,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/58	5.000%	\$40,889,785.00	Assured	\$5,104,447.50	\$5,104,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/59	5.000%	\$46,239,785.00	Assured	\$5,719,447.50	\$5,719,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/60	5.000%	\$51,889,785.00	Assured	\$6,384,447.50	\$6,384,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/61	5.000%	\$58,039,785.00	Assured	\$7,109,447.50	\$7,109,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/62	5.000%	\$64,789,785.00	Assured	\$7,894,447.50	\$7,894,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/63	5.000%	\$72,139,785.00	Assured	\$8,739,447.50	\$8,739,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/64	5.000%	\$80,189,785.00	Assured	\$9,644,447.50	\$9,644,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/65	5.000%	\$88,939,785.00	Assured	\$10,619,447.50	\$10,619,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/66	5.000%	\$98,389,785.00	Assured	\$11,664,447.50	\$11,664,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/67	5.000%	\$108,539,785.00	Assured	\$12,789,447.50	\$12,789,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/68	5.000%	\$119,389,785.00	Assured	\$13,994,447.50	\$13,994,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/69	5.000%	\$130,939,785.00	Assured	\$15,279,447.50	\$15,279,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/70	5.000%	\$143,189,785.00	Assured	\$16,644,447.50	\$16,644,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/71	5.000%	\$156,139,785.00	Assured	\$18,089,447.50	\$18,089,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/72	5.000%	\$170,889,785.00	Assured	\$19,614,447.50	\$19,614,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/73	5.000%	\$186,439,785.00	Assured	\$21,219,447.50	\$21,219,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/74	5.000%	\$203,789,785.00	Assured	\$22,904,447.50	\$22,904,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/75	5.000%	\$222,939,785.00	Assured	\$24,669,447.50	\$24,669,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/76	5.000%	\$244,989,785.00	Assured	\$26,514,447.50	\$26,514,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/77	5.000%	\$268,939,785.00	Assured	\$28,439,447.50	\$28,439,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/78	5.000%	\$294,789,785.00	Assured	\$30,454,447.50	\$30,454,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/79	5.000%	\$322,439,785.00	Assured	\$32,569,447.50	\$32,569,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/80	5.000%	\$352,989,785.00	Assured	\$34,784,447.50	\$34,784,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/81	5.000%	\$385,439,785.00	Assured	\$37,099,447.50	\$37,099,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/82	5.000%	\$420,789,785.00	Assured	\$39,514,447.50	\$39,514,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/83	5.000%	\$468,939,785.00	Assured	\$42,029,447.50	\$42,029,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/84	5.000%	\$520,789,785.00	Assured	\$44,644,447.50	\$44,644,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/85	5.000%	\$576,439,785.00	Assured	\$47,359,447.50	\$47,359,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/86	5.000%	\$636,989,785.00	Assured	\$50,174,447.50	\$50,174,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/87	5.000%	\$701,439,785.00	Assured	\$53,089,447.50	\$53,089,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/88	5.000%	\$770,789,785.00	Assured	\$56,104,447.50	\$56,104,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/89	5.000%	\$844,939,785.00	Assured	\$59,219,447.50	\$59,219,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/90	5.000%	\$924,789,785.00	Assured	\$62,434,447.50	\$62,434,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/91	5.000%	\$1,010,439,785.00	Assured	\$65,749,447.50	\$65,749,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/92	5.000%	\$1,102,989,785.00	Assured	\$69,164,447.50	\$69,164,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/93	5.000%	\$1,201,439,785.00	Assured	\$72,679,447.50	\$72,679,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/94	5.000%	\$1,306,989,785.00	Assured	\$76,294,447.50	\$76,294,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/95	5.000%	\$1,420,439,785.00	Assured	\$80,009,447.50	\$80,009,447.50	-	-	-	-	-	-	-	-	-	-
1353846	4/1/96	5.000%	\$1,542,989,785.													

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# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

UTGO Series	Maturity Date	Rate	Principal	Insurer	Interest										Total					
					10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Interest	Principal & Interest
UTGO 1999-A	10/31/99SM3	4/1/15	5.250%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$130,024.13	\$2,606,674.13
	10/31/99SM3	4/1/16	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$260,265.50	\$2,862,920.50
	10/31/99SM3	4/1/17	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$409,950.75	\$3,142,955.75
	10/31/99SM3	4/1/18	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$574,409.00	\$3,446,454.00
	10/31/99SM3	4/1/19	5.000%	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$753,857.50	\$3,769,287.50
			\$13,699,785.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,128,506.88	\$15,828,291.88
UTGO 2001-A(1)	10/31/01XU6	4/1/15	5.375%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$277,449.98	\$5,439,309.98
	10/31/01XU6	4/1/16	5.375%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$584,793.55	\$6,024,733.55
	10/31/01XU6	4/1/17	5.375%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$924,833.25	\$6,660,233.25
	10/31/01XU6	4/1/18	5.375%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,615,690.00	\$14,781,690.00
	10/31/01XU6	4/1/19	5.000%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,041,500.00	\$15,207,500.00
UTGO 2001-A(2)	10/31/01XU7	4/1/20	5.000%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,649,800.00	\$15,815,800.00
	10/31/01XU7	4/1/21	5.000%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,258,100.00	\$16,424,100.00
			\$65,001,200.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$15,352,166.78	\$80,353,366.78
UTGO 2002	10/31/02XU8	4/1/21	5.125%	NPFG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,010,082.15	\$3,825,642.15
	10/31/02XU8	4/1/22	5.125%	NPFG	\$75,822.97	\$75,822.97	-	-	-	-	-	-	-	-	-	-	-	-	\$1,213,167.45	\$4,172,112.45
			\$5,774,505.00		\$75,822.97	\$75,822.97	-	-	-	-	-	-	-	-	-	-	-	-	\$2,223,249.60	\$7,997,754.60
UTGO 2003-A	10/31/03XU9	4/1/15	4.000%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,428.00	\$271,128.00
	10/31/03XU9	4/1/16	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$116,337.38	\$2,332,287.38
	10/31/03XU9	4/1/17	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$273,278.78	\$2,875,933.78
	10/31/03XU9	4/1/18	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$431,132.63	\$3,168,482.63
	10/31/03XU9	4/1/19	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$604,954.35	\$3,485,689.35
UTGO 2003-A	10/31/03XU9	4/1/20	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$796,112.63	\$3,828,922.63
	10/31/03XU9	4/1/21	4.500%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$117,315.00	\$551,815.00
	10/31/03XU9	4/1/22	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$869,108.63	\$3,628,183.63
	10/31/03XU9	4/1/23	5.250%	Syncora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,232,719.95	\$4,587,059.95
	10/31/03XU9	4/1/24	4.625%	Syncora	\$10,047.81	\$10,047.81	-	-	-	-	-	-	-	-	-	-	-	-	\$160,765.00	\$595,265.00
UTGO 2003-A	10/31/03XU9	4/1/25	5.250%	Syncora	\$81,322.11	\$81,322.11	-	-	-	-	-	-	-	-	-	-	-	-	\$1,301,153.70	\$4,399,138.70
	10/31/03XU9	4/1/26	4.625%	Syncora	\$30,143.44	\$30,143.44	\$30,143.44	-	-	-	-	-	-	-	-	-	-	-	\$342,581.88	\$1,846,081.88
	10/31/03XU9	4/1/27	5.250%	Syncora	\$63,301.22	\$63,301.22	\$63,301.22	\$63,301.22	-	-	-	-	-	-	-	-	-	-	\$1,139,421.94	\$3,550,896.94
			\$27,525,575.00		\$184,814.58	\$184,814.58	\$93,444.66	\$93,444.66	-	-	-	-	-	-	-	-	-	-	\$7,595,309.84	\$35,120,884.84
UTGO 2004-A(1)	10/31/04XU9	4/1/19	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,026,506.25	\$4,937,006.25
	10/31/04XU9	4/1/20	4.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$40,995.08	\$201,760.08
	10/31/04XU9	4/1/21	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,665,677.48	\$6,953,542.48
	10/31/04XU9	4/1/22	5.000%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,007,390.00	\$7,742,790.00
	10/31/04XU9	4/1/23	5.250%	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,529,311.40	\$8,551,481.40
UTGO 2004-A(2)	10/31/04XU9	4/1/24	4.500%	Ambac	\$158,081.96	\$158,081.96	\$7,332.19	\$7,332.19	-	-	-	-	-	-	-	-	-	-	\$131,979.38	\$457,854.38
	10/31/04XU9	4/1/25	5.250%	Ambac	\$157,853.85	\$157,853.85	\$157,853.85	\$157,853.85	-	-	-	-	-	-	-	-	-	-	\$2,841,369.30	\$8,854,849.30
	10/31/04XU9	4/1/26	4.600%	Ambac	\$15,689.80	\$15,689.80	\$15,689.80	\$15,689.80	\$15,689.80	-	-	-	-	-	-	-	-	-	\$313,795.90	\$995,960.90
	10/31/04XU9	4/1/27	5.250%	Ambac	\$157,169.51	\$157,169.51	\$157,169.51	\$157,169.51	\$157,169.51	\$15,689.80	-	-	-	-	-	-	-	-	\$3,143,390.25	\$9,130,800.25
			\$34,125,630.00		\$496,127.31	\$496,127.31	\$338,045.35	\$338,045.35	\$172,859.31	\$172,859.31	-	-	-	-	-	-	-	-	\$13,700,415.03	\$47,826,045.03

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Subject to Mandatory Redemption

# UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

STP	Maturity Date	Rate	Principal	Insurer	10/1/21	4/1/22	10/1/22	4/1/23	10/1/23	4/1/24	10/1/24	4/1/25	10/1/25	4/1/26	10/1/26	4/1/27	10/1/27	4/1/28	Total Interest	Total Principal & Interest
2004-B(1)																				
13553846	4/1/15	5.000%	\$7,538,575.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$376,928.75	\$7,915,503.75
200932Q6	4/1/16	5.250%	\$7,912,245.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$830,785.73	\$8,743,030.73
200932R4	4/1/17	4.000%	\$265,045.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$31,805.40	\$296,850.40
200932S2	4/1/17	5.250%	\$8,064,320.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,270,130.40	\$9,334,450.40
200932T0	4/1/18	5.250%	\$1,738,000.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$364,980.00	\$2,102,980.00
			\$25,518,185.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,874,630.28	\$28,392,815.28
2004-B(2)																				
200932X1	4/1/19	5.240%	\$499,675.00	Ambac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$60,790.03	\$560,465.03
2005-B																				
200932Y3	4/1/15	5.000%	\$1,990,010.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$99,500.50	\$2,089,510.50
200932Z6	4/1/16	5.000%	\$2,089,945.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$208,994.50	\$2,298,939.50
200932Z7	4/1/17	4.300%	\$2,189,880.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$282,494.52	\$2,472,374.52
200932Z8	4/1/18	5.000%	\$2,289,815.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,963.00	\$2,747,778.00
200932Z9	4/1/19	5.000%	\$2,402,785.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$600,696.25	\$3,003,481.25
200932Z0	4/1/20	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,303,500.00	\$5,648,500.00
200932Z1	4/1/21	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,520,750.00	\$5,865,750.00
200932Z2	4/1/22	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,738,000.00	\$6,083,000.00
200932Z3	4/1/23	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,955,250.00	\$6,300,250.00
200932Z4	4/1/24	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,172,500.00	\$6,517,500.00
200932Z5	4/1/25	5.000%	\$4,345,000.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,389,750.00	\$6,734,750.00
			\$37,032,435.00		\$434,500.00	\$434,500.00	\$325,875.00	\$325,875.00	\$217,250.00	\$217,250.00	\$108,625.00	\$108,625.00	\$108,625.00	\$108,625.00	\$108,625.00	\$108,625.00	\$108,625.00	\$108,625.00	\$12,729,398.77	\$49,761,837.77
2005-C																				
200932Z6	4/1/15	5.000%	\$2,003,045.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$100,152.25	\$2,103,197.25
200932Z7	4/1/16	5.000%	\$2,107,325.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$210,732.50	\$2,318,057.50
200932Z8	4/1/17	4.300%	\$2,211,605.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$285,297.05	\$2,496,902.05
200932Z9	4/1/18	5.000%	\$2,285,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$457,094.00	\$2,742,564.00
200932Z0	4/1/19	5.250%	\$2,376,715.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$623,887.69	\$3,000,602.69
200932Z1	4/1/20	5.250%	\$2,507,065.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$789,725.48	\$3,296,790.48
			\$13,491,225.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,466,888.96	\$15,958,113.96
2008-A																				
200932Z2	4/1/15	5.000%	\$2,498,375.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$124,918.75	\$2,623,293.75
200932Z3	4/1/16	5.000%	\$2,620,035.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$262,003.50	\$2,882,038.50
200932Z4	4/1/17	5.000%	\$2,754,730.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$413,209.50	\$3,167,939.50
200932Z5	4/1/18	4.000%	\$2,889,425.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$462,908.00	\$3,351,333.00
200932Z6	4/1/19	5.000%	\$3,006,740.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$751,685.00	\$3,758,425.00
200932Z7	4/1/20	5.000%	\$3,154,470.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$946,341.00	\$4,100,811.00
200932Z8	4/1/21	5.000%	\$3,315,235.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,160,332.25	\$4,475,567.25
200932Z9	4/1/22	5.000%	\$3,480,345.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,392,138.00	\$4,872,483.00
200932Z0	4/1/23	5.000%	\$7,490,780.00	Assured	\$87,008.63	\$87,008.63	\$187,269.50	\$187,269.50	\$95,915.88	\$95,915.88	\$434,065.50	\$434,065.50	\$333,370.13	\$333,370.13	\$227,569.38	\$227,569.38	\$116,554.63	\$116,554.63	\$3,562,682.75	\$11,053,462.75
200932Z1	4/1/24	5.000%	\$7,490,780.00	Assured	\$187,269.50	\$187,269.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$434,065.50	\$10,904,429.25	\$28,267,049.25
200932Z2	4/1/25	5.000%	\$7,490,780.00	Assured	\$434,065.50	\$434,065.50	\$621,335.00	\$621,335.00	\$529,981.38	\$529,981.38	\$444,065.50	\$444,065.50	\$333,370.13	\$333,370.13	\$227,569.38	\$227,569.38	\$116,554.63	\$116,554.63	\$19,980,048.00	\$68,552,803.00
			\$48,572,755.00		\$708,343.63	\$708,343.63	\$621,335.00	\$621,335.00	\$529,981.38	\$529,981.38	\$444,065.50	\$444,065.50	\$333,370.13	\$333,370.13	\$227,569.38	\$227,569.38	\$116,554.63	\$116,554.63	\$19,980,048.00	\$68,552,803.00
2008-B(1)																				
200932Z3	4/1/15	5.000%	\$6,925,930.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$346,296.50	\$7,272,226.50
200932Z4	4/1/16	5.000%	\$2,980,360.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$298,936.00	\$3,288,296.00
200932Z5	4/1/17	5.000%	\$3,111,020.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$466,653.00	\$3,577,673.00
200932Z6	4/1/18	5.000%	\$3,293,510.00	Assured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$658,702.00	\$3,952,212.00
			\$16,319,820.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,770,587.50	\$18,090,407.50
2008-B(2)																				
200932Z7	4/1/15	5.000%	\$287,560,790.00	Assured	\$1,899,608.47	\$1,899,608.47	\$1,378,700.00	\$1,378,700.00	\$920,090.68	\$920,090.68	\$542,690.50	\$542,690.50	\$333,370.13	\$333,370.13	\$227,569.38	\$227,569.38	\$116,554.63	\$116,554.63	\$80,881,991.64	\$368,442,781.64

Subject to Mandatory Redemption

UTGO Series 2014 DSA Fourth Lien Restructured Bonds - Debt Service

Bond Series Subject to Mandatory Redemption

Issuance: 2004-B(2)										Issuance: 2008-A									
CUSIP 251093ZX1							Mandatory Redemption			CUSIP 251093N63									
Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest				Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest				
10/1/14	Ambac	6/30/15	-	\$499,675.00	5.240%	\$13,091.49				Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/15	Ambac	6/30/15	\$134,695.00	-	5.240%	\$13,091.49				Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/15	Ambac	6/30/16	-	\$364,980.00	5.240%	\$9,562.48				Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/16	Ambac	6/30/16	\$143,385.00	-	5.240%	\$9,562.48				Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/16	Ambac	6/30/17	-	\$221,595.00	5.240%	\$5,805.79				Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/17	Ambac	6/30/17	\$147,730.00	-	5.240%	\$5,805.79				Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/17	Ambac	6/30/18	-	\$73,865.00	5.240%	\$1,935.26				Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/18	Ambac	6/30/18	\$73,865.00	-	5.240%	\$1,935.26				Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50				
Total							\$499,675.00						\$17,362,620.00		\$434,065.50				
CUSIP 251093N55							Mandatory Redemption			CUSIP 251093N63									
Date	Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest				Insurer	Fiscal Year	Amounts	Outstanding	Rate	Interest				
10/1/14	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/15	Assured	6/30/15	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/15	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/15	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/16	Assured	6/30/16	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/16	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/16	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/17	Assured	6/30/17	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/17	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/17	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/18	Assured	6/30/18	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/18	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/18	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/19	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/19	Assured	6/30/19	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/19	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/19	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/20	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/20	Assured	6/30/20	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/20	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/20	Assured	6/30/21	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/21	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/21	Assured	6/30/21	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/21	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/21	Assured	6/30/22	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/22	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/22	Assured	6/30/22	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/22	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/22	Assured	6/30/23	-	\$7,490,780.00	5.000%	\$187,269.50				Assured	6/30/23	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/23	Assured	6/30/23	\$3,654,145	-	5.000%	\$187,269.50				Assured	6/30/23	-	\$17,362,620.00	5.000%	\$434,065.50				
10/1/2023	Assured	6/30/24	-	\$3,836,635.00	5.000%	\$95,915.88				Assured	6/30/24	-	\$17,362,620.00	5.000%	\$434,065.50				
4/1/2024	Assured	6/30/24	\$3,836,635	-	5.000%	\$95,915.88				Assured	6/30/24	-	\$17,362,620.00	5.000%	\$434,065.50				
Total							\$7,490,780.00						\$17,362,620.00		\$116,554.63				

**EXHIBIT B**  
**FEE SCHEDULE**

B-1



U.S. Bank Customer Confidential

**Schedule of Fees for Services as  
ESCROW AGENT  
For  
Settlement Escrow Agreement**

CTS01010A	<b>Acceptance Fee</b> The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$1,000.00
CTS04460	<b>Escrow Agent</b> Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	\$5,000.00
	<b>Direct Out of Pocket Expenses</b> Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	<b>Extraordinary Services</b> Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Dated: July 21, 2014

**Exhibit E**

**CONFIRMATION ORDER INSERT**

D-1



## **UTGO Settlement Agreement – Insert for Confirmation Order**

### **Findings of Fact and Conclusions of Law**

A. After sufficient notice and opportunity for all parties to be heard, and after due deliberation, based on the Court's thorough review and full consideration of the UTGO Settlement Agreement and good and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law. Any finding of fact constitutes a finding of fact even if it is stated as a conclusion of law, and any conclusion of law constitutes a conclusion of law even if it is stated as a finding of fact. All findings of fact and conclusions of law announced by the Court on the record in connection with confirmation of the Plan or otherwise at the Confirmation Hearing are incorporated herein by reference.<sup>1</sup> The findings and conclusions set forth herein and in the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014.

B. The UTGO Settlement described in the Plan and the UTGO Settlement Agreement are fair, equitable, reasonable, and in the best interests of the City and its creditors and residents.<sup>2</sup> The UTGO Settlement Agreement is the result of extensive arms' length negotiations among the City and the UTGO Bond Insurers – all of whom were represented by

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<sup>1</sup> The findings of fact and conclusions of law set forth herein and announced on the record during the Confirmation Hearing shall be construed in a manner consistent with each other so as to effect the purpose of each; provided, however, that if there is any direct conflict that cannot be reconciled, then, solely to the extent of such conflict, the provisions of this Confirmation Order shall govern and shall control and take precedence over any findings of fact or conclusions of law announced on the record at the Confirmation Hearing.

<sup>2</sup> Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Plan or the UTGO Settlement Agreement, a copy of which is attached to the Plan as Exhibit \_\_\_\_.

sophisticated counsel. The compromises and settlements embodied in the UTGO Settlement (a) resolve all disputes with respect to claims classified in Class 8 under the Plan and the issues raised by the UTGO Bond Insurers in the UTGO Litigation and (b) are, collectively, a key compromise upon which several provisions of the Plan rest. In the absence of such compromises and settlements, the City's emergence from chapter 9 would likely have been delayed by litigation and burdened with additional expenses. The UTGO Settlement and the UTGO Settlement Agreement: (a) were negotiated and entered into in good faith, (b) comport with policies and purposes of chapter 9, (c) are fair, equitable and reasonable; (d) are in the best interests of the City and its creditors and residents as they not only fully resolve the UTGO Litigation but also permit the City's assignees to receive value from the Assigned UTGO Bond Tax Proceeds as set forth in the Plan; (e) are within the range of reasonable results if the disputes resolved by the UTGO Settlement, including the Assured/NPFG Action and the Ambac Action as they relate to the UTGO Bonds, were instead litigated to a conclusion; (f) fall above the lowest point in the range of reasonableness; and (g) meet the standards for approval under sections 105(a) and 1123(b) of the Bankruptcy Code, Bankruptcy Rule 9019(a) and other applicable law.

C. Without limiting any of the foregoing, the Court hereby finds that:

- a. The Plan incorporates the UTGO Settlement Agreement, and the effectiveness of the Plan is expressly conditioned upon: (a) the Michigan Finance Authority board having approved the issuance of the MFA Bonds and such bonds having been issued; and (b) the City having obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of the UTGO Settlement Agreement.

- b. As of the Effective Date, the Plan represents a full, final and complete compromise, settlement, release and resolution of, among other matters, all disputes and pending or potential litigation (including any appeals), including, without limitation, the UTGO Litigation, regarding the allowability, amount, priority and treatment of the Unlimited Tax General Obligation Bond Claims. The treatment of Class 8 UTGO Claims under the Plan is a component of a settlement and compromise of the UTGO Litigation.
- c. Good and valuable consideration has been provided for all releases and exculpations granted pursuant to the UTGO Settlement Agreement, including, without limitation, the releases and exculpations granted pursuant to sections 6.1 and 6.2 of the UTGO Settlement Agreement. Such provisions are fair, equitable, reasonable and integral elements of the UTGO Settlement Agreement.
- d. The Court confirms that as of the Effective Date and pursuant to Emergency Manager Order No. \_\_, the Municipal Obligation shall be secured, to the extent permitted by law, including without limitation section 12(1)(x) of Act 436, by a lien granted by the City on the UTGO Bond Tax Levy for so long as either the Municipal Obligation or the Stub UTGO Bonds are outstanding.
- e. As of the Effective Date, the UTGO Bond Tax Levy shall constitute “special revenues,” as defined in section 902 of the Bankruptcy Code, and

“pledged special revenues,” as that term is used in section 922(d) of the Bankruptcy Code.

- f. As of the Effective Date, the MFA shall possess a valid and enforceable statutory fourth lien and trust on Distributable State Aid, as provided in section 15(2) of the Shared Credit Rating Act or as otherwise provided under applicable law.
- g. As of the Effective Date, Holders of the MFA Bonds shall possess all of the MFA’s rights and interest in the Municipal Obligation including all the rights and interest provided herein and under the UTGO Settlement Agreement, subject to the reservation by the MFA of rights to indemnification and to make all determinations and approvals and receive all notices accorded to it under the Municipal Obligation and related documents. Accordingly, the MFA Bonds will be payable from and secured by (i) payments made by the City on the Municipal Obligation and to the extent permitted by law, including without limitation section 12(1)(x) of Act 436, a lien on the portion of the UTGO Bond Tax Levy allocable to the Municipal Obligation, pledged by the City to secure the Municipal Obligation and (ii) a lien, made a statutory lien as provided by the Shared Credit Rating Act, on moneys in the funds and accounts established for the MFA Bonds under the authorizing resolution for such bonds, including payments pledged by the City and received and held by the MFA or its trustee for the MFA Bonds, which include, without

limitation, all payments of (x) the proceeds of the UTGO Bond Tax Levy and (y) Distributable State Aid.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The UTGO Settlement. Consistent with the findings herein, the UTGO Settlement and the UTGO Settlement Agreement, including without limitation all of the transactions contemplated, the liens granted, and the protections created therein, are APPROVED in their entirety as a good faith, fair, reasonable, and equitable compromise and settlement of all disputes with respect to claims classified in Class 8 under the Plan that is in the best interests of the City and its creditors and residents. The entry of this Confirmation Order constitutes approval of the UTGO Settlement Agreement pursuant to the Bankruptcy Rules, including Bankruptcy Rule 9019, the Bankruptcy Code, including section 1123, and Act 279, Public Acts of Michigan, 1909, as amended; Act 436, Public Acts of Michigan, 2012; Act 34, Public Acts of Michigan, 2001, as amended; and Act 80, Public Acts of Michigan, 1981, as amended. As provided in the Plan, on the Effective Date, the UTGO Settlement Agreement shall be binding on the City, Ambac, Assured and NPMG.

2. Approval of Exculpations and Releases. All exculpations and releases granted pursuant to the UTGO Settlement, including, without limitation, the releases and exculpations granted pursuant to sections 6.1 and 6.2 of the UTGO Settlement Agreement, are hereby approved in their entirety. The Court approves such settlements and releases on the grounds that good and valuable consideration has been provided therefor, and that such provisions are fair, equitable, reasonable, and integral elements of the UTGO Settlement Agreement.

3. Segregation of UTGO Bond Tax Levy. The proceeds of the UTGO Bond Tax Levy collected by the City shall be segregated and transmitted to the Debt Millage Escrow Trustee under the Debt Millage Deposit Escrow Agreement, and the Debt Millage Escrow Trustee shall segregate and transmit the proceeds allocable to the Municipal Obligation to the Master Trustee in accordance with section 2.4(a) of the UTGO Settlement Agreement.

4. Annual Certification of Debt Millage Levy. Pursuant to the Section 2.7(b) of the UTGO Settlement Agreement, the City shall certify annually, not later than June 30 of each year, that it has imposed the debt millage levy as required by and in accordance with the terms of the UTGO Settlement Agreement.

5. Retention of Jurisdiction. Pursuant to section 945(a) of the Bankruptcy Code, the Court shall retain jurisdiction over the UTGO Settlement and the UTGO Settlement Agreement and any dispute arising from or related to the UTGO Settlement Agreement. For the avoidance of doubt and as the City has consented, the Court shall retain exclusive post-confirmation authority and power, to implement, interpret and enforce the UTGO Settlement Agreement and all Settlement-Related Documents, including, without limitation, all exhibits to the UTGO Settlement Agreement, the Restructured UTGO Bonds, the Municipal Obligation and the MFA Bonds. As the City has consented, the Court reserves all powers as are necessary or appropriate to enforce or to give effect to the Court's retained jurisdiction under the Plan and this Confirmation Order, including by way of injunction, as long as any of the Municipal Obligation, Stub UTGO Bonds or MFA Bonds are outstanding.

**EXHIBIT II.B.3.g.ii.A**

**SCHEDULE OF PAYMENTS AND SOURCES OF  
PAYMENTS FOR MODIFIED PFRS PENSION BENEFITS**

City of Detroit

PFRS Pension contributions (FY14 - FY23)

\$ in millions

PFRS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-Year
Source:											
State	\$ -	\$ 96.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96.0
Foundations	-	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	164.7
Total	-	114.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	260.7



**EXHIBIT II.B.3.g.ii.C**

TERMS OF PFRS PENSION RESTORATION

## TERMS OF PFRS PENSION RESTORATION

### Pension Restoration Process

The following rules shall govern how accrued pensions, including COLA benefits, that are reduced as part of the Plan of Adjustment, shall be restored during the thirty year period following the Confirmation Order. The pension restoration process shall be supervised, and restoration decisions undertaken by the Investment Committee of PFRS and in accordance with the pension governance provisions set forth in the State Contribution Agreement and exhibits thereto. This pension restoration program shall be deemed a part of Component II of the Combined Plan for the Police and Fire Retirement System, but in the event of any conflict between the language set forth herein and the Combined Plan the terms of this Pension Restoration Agreement will govern.

### GENERAL RESTORATION RULES

#### I. PFRS RESTORATION

##### 1. Waterfall Categories

There will be three Waterfall Classes:

- a. PFRS Waterfall Class 1 – Retirees in retirement benefit pay status as of June 30, 2014, and their surviving spouses and beneficiaries
- b. PFRS Waterfall Class 2 – Retirees, who entered into retirement benefit pay status after June 30, 2014, and their surviving spouses and beneficiaries, and who are in pay status as of the end of the PFRS Fiscal Year prior to the year in which the restoration decision is made
- c. PFRS Waterfall Class 3 – All retirees, surviving spouses, and beneficiaries in pay status and all other PFRS participants who as of June 30, 2014 are not in retirement benefit pay status

##### 2. General PFRS Pension Restoration Through June 30, 2023

Each year in conjunction with the annual actuarial valuation report, the PFRS actuary will project the PFRS funded ratio as of 2023 based upon the market value of plan assets relative to the actuarial accrued liabilities (the “Funded Level”). This projection will be further based upon a 6.75% assumed rate of investment return which is net of expenses (administrative and investment), future employer contributions as set forth in the Plan of Adjustment (subject to conditions in the Plan of Adjustment), and such other actuarial

assumptions as utilized by the PFRS actuary. For purposes of PFRS Restoration through June 30, 2023, the Funding Target will be a 75% funded ratio, and the Restoration Target will be a 78% funded ratio, both projected to June 30, 2023. For purposes of calculating the funded ratio, the assets in the Restoration Reserve Account will be excluded. Each year, if the actuary projects that the Funded Level as of 2023 (excluding Restoration Account assets to avoid double counting) exceeds the Restoration Target (i.e., exceeds 78%), a credit of assets for bookkeeping purposes will be made into a new notional Restoration Reserve Account. The notional credit will be an amount equal to the excess of assets above the amount projected to be needed to satisfy the Restoration Target. Once the Restoration Reserve Account is established, each year thereafter, Restoration Account assets will be credited with interest in an amount equal to the net return on plan investments but capped at the actuarially assumed rate of investment return (i.e., 6.75% for the period through June 30, 2023). In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses and any required transfer to the PFRS Pension Reserve Account as provided herein.

Actual restoration payments and restoration credits will work as follows: each year, in conjunction with the preparation of the annual actuarial valuation report and following establishment of the Restoration Reserve Account, the PFRS actuary will determine whether there are sufficient funds in such account to restore COLA benefits in a minimum incremental amount of 10% or more. For example: If a retiree's then current COLA benefit is a 1.0% annual compounded COLA, the minimum incremental restoration would increase the COLA benefit to 1.225%. COLA restoration only will occur if the funding level in the Restoration Reserve Account can fund 100% of the COLA increase over the actuarially-projected lives of the eligible recipient PFRS Waterfall Class. If the actuary certifies that the Restoration Reserve Account as of the end of the prior PFRS fiscal year satisfies the required funding level for one or more increments of restoration, then in the next immediate PFRS fiscal year actual COLA restoration payments will be made to PFRS Waterfall Class 1 members in such increments until an amount sufficient to fund 66% of the value of their future COLA payments (e.g., a 1.5% compound COLA, or as otherwise applicable) has been funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account would fully fund COLA restoration in at least one minimum 10% increment (i.e., amounts equal to 10% of the value of future COLA payments), PFRS Waterfall Class 2 members will receive COLA restoration, until an amount sufficient to fund 66% of the value of their future COLA payments has been funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account would fully fund COLA restoration in at least one minimum 10% increment (i.e., amounts equal to 10% of the value of future COLA payments), PFRS Waterfall Class 3 members will receive COLA restoration on a pro-rata basis. For PFRS Waterfall Class 3 members who are in pay status at that time of restoration, they will receive COLA payments; for active employees at the time of restoration, they will receive credits granting them a right upon retirement to receive COLA restoration equal to the 10% increments that are fully funded to PFRS Waterfall Class 3 members. For Example: Assume there are sufficient assets credited to the Restoration Reserve Account as of the

end of a fiscal year to fully fund 66% of the value of the COLA for all PFRS Waterfall Class 1 and Class 2 members for their actuarially projected lives. To the extent additional assets remain in the Restoration Reserve Account to fully fund at least a 10% COLA increment for PFRS Waterfall Class 3 members for their actuarially projected lives, then (i) all retirees would receive a restoration payment of 76% of the value of their COLAs (their having already received by virtue of their membership in PFRS Waterfall Classes 1 and 2 an increase to 66% of the value of their COLAs) and also a 10% COLA increment would be credited to eligible active employees which would be included in their benefit payments upon retirement (thus causing their COLAs to increase in value from 45% to 55%). Restoration amounts actually paid from the Restoration Reserve Account will be debited from such account. Restoration payments will be calculated and paid on a prospective basis only.

Once restoration payments and credits begin, as long as the Restoration Reserve Account continues to have assets to fund 100% of an incremental COLA restoration amount for such Waterfall Class for their actuarially projected lives, the restoration payments and credits will continue; provided, however, that in the event the Restoration Reserve Account, after having sufficient assets to fund 100% of two or more increments, falls below 100% for the second or greater increment, the annual amounts to pay such second or greater increment can continue until the Restoration Reserve Account lacks any assets to fund such additional increment. For Example, assume a 10% increment in PFRS Waterfall Class 1 requires \$10 million in assets to be fully funded for the PFRS Waterfall Class' actuarially projected lives, and that based on FY 2018 results the Restoration Reserve Account has assets of \$22 million so as to fund two increments of restoration in FY 2019. Assume further that in the following year the Restoration Reserve Account drops in value to \$17 million; in such event two increments could still be paid, and the second increment would cease being paid only if the value of assets in the Restoration Reserve Account dropped to or below \$10 million (in the event they dropped below \$10 million, the first increment also would cease being paid). For purposes of restoration reduction, restoration increments will be taken away in reverse order in which they were granted (i.e. last in, first out).

If the PFRS Funded Level (excluding Restoration Reserve Assets) projected to 2023 falls below 76% (hereinafter, "Restoration Reserve Suspension Trigger"), then, until such time as the projected PFRS Funded Level in 2023 is 76% or above, further interest credits to the notional Restoration Reserve Account will cease notwithstanding the actual net PFRS investment returns for the fiscal year in question. Furthermore, if the PFRS Funded Level projected to 2023 falls below the Funding Target (i.e., 75%) then restoration payments to retirees and credits to active employees in the following year will be modified in the following manner: (1) funds previously credited to the Restoration Reserve Account will be notionally transferred and credited to the PFRS Pension Reserve Account in sufficient amounts to restore the projected PFRS Funded Level in 2023 to 75%; (2) following such transfer, the remaining assets in the Restoration Reserve Account shall be applied to

make restoration payments in accordance with and pursuant to the same mechanism described in the previous paragraph.

In connection with preparation of the actuarial report for FY 2023, the PFRS actuary will determine whether PFRS has satisfied the Permanent Restoration Target, which shall be 78%. Transfers from the Restoration Reserve Account for credit to the PFRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers, the PFRS Funded Level as of June 30, 2023 has satisfied the Permanent Restoration Target (*i.e.*, 78%), then the residual amounts, if any, in the Restoration Reserve Account (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of COLA restoration payments for one or more PFRS Waterfall Classes for their actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the PFRS Pension Reserve Account and the applicable incremental COLA payments shall be permanently restored for the applicable PFRS Waterfall Class and shall no longer be variable from year to year.

Following receipt of the actuarial reports for 2019, and in the event that the projected Funded Level of PFRS as of 2023 is less than 76%, the PFRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2023, or (ii) an amount of annual administrative expenses until 2023 equal to the average annual normal course administrative expenses in the prior 4 years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the PFRS Restoration Reserve Account than actually were transferred during such look back period, then the PFRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2023 PFRS Funded Level to 76%.

3. General PFRS Pension Restoration from July 1, 2023 to June 30, 2033.

If and to the extent that all COLA payments have not been restored pursuant to the permanent restoration feature as of June 30, 2023 described in the immediately preceding paragraph, then during this period and for purposes of variable restoration, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto, all projected as of June 30, 2033. The same rules for restoration payments that applied during the period ending June 30, 2023 shall apply (including ceasing interest credits in

the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2033 PFRS Funded Level falls below the 2033 Funding Target), except as follows. For purposes of determining whether the 2033 Restoration Target has been satisfied, the Plan actuary shall project investment returns through June 30, 2033 at the then current investment return assumption which is assumed to be net of expenses (administrative and investment), and the then applicable actuarial assumptions as utilized in the annual actuarial valuation. Further, the Plan actuary shall assume, merely for purposes of determining whether the Restoration Target is satisfied, that the annual City contribution amount shall be the annual amount necessary to fund the PFRS based upon an amortization of the actual 2023 UAAL (using the market value of assets) over 30 years (hereinafter, the "2023 UAAL Amortization") and in such manner that the resulting annual contribution stream would achieve the applicable PFRS' Funding Target (on Exhibit A) as of 2033. (Such projected, hypothetical contributions shall be for purposes only of making restoration determinations, and shall not necessarily be the actual contributions made or required to be made by the City or recommended during such period; all of which shall be determined independent of the restoration calculation process). For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded

To the extent that the City's actual contributions to the PFRS in any of the FYs 2024 (i.e., the year ending June 30, 2024) through 2033 are greater than the projected annual contribution under the 2023 UAAL Amortization, such amounts, and any investment earnings thereon, shall be notionally credited to a new bookkeeping account in PFRS called the Extra Contribution Account. In determining pension restoration during the period from FY 2024 through 2033, none of the amounts in the Extra Contribution Account shall be considered for purposes of determining the projected funded level for the Restoration Target or Permanent Restoration Target. To the extent that the City's actual contributions to the PFRS in any of the FYs 2024 through 2033 are less than the projected annual contribution under the 2023 UAAL Amortization, such difference and any investment earnings thereon shall be notionally allocated to the Restoration Reserve Account.

Each year, in addition to the crediting of assets that exceed the amount necessary to satisfy the Restoration Target, existing Restoration Account assets will be credited with interest equal to the net return on plan investments, but capped at the then actuarial investment return assumption. In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses.

In connection with preparation of the annual actuarial valuation report for FY 2033, the PFRS actuary will determine whether PFRS has satisfied the applicable Permanent Restoration Target, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the PFRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the funding level as of June 30, 2033 has satisfied the applicable Permanent Restoration



Target , then the residual amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of COLA restoration payments for one or more PFRS Waterfall Classes, shall be transferred from the Restoration Reserve Account and credited to the PFRS Pension Reserve Account and the applicable incremental COLA payments shall be permanently restored for the applicable PFRS Waterfall Class and shall no longer be variable from year to year.

Following receipt of the actuarial reports for 2028, and in the event that the projected Funded Level of PFRS as of 2033 is less than 79%, the PFRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2033, or (ii) an amount of annual administrative expenses until 2033 equal to the average annual normal course administrative expenses in the prior 4 years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the PFRS Restoration Reserve Account than actually were transferred during such look back period, then the PFRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the applicable look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the applicable look-back period); or (iii) the amount required to increase the projected 2033 PFRS Funded Level to 79%.

4. General PFRS Pension Restoration from July 1, 2033 to June 30, 2043.

If and to the extent that all COLA payments have not been restored pursuant to the permanent restoration feature as of June 30, 2033 described in the immediately preceding paragraph, then during the period ending June 30, 2044 and for purposes of variable restoration, the Funding Target , the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto. The same rules for restoration that applied during the period ending June 30, 2033 shall otherwise apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2043 PFRS Funded Level falls below the 2043 Funding Target), and shall be rolled forward. For example, for purposes of determining whether the 2043 Restoration Target has been satisfied, the Plan actuary shall project annual contributions using the same 2023 UAAL Amortization. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded, and no Extra Contribution Account assets shall be included for purposes of determining whether the Funded Level meets the Restoration Target or Permanent Restoration Target, including any additions to such account after 2033.

In connection with preparation of the annual actuarial valuation report for FY 2043, the PFRS actuary will determine whether PFRS has satisfied the applicable Permanent Restoration Target, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the PFRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the PFRS Funded Level as of June 30, 2043 is equal to or greater than the applicable Permanent Restoration Target, then the residual amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), shall be transferred from the Restoration Reserve Account and credited to the PFRS Pension Reserve Account and the applicable incremental COLA payments shall be permanently restored for the applicable PFRS Waterfall Class and shall no longer be variable from year to year.

5. Modification of the Pension Restoration Program

If any time after July 1, 2026, the PFRS Investment Committee (by vote of 5 of its 7 members), or the PFRS Board of Trustees (by a greater than 66% vote) determines that a change in relevant circumstances has occurred, or there was a mutual mistake of fact in developing this Pension Restoration Agreement, such that the continued operation of this Agreement without amendment will: (a) materially harm the long-term economic interests of the City, or Retirement System; (b) materially impair the City's ability to fully fund over a reasonable period the then existing frozen benefit liabilities; or (c) materially hinder the Restoration program, if as of that juncture (and for purposes of applying this subsection 5(c)) annual funding levels (excluding the Extra Contribution Account) had materially exceeded the applicable PFRS Restoration Targets for a substantial period yet without any material actual restoration of benefits as contemplated herein having been made, the Investment Committee or the Board, as the case may be, shall provide written notice to the other entity of such a determination and of the need to amend this Restoration Agreement (it being understood that the post-Chapter 9, 40-year amortization period (to 2053) to fully fund PFRS frozen liabilities is, unless the relevant facts demonstrate otherwise, presumptively reasonable). The Investment Committee and the Board shall then meet to negotiate amendments to this Agreement that address the identified risk of harm or impairment, but which also considers this Agreement's objective of providing pension restoration. Such negotiations shall take into account reasonable actions the City has pursued or could pursue to mitigate such harm or impairment. Any such amendments shall require the approval of a majority vote of the combined members of the Committee and Board (persons who sit on both the Board and Committee shall have one vote). Such parties shall consult with the Mayor, City Council and the Governor in connection with such negotiation. If the Board, acting through a majority, and the Investment Committee, acting through a majority, cannot agree to such amendments within the 90-day period following the provision of such notice by the determining party, then the Board and Investment Committee shall proceed to mediation upon demand from either the Board or the Investment Committee. In this regard, within 30-days following expiration of the 90-day period the Board and the Investment Committee shall each select a mediator from the list of approved mediators for the United States District Court for the Eastern District of Michigan. The two selected mediators shall



appoint a third neutral mediator from the approved list. Each party shall furnish a written statement to the mediators within 30 days of selection of the neutral mediator. Representatives of the Mayor and the Governor shall be consulted in connection with such mediations. If following a 90-day mediation period following submission of the written statements the matter is not settled, then either the Investment Committee or the Board can file an action in the United States District Court for the Eastern District of Michigan asking it to declare, inter alia, whether or in what manner to amend this Agreement.

## EXHIBIT A

**PFRS** - The 2033 and 2043 Funding Targets shall be 3.0% and 6% higher than the actual 2023 Funded Level rounded to the nearest 10<sup>th</sup> decimal. The Restoration Target shall be 3.0% higher than the Funding Target but not less than 81% and 84% in 2033 and 2043, respectively. The Permanent Restoration Targets shall be equal to the Restoration Targets for all time periods. The Restoration Reserve Suspension Trigger will be set 1% higher than the projected Funding Target for all time periods.

<u>2023 Funded Level</u>	<u>2033 Projected Funding Target /Restoration Target</u>	<u>2043 Projected Funding Target /Restoration Target</u>
78%	81%/84%	84%/87%
77%	80%/83%	83%/86%
76%	79%/82%	82%/85%
75%	78%/81%	81%/84%
74% or lower	3% > than 2023 Funded Level %/81%	3% > than 2023 Funded Level %/84%
<u>2033 Permanent Restoration Target</u>		<u>2043 Permanent Restoration Target</u>
Same as 2033 Restoration Target		Same as 2043 Restoration Target

**EXHIBIT II.B.3.r.ii.A**

SCHEDULE OF PAYMENTS AND SOURCES OF  
PAYMENTS FOR MODIFIED GRS PENSION BENEFITS

City of Detroit

GRS Pension contributions (FY14 - FY23)

\$ in millions

153846-swr

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GRS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-Year
Source:											
DWSD	\$ -	\$ 65.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 45.4	\$ 428.5
UTGO	-	4.4	4.0	4.0	3.9	3.7	3.7	3.6	2.3	2.0	31.7
State	-	98.8	-	-	-	-	-	-	-	-	98.8
DIA	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	45.0
Other	-	14.6	22.5	22.5	22.5	22.5	2.5	2.5	2.5	2.5	114.6
Total	-	188.2	76.9	76.9	76.8	76.6	56.5	56.5	55.2	54.9	718.6

**EXHIBIT II.B.3.r.ii.C**

TERMS OF GRS PENSION RESTORATION

## **TERMS OF GRS PENSION RESTORATION**

### **Pension Restoration Process**

The following rules shall govern how accrued pensions, including COLA benefits, that are reduced as part of the Plan of Adjustment, shall be restored during the thirty year period following the Confirmation Order. The pension restoration process shall be supervised, and restoration decisions undertaken by the Investment Committee of GRS and in accordance with the pension governance provisions set forth in the State Contribution Agreement and exhibits thereto. This pension restoration program shall be deemed a part of Component II of the Combined Plan for the General Retirement System of the City of Detroit, but in the event of any conflict between the language set forth herein and the Combined Plan the terms of this Pension Restoration Agreement will govern.

### **GENERAL RESTORATION RULES**

#### **I. GRS RESTORATION**

##### **1. Waterfall Categories**

There will be three Waterfall Classes:

- a. GRS Waterfall Class 1 – Retirees, in retirement benefit pay status as of June 30, 2014, and their surviving spouses and beneficiaries
- b. GRS Waterfall Class 2 – Retirees, who entered into retirement benefit pay status after June 30, 2014, and their surviving spouses and beneficiaries, and who are in pay status as of the end of the GRS Fiscal Year prior to the year in which the restoration decision is made
- c. GRS Waterfall Class 3 – All other GRS participants who as of June 30, 2014 are not in retirement benefit pay status

##### **2. General GRS Pension Restoration Through June 30, 2023**

Each year in conjunction with the annual actuarial valuation report, the GRS actuary will project the GRS funded ratio as of 2023 based upon the market value of plan assets relative to the actuarial accrued liabilities (the “Funded Level”). This projection will be further based upon a 6.75% assumed rate of investment return which is net of expenses (investment and administrative), future employer contributions as set forth in the Plan of Adjustment (subject to the conditions in the Plan of Adjustment) and such other actuarial assumptions as utilized by the GRS actuary. For purposes of GRS Restoration through June 30, 2023, the Funding Target will be a 70% funded ratio, the Restoration Target will be a 75% funded ratio, and the Restoration Reserve Suspension Trigger will be a

71% funded ratio, all projected to June 30, 2023. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded. Each year, if the actuary projects that the projected Funded Level as of June 30, 2023 (excluding Restoration Account assets to avoid double counting) exceeds the Restoration Target (i.e., exceeds 75%), a credit of assets for bookkeeping purposes will be made into a new notional Restoration Reserve Account. The notional credit will be in an amount equal to the excess of assets above the amount projected to be needed to satisfy the Restoration Target. Once the Restoration Reserve Account is established, each year thereafter, Restoration Account assets will be credited with interest in an amount equal to the net return on plan investments, but capped at the actuarially assumed rate of investment return (i.e., 6.75% for the period through June 30, 2023). In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses and any required transfer to the GRS Pension Reserve Account.

To the extent that the City's (including DWSD or a successor authority) actual contributions in any of the FYs 2015 through 2023 are less than the contributions provided for in the Plan of Adjustment, such difference and any investment earnings thereon shall be notionally allocated to the Pension Fund Reserve Account.

Actual restoration payments and credits will work as follows: Each year in conjunction with preparation of the annual actuarial valuation report and following establishment of the Restoration Reserve Account, the GRS actuary will determine whether there are sufficient funds in such account to restore a portion of the 4.5% across the board pension cuts in one or more minimum incremental amounts equal to  $\frac{1}{2}\%$  of the monthly benefit for each member of GRS Waterfall Class 1 (i.e. reducing the initial across the board cut to 4.0%). This restoration only occurs if the funding level in the Restoration Reserve Account can fund 100% of each incremental increase over the remaining actuarially projected lives of the eligible recipients in GRS Waterfall Class 1. If the Restoration Reserve Account satisfies the required funding level, then in the next GRS fiscal year, actual restoration payments will be made to GRS Waterfall Class 1 members in amounts equal to the benefit associated with each increment that have been fully funded in the Restoration Reserve Account. Once Waterfall Class 1 has sufficient assets in the GRS Restoration Reserve Account to fully fund and restore the 4.5% cut in their monthly benefits, and to the extent that additional assets in the Restoration Reserve Account remain and will fully fund at least  $\frac{1}{2}\%$  of the monthly benefit for each member of GRS Waterfall Class 2 over their remaining actuarially projected lives, then GRS Waterfall Class 2 members will receive pension restoration in minimum  $\frac{1}{2}\%$  benefit increments until an amount equal to the 4.5% cuts in their monthly benefits has been fully funded. At that juncture, and to the extent that additional assets in the Restoration Reserve Account remain and will fund at least a minimum  $\frac{1}{2}\%$  of the monthly benefit of each member in GRS Waterfall Class 3 over their remaining actuarially projected

lives, then each such member of the class shall receive a credit granting them a right upon retirement to receive pension restoration equal to the benefit increments that are fully funded. Restoration payments will be calculated and paid on a prospective basis only.

After the full 4.5% across the board pension cuts are restored for all three GRS Waterfall Classes, and to the extent there are additional assets in the Restoration Reserve Account to fully fund COLA benefits over the actuarially-projected lives of the eligible recipient GRS Waterfall Class, such assets will be used to fully fund and restore a portion of the COLA values that were eliminated as part of the Plan of Adjustment. COLA will be restored in minimum 10% COLA value increments up to 50% of the future COLA values for each member of GRS Waterfall Class 1 (i.e., a 50% future COLA value will constitute a 1.25% simple COLA), then up to 50% of the future COLA values for each member of Waterfall Class 2, and then up to 50% of the future COLA values for each member of Waterfall Class 3 until all members of the three GRS Waterfall Classes have had 50% of the value of their COLAs fully funded and restored. After 50% of the future values of COLA have been fully funded and restored, and to the extent there are additional assets in the Restoration Reserve Account for each of the three GRS Waterfall Classes, then a second 50% COLA restoration will be made, first to members of GRS Waterfall Class 1, then Waterfall Class 2, and then Waterfall Class 3. Classes will be restored in minimum 10% COLA value increments. Restoration payments will be calculated and paid on a prospective basis only.

If the amounts in the Restoration Reserve Account are sufficient to fully-fund the 4.5% across the board pension cuts for all three GRS Waterfall Classes and 100% COLA restoration for all three GRS Waterfall Classes, then any additional assets in the Restoration Reserve Account shall be used to increase the frozen accrued benefits of active and other GRS participants whose ASF accounts were diminished as part of the ASF Recoupment, such that they receive treatment equal to the 20%/20% ceiling applied to retirees in pay status under the Plan of Adjustment. If after such pension restoration there are additional assets in the Restoration Reserve Account to fully fund benefit increments over their remaining actuarially projected lives, GRS Waterfall Class 1 members will receive pension restoration in  $\frac{1}{2}\%$  benefit increments of the reductions to their monthly pension due to ASF Recoupment, and once such pension benefits are restored, Waterfall Class 2 members will receive pension restoration in  $\frac{1}{2}\%$  benefit increments in connection with the reductions to their monthly pensions due to ASF Recoupment. Restoration payments will be calculated and paid on a prospective basis only.

Once restoration payments to applicable retirees and restoration credits to active employees begin, as long as the Restoration Reserve Account continues to have assets sufficient to fund 100% of an incremental pension restoration amount for such GRS Waterfall Class members for their actuarially projected lives, such restoration payments and credits will continue; provided, however,



that in the event the Restoration Reserve Account, after having sufficient assets to fund 100% of two or more increments (over their actuarially projected lives), falls below 100% for the second or greater increment, the annual amounts to pay such second or other additional increment can continue until the Restoration Reserve Account lacks any assets to fund it. For example, assume a  $\frac{1}{2}\%$  increment in GRS Waterfall Class 1 requires \$10 million in assets to be fully funded for the GRS Waterfall Class' actuarially projected lives, and that based on FY 2018 results the Restoration Reserve Account has assets of \$22 million so as to fund two increments of restoration in FY 2019, *i.e.*, a 1% pension increase. Assume further that in the following year the Restoration Reserve Account drops in value to \$17 million; in such event two increments could still be paid, and the second increment of  $\frac{1}{2}\%$  would cease being paid only if the value of assets in the Restoration Reserve Account dropped to or below \$10 million (in the event they dropped below \$10 million, the first increment also would cease being paid). For purposes of restoration reduction, restoration increments will be taken away in reverse order in which they were granted (*i.e.* last in, first out).

In the event the GRS Funded Level (not including Restoration Reserve Assets) falls below 71% (hereinafter, "Restoration Reserve Suspension Trigger"), then, until such time as the projected GRS Funded Level in 2023 is 71% or above, further interest credits to the notional Restoration Reserve Account will cease notwithstanding the actual net GRS investment returns for the fiscal year in question. Furthermore, if the GRS Funded Level projected to 2023 falls below the Funding Target (*i.e.*, 70%) then restoration payments and credits in the following year will be modified in the following manner: (1) funds previously credited to the Restoration Reserve Account will be notionally transferred and credited to the GRS Pension Reserve Account in sufficient amounts to restore the projected GRS Funded Level in 2023 to 70%; (2) following such transfer, the remaining assets in the Restoration Reserve Account shall be applied to make restoration payments in accordance with and pursuant to the same mechanism described in the previous paragraph.

Following receipt of the actuarial reports for 2019, and in the event that the projected Funded Level of GRS as of 2023 is less than 71%, the GRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2023, or (ii) an amount of annual administrative expenses until 2023 equal to the average annual normal course administrative expenses in the prior 4 years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have been transferred to the GRS Restoration Reserve Account than actually were transferred during such look back period, then the GRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration

payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2023 GRS Funded Level to 71%.

3. General GRS Pension Restoration from July 1, 2023 to June 30, 2033.

During this period, the Funding Target, the Restoration Target, the Permanent Restoration Targets and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto. The same rules for variable restoration payments and credits that applied during the period ending June 30, 2023 shall apply during the period ending June 30, 2033 (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2033 GRS Funded Level falls below the 2033 Funding Target), except as follows. For purposes of determining whether the 2033 Restoration Target has been satisfied, the Plan actuary shall project investment returns through June 30, 2033 at the then current investment return assumption which is assumed to be net of expenses (administrative and investment) and the applicable actuarial assumptions as utilized in the annual actuarial valuation. Further, the GRS Plan actuary shall assume, merely for purposes of determining whether the Restoration Target is satisfied, that the annual City contribution amount shall be the annual amount necessary to fund the GRS based upon an amortization of the actual 2023 UAAL at market value over 30 years (hereinafter, the "2023 UAAL Amortization") and in such manner that the resulting annual contribution stream would achieve the GRS Funding Target (on Exhibit A) as of 2033. (Such projected, hypothetical contributions shall be for purposes only of making restoration determinations, and shall not necessarily be the actual contributions made or required to be made by the City or recommended during such period; all of which shall be determined independent of the restoration calculation process.). For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded.

To the extent that the City's actual contributions to the GRS in any of the FYs 2024 (the year ending June 30, 2024) through 2033 are greater than the projected annual contribution under the 2023 UAAL Amortization, such amounts, and any investment earnings thereon, shall be notionally credited to a new bookkeeping account in GRS called the Extra Contribution Account. In determining pension restoration during the period from FY 2024 through 2033, none of the amounts in the Extra Contribution Account shall be considered for purposes of determining the projected funded level for the Restoration Target or Permanent Restoration Targets. To the extent that the City's (including for this purpose DWSD or a successor authority) actual contributions in any of the FYs 2024 through 2033 are less than the projected annual contribution under the 2023 UAAL Amortization, such difference and any investment earnings thereon shall be notionally allocated to the Pension Fund Reserve Account.

Each year, in addition to the credit of assets that exceed the amount necessary to satisfy the Restoration Target, existing Restoration Account assets will be credited with interest equal to the net return on plan investments, but capped at the then investment return assumption. In the event of net losses, the credited asset value of the Restoration Reserve Account will be diminished to reflect such losses.

In connection with preparation of the actuarial report for FY 2028, the GRS actuary will determine whether GRS has satisfied the applicable Permanent Restoration Target, which shall be 75%. Transfers from the Restoration Reserve Account for credit to the GRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the GRS Funded Level as of June 30, 2028 has satisfied the Permanent Restoration Target(75%), then the amounts in the Restoration Reserve Account, if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of restoration payments for one or more GRS Waterfall Classes over such GRS Waterfall Class members' actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the GRS Pension Reserve Account and the applicable incremental payments shall be permanently restored for the applicable GRS Waterfall Class and shall no longer be variable from year to year. Variable restoration payments will continue to be paid or credited during the period from July 1, 2028 through June 30, 2033 based on the applicable Restoration Target set forth in Exhibit A and otherwise in accordance with this restoration memorandum, notwithstanding whether the Restoration Target during this period is less than the Permanent Restoration Target as of June 30, 2028 of 75%.

In connection with preparation of the annual actuarial valuation report for FY 2033, the GRS actuary will determine whether GRS has satisfied the Permanent Restoration Target for 2033, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the GRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the GRS Funded Level as of June 30, 2033 has satisfied the applicable Permanent Restoration Target, then the amounts in the Restoration Reserve Account if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target), and which fully fund one or more increments of restoration payments for one or more GRS Waterfall Classes over such GRS Waterfall Class members' actuarially projected lives, shall be transferred from the Restoration Reserve Account and credited to the GRS Pension Reserve Account and the applicable incremental payments shall be permanently restored for the applicable GRS Waterfall Class and shall no longer be variable from year to year.

Following receipt of the actuarial reports for 2028, and in the event that the projected Funded Level of GRS as of 2033 is less than 71%, the GRS actuary shall revisit the restoration calculations that it made during each of the prior 4 years. It shall recalculate each such prior year's Funded Level projection, this time by assuming the lesser of (i) \$4.5 million in annual administrative expenses until 2033, or (ii) an amount of annual normal course administrative expenses until 2033 equal to the average annual administrative expenses in the prior 4 years applicable to Component II, in addition to a net 6.75% annual investment return. If such retrospective recalculation indicates that fewer amounts would have transferred to the GRS Restoration Reserve Account than actually were transferred during such look back period, then the GRS Restoration Reserve Account shall be debited by the lesser of (i) this difference (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period or (ii) the dollars that were actually paid out in restoration payments during such look-back period (plus interest at a rate equal to the rate that was credited to the Restoration Reserve Account during the look-back period); or (iii) the amount required to increase the projected 2033 GRS Funded Level to 71%.

4. General GRS Pension Restoration from July 1, 2033 to June 30, 2043.

During this period, the Funding Target, the Restoration Target, the Permanent Restoration Target and the Restoration Reserve Suspension Trigger shall be as set forth on Exhibit A hereto. The same rules for restoration that applied during the period ending June 30, 2033 shall otherwise apply (including ceasing interest credits in the event of a Restoration Reserve Suspension Trigger, and making Restoration Account asset transfers in the event the 2043 GRS Funded Level falls below the 2043 Funding Target). For example, for purposes of determining whether the 2043 Restoration Target has been satisfied, the Plan actuary shall project annual contributions using the same 2023 UAAL Amortization. For purposes of calculating the funded ratio, the assets in the Restoration Reserve account will be excluded, and no Extra Contribution Account assets shall be included for purposes of determining whether the Funded Level meets the Restoration Target or Permanent Restoration Target, including any additions to such account after 2033.

In connection with preparation of the annual actuarial valuation report for FY 2043, the GRS actuary will determine whether GRS has satisfied the applicable Permanent Restoration Target, as set forth on Exhibit A. Transfers from the Restoration Reserve Account for credit to the GRS Pension Reserve Account may be made in such amounts as are necessary to satisfy the Permanent Restoration Target. If following such transfers the GRS Funded Level as of June 30, 2043 is equal to or greater than the applicable Permanent Restoration Target, then the amounts in the Restoration Reserve Account if any (which will necessarily represent excess not necessary to satisfy the Permanent Restoration Target),

shall be transferred from the Restoration Reserve Account and credited to the GRS Pension Reserve Account and the applicable payments for the applicable GRS Waterfall Class shall be permanently restored and shall no longer be variable.

#### 5. Modification of the Pension Restoration Program

If any time after July 1, 2026, the GRS Investment Committee (by vote of 5 of its 7 members), or the GRS Board of Trustees (by a greater than 66% vote) determines that a change in relevant circumstances has occurred, or there was a mutual mistake of fact in developing this Pension Restoration Agreement, such that the continued operation of this Agreement without amendment will: (a) materially harm the long-term economic interests of the City, or Retirement System; (b) materially impair the City's ability to fully fund over a reasonable period the then existing frozen benefit liabilities; or (c) materially hinder the Restoration program, if as of that juncture (and for purposes of applying this subsection 5(c)) annual funding levels (excluding the Extra Contribution Account) had materially exceeded the applicable PFRS Restoration Targets for a substantial period yet without any material actual restoration of benefits as contemplated herein having been made, the Investment Committee or the Board, as the case may be, shall provide written notice to the other entity of such a determination and of the need to amend this Restoration Agreement (it being understood that the post-Chapter 9, 40-year amortization period (to 2053) to fully fund GRS frozen liabilities is, unless the relevant facts demonstrate otherwise, presumptively reasonable). The Investment Committee and the Board shall then meet to negotiate amendments to this Agreement that address the identified risk of harm or impairment, but which also considers this Agreement's objective of providing pension restoration. Such negotiations shall take into account reasonable actions the City has pursued or could pursue to mitigate such harm or impairment. Any such amendments shall require the approval of a majority vote of the combined members of the Committee and Board (persons who sit on both the Board and Committee shall have one vote). Such parties shall consult with the Mayor, City Council and the Governor in connection with such negotiation. If the Board, acting through a majority, and the Investment Committee, acting through a majority, cannot agree to such amendments within the 90-day period following the provision of such notice by the determining party, then the Board and Investment Committee shall proceed to mediation upon demand from either the Board or the Investment Committee. In this regard, within 30-days following expiration of the 90-day period the Board and the Investment Committee shall each select a mediator from the list of approved mediators for the United States District Court for the Eastern District of Michigan. The two selected mediators shall appoint a third neutral mediator from the approved list. Each party shall furnish a written statement to the mediators within 30 days of selection of the neutral mediator. Representatives of the Mayor and the Governor shall be consulted in connection with such

mediations. If following a 90-day mediation period following submission of the written statements the matter is not settled, then either the Investment Committee or the Board can file an action in the United States District Court for the Eastern District of Michigan asking it to declare, *inter alia*, whether or in what manner to amend this Agreement.

## EXHIBIT A TO THE GRS PENSION RESTORATION PROGRAM

**GRS** - The 2033 and 2043 Funding Targets shall be equal to the actual 2023 Funded Level rounded to the nearest 10<sup>th</sup> decimal . The Restoration Target shall be 3.0% higher than the Funding Target but not less than 73%. The Permanent Restoration Targets shall be 75% in 2028, and 1% higher than the Restoration Targets in 2033 and 2024, but not less than 75%.. The Restoration Reserve Suspension Trigger will be set 1% higher than the projected Funding Target for all time periods.

<u>2023 Funded Level</u>	<u>2033 Funding Target/Restoration Target</u>	<u>2043 Funding Target/Restoration Target</u>
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75%	75%/78%	75%/78%
74%	74%/77%	74%/77%
73%	73%/76%	73%/76%
72%	72%/75%	72%/75%
71%	71%/74%	71%/74%
70%	70%/73%	70%/73%
69% or lower	the % = to 2023 Funded Level %/73%	the % = to 2023 Funded Level %/73%

<u>2033 Permanent Restoration Target</u>	<u>2043 Permanent Restoration Target</u>
75% ,or if greater, 1% more than 2033 Restoration Target	75%, or if greater, 1% more than 2043 Restoration Target

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**EXHIBIT II.D.5**

SCHEDULE OF POSTPETITION COLLECTIVE BARGAINING AGREEMENTS



**EXHIBIT II.D.5**

**SCHEDULE OF POSTPETITION COLLECTIVE BARGAINING AGREEMENTS**

**I. FULLY APPROVED AGREEMENTS<sup>1</sup>**

**A. City of Detroit Collective Bargaining Agreements**

- 1) Master Agreement Between the City of Detroit and the Police Officers Association of Michigan (POAM), 2013-2018, dated November 12, 2013.
- 2) Master Agreement Between the City of Detroit and the International Brotherhood of Teamsters Local 214 2013-2018, dated December 18, 2013.
  - a. Supplemental Agreement Between the City of Detroit Police Department and Teamsters State, County and Municipal Workers, Local 214 2013-2018, dated December 18, 2013.
  - b. Supplemental Agreement Between the Department of Public Works and Teamsters Local 214 2013-2018, dated December 18, 2013.
  - c. Supplemental Agreement Between the General Services Department and Teamsters Local 214 2013-2018, dated December 18, 2013.
  - d. Supplemental Agreement between the City of Detroit Municipal Parking Department and Local #214 Teamsters State, County and Municipal Workers, 2013-2018, dated December 18, 2013.
- 3) Master Agreement Between the City of Detroit and the International Union of Operating Engineers (IUOE) Local 324 2013-2018, dated December 18, 2013.
- 4) Master Agreement Between the City of Detroit and the International Union of Operating Engineers (IUOE) Local 324 (Park Management) 2013-2018, dated December 18, 2013.
- 5) Master Agreement Between the City of Detroit and the International Union of Operating Engineers (IUOE) Local 324 (Principal Clerks) 2013-2018, dated December 18, 2013.
- 6) Master Agreement Between the Assistant Supervisors of Street Maintenance and Construction and the City of Detroit 2014-2018, dated February 26, 2014.
- 7) Master Agreement Between the City of Detroit and the Michigan Building and Construction Trades Council 2014-2018, dated May 1, 2014.
- 8) Master Agreement Between the City of Detroit and the Emergency Medical Service Officers Association (EMSOA) 2014-2019, dated June 11, 2014.
- 9) Master Agreement Between the City of Detroit and Local 1863 of the American Federation of State County and Municipal Employees, AFL-CIO (Detroit Civilian Crossing Guards) 2014-2018, dated June 27, 2014.
- 10) Master Agreement Between the City of Detroit and Local 542 of the American Federation of State County and Municipal Employees, AFL-CIO (Motor City Seasonals) 2014-2018, dated June 27, 2014.

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<sup>1</sup> "Fully Approved Agreements" means those collective bargaining agreements that have been (i) ratified by the applicable bargaining unit or units, as necessary (ii) approved by the applicable City or Detroit Water and Sewerage Department bargaining representatives, (iii) approved by the Emergency Manager and (iv) approved by the Office of the Treasurer of the State of Michigan.

- 11) Master Agreement Between the City of Detroit and Local 1206 of the American Federation of State County and Municipal Employees, AFL-CIO (Detroit Forestry and Landscape Foreman's Union) 2014-2018, dated June 27, 2014.
- 12) Master Agreement Between the City of Detroit and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
  - a. Supplemental Agreement Between the City of Detroit Elections Department and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
  - b. Supplemental Agreement Between the City of Detroit Municipal Parking Department and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
  - c. Supplemental Agreement Between the City of Detroit Planning and Development Department and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
  - d. Supplemental Agreement Between the City of Detroit Police Department and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
  - e. Supplemental Agreement Between the City of Detroit Recreation Department and Local 2394 of the American Federation of State County and Municipal Employees, AFL-CIO (Supervisory Unit) 2014-2018, dated June 27, 2014.
- 13) Master Agreement Between the City of Detroit and Local 6087 of the American Federation of State County and Municipal Employees, AFL-CIO (Paving Forepersons) 2014-2018, dated June 27, 2014.
- 14) Master Agreement Between the City of Detroit and the Detroit Police Command Officers Association 2014-2019, dated June 18, 2014.
- 15) Master Agreement Between the City of Detroit and the Detroit Income Tax Investigators Association 2014-2018, dated August 11, 2014.
- 16) Master Agreement Between the City of Detroit and the Association of Municipal Inspectors 2014-2018, dated June 27, 2014.
- 17) Master Agreement Between the City of Detroit and the Service Employees International Union (SEIU) Local 517-M (Supervisory Unit) 2014-2018, dated June 25, 2014.
- 18) Master Agreement Between the City of Detroit and the Service Employees International Union (SEIU) Local 517-M (Non-Supervisory Unit) 2014-2018, dated June 25, 2014.
- 19) Master Agreement Between the City of Detroit and the Service Employees International Union (SEIU) Local 517-M (Professional and Technical Unit) 2014-2018, dated June 25, 2014.
- 20) Master Agreement Between the City of Detroit and the Association of City of Detroit Supervisors 2014-2018, dated June 27, 2014.
- 21) Master Agreement Between the City of Detroit and the Association of Professional and Technical Employees 2014-2018, dated July 22, 2014.
- 22) Master Agreement Between the City of Detroit and the Senior Accountants, Analysts and Appraisers Association 2014-2018, dated May 27, 2014.

- 23) Master Agreement Between the City of Detroit and Michigan Council 25 of the American Federation of State, County and Municipal Employees, AFL-CIO (Non-Supervisory Bargaining Unit) 2014-2018, dated June 27, 2014.
- 24) Master Agreement Between the City of Detroit and the Detroit Police Officers Association (DPOA) 2014-2019, dated October 1, 2014.
- 25) Master Agreement Between the City of Detroit and the Association of Professional Construction Inspectors 2014-2018, dated September 30, 2014.
- 26) Master Agreement Between the City of Detroit and the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) Local 212 – Police Commission Investigators 2014-2018, dated October 20, 2014.
- 27) Master Agreement Between the City of Detroit and the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) Local 412 – Legal Assistants 2014-2018, dated October 20, 2014.

**B. Detroit Water and Sewerage Department Collective Bargaining Agreements**

- 1) 2012-2018 Master Agreement Between the Detroit Water & Sewerage Department and AFSCME, Michigan Council 25 Local 2920.
- 2) Master Agreement Between the City of Detroit and the Michigan Building and Construction Trades Council 2013-2016, dated June 26, 2013.
  - a. Memorandum of Agreement between the Detroit Water and Sewerage Department and the Michigan Building & Construction Trades Council to amend their June 26, 2013 - June 30, 2016 collective bargaining agreement.
- 3) 2013-2016 Master Agreement Between the Detroit Water & Sewerage Department and the Building Trades Foremen, dated June 26, 2013.
- 4) 2014-2016 Master Agreement Between the Detroit Water & Sewerage Department and the Detroit Senior Water Systems Chemists Association.
- 5) 2014-2019 Master Agreement Between the DWSD and Teamsters State, County and Municipal Workers, Local 214.
- 6) Memorandum of Agreement between the Detroit Water and Sewerage Department and the International Union of Operating Engineers, Local 324 to amend their March 25, 2013 - June 30, 2022 collective bargaining agreement.
- 7) Memorandum of Agreement between the Detroit Water and Sewerage Department and the Association of Professional Construction Inspectors to amend their March 26, 2013 - June 30, 2020 collective bargaining agreement.

## II. RATIFIED AGREEMENTS PENDING FINAL APPROVALS<sup>2</sup>

### A. Ratified City of Detroit Collective Bargaining Agreements Pending Final Approvals

- 1) Master Agreement Between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association 2014-2019.
  - a. Tentative Agreement Between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association, dated June 19, 2014.
- 2) Master Agreement Between the City of Detroit and the Association of Detroit Engineers 2014-2018.
- 3) Master Agreement Between the City of Detroit and Michigan Building and Construction Trades Council – Tripartite 2014-2018.

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<sup>2</sup> "Ratified Agreements Pending Final Approvals" means those collective bargaining agreements approved by the City bargaining representatives, and ratified by the applicable bargaining unit or units, as necessary, that remain subject to approval by either, or both, the Emergency Manager and the Office of the Treasurer of the State of Michigan. The inclusion of such collective bargaining agreements in this Exhibit does not, and shall not be deemed to, modify or waive the requirement for such approvals in any way.

**EXHIBIT II.D.6**

EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE REJECTED

## Exhibit II.D.6

Executory Contracts and Unexpired Leases to be Rejected  
In re City of Detroit, Michigan, Case No. 13-53846 (Bankr. E.D. Mich)

Name of Counterparty	Vendor #	Contract #	Description	City Department
151 W FORT ST ASSOCIATES LLC	1075036	2635434		INFORMATION TECHNOLOGY SERVICES
1600 ASSOCIATES LLC	20396	2501191		MUNICIPAL PARKING DEPARTMENT
3M CONTRACTING INC	1107578	2809948		HUMAN SERVICES DEPARTMENT
455 ASSOCIATES LLC	19602	2600416		WORKFORCE DEVELOPMENT DEPARTMENT
455 ASSOCIATES LLC	19602	2722656		WORKFORCE DEVELOPMENT DEPARTMENT
660 WOODWARD ASSOCIATES LLC	1117401	2604895		INFORMATION TECHNOLOGY SERVICES
660 WOODWARD ASSOCIATES LLC	1117401	2809305		LAW DEPARTMENT
660 WOODWARD ASSOCIATES LLC	1117401	2866561		LAW DEPARTMENT
A & H CONTRACTORS	1090249	2797590	ICE RINK IMPROVEMENTS	RECREATION DEPARTMENT
A NEW BEGINNING II INC	1010270	2626822		EMPLOYMENT AND TRAINING DEPARTMENT
AARON L FORD	1101801	2759870		HEALTH DEPARTMENT
ABAYOMI CDC	1055088	2597193		FINANCE DEPARTMENT
ABBOT NICHOLSON	1064317	2605132	LEGAL SERVICES	LAW DEPARTMENT
ACCENTURE LLP	19843	2582670		HUMAN SERVICES DEPARTMENT
ACHIEVEMENT RESOURCES LLC	1075198	2640120		DEPARTMENT OF PUBLIC WORKS
ADAMS HOME REPAIR SERVICE INC	1031652	2532093	HOME REPAIR FOR LOW INCOME CITIZENS.	HUMAN SERVICES DEPARTMENT
ADULT WELL BEING SERVICES	17259	2507595	ADULT WELL BEING SERVICES	HEALTH DEPARTMENT
ADULT WELL BEING SERVICES	17259	2501821	EZ-PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
ADVANCED ENGINEERING SOLUTION INC	1043861	2613331		ENVIRONMENTAL AFFAIRS DEPARTMENT
AFFILIATED INTERNISTS CORPORATION	1007088	2541129	PROVIDE MEDICAL STAFF	HEALTH DEPARTMENT
AFL CIO COUNCIL	9713	2505335		FINANCE DEPARTMENT
AFL CIO COUNCIL	9713	2504234	AFL/CIO COUNCIL-METRO COUNCIL	FINANCE DEPARTMENT
AGAR LAWN SPRINKLER SYSTEMS INC	1019225	2871984	FURNISH UNDERGROUND SPRINKLER MAINT.	GENERAL SERVICES DEPARTMENT
AIRGAS GREAT LAKES	-	2754331	PURCHASE ORDER FOR COMMERCIAL GASES	GENERAL SERVICES DEPARTMENT
AKT PEERLESS ENVIRONMENTAL SERVICES LLC	1025663	2845810	DEMOLITION OF PROPERTIES	BUILDINGS AND SAFETY DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2554416	CONTRACTUAL RESOURCES	INFORMATION TECHNOLOGY SERVICES
ALAN C YOUNG ASSOCIATES PC	20513	2572989		HEALTH DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2511247	AUDITING SERVICES FY 98/99 FICS 78653	HUMAN SERVICES DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2501399	PROFESSIONAL SERVICES	FINANCE DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2507833	AUDITING - ALAN C YOUNG	HEALTH DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2515896	AUDIT DRUG TREATMENT/AIDS PROGRAMS	HUMAN SERVICES DEPARTMENT
ALAN C YOUNG ASSOCIATES PC	20513	2780084		HEALTH DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
ALKEBU LAN VILLAGE	1043877	2588741		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2533139	YOUTH PROGRAM	HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2619692		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2804801		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2775178		HUMAN SERVICES DEPARTMENT
ALKEBU LAN VILLAGE	1043877	2772580	PROFESSIONAL SERVICES CONTRACT	RECREATION DEPARTMENT
ALLEN & ASSOCIATES APPRAISAL GROUP INC	20517	2502141	PROFESSIONAL SERVICES: CASINO APPRAISAL	LAW DEPARTMENT
ALLIANCE FOR A SAFER GREATER DETROIT	1102712	2767089		POLICE DEPARTMENT
ALPHA ELECTRIC INC	1026028	2625782		PUBLIC LIGHTING DEPARTMENT
ALPHA ELECTRIC INC	1026028	2625784		PUBLIC LIGHTING DEPARTMENT
ALPHA ELECTRIC INC	1026028	2625780		PUBLIC LIGHTING DEPARTMENT
ALPHA KAPPA ALPHA FOUNDATION OF DETROIT	19649	2592410		FINANCE DEPARTMENT
ALTERNATIVE FOR GIRLS	16279	2503526	TRANSITIONAL HOUSING	FINANCE DEPARTMENT
AMERICAN INDIAN HEALTH & FAMILY	18997	2500866	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
AMERITECH	20497	2506112		PUBLIC LIGHTING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501028	PARKING SERVICES	MUNICIPAL PARKING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501362	KENNEDY SQUARE PARKING SERVICES	MUNICIPAL PARKING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501356	PARKING SERVICE FOR KENNEDY SQUARE	MUNICIPAL PARKING DEPARTMENT
AMPCO SYSTEM PARKING	18489	2501789	PARKING LOT MANAGEMENT	FINANCE DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2524825	WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2525177	LIHEAP	HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2544432	HOME WEATHERIZATION	HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2607320		HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2789077		HUMAN SERVICES DEPARTMENT
AMPRO CONSTRUCTION LLC	1026137	2761179		HUMAN SERVICES DEPARTMENT
ANACAPA SCIENCE INC	1012433	2507585		POLICE DEPARTMENT
ANDREW J BEAN	1003634	2530372	LEGAL SERVICES: DAVIS/WILLIAMS V CITY	FINANCE DEPARTMENT
ANDREW J BEAN	1003634	2634325		LAW DEPARTMENT
ANDREW J BEAN	1003634	2538079	LEGAL SERVICES: TOMMIE THOMAS V CITY	LAW DEPARTMENT
ANDREW J BEAN	1003634	2561944	LEGAL SERVICES: MICHELLE HARPER, ET AL	LAW DEPARTMENT
ANDREW J BEAN	1003634	2561936	LEGAL SERVICES	LAW DEPARTMENT
ANDREW J BEAN	1003634	2501547	LEGAL SERVICES: RYAN MULLINS V CITY	LAW DEPARTMENT
ANDREW J BEAN	1003634	2545467	LEGAL SERVICES: BOSWELL V JORDAN/CITY	LAW DEPARTMENT
ANDREW J BEAN	1003634	2505202	LEGAL SERVICES	LAW DEPARTMENT
ANDREW J BEAN	1003634	2512646	LEGAL SERVICES	FINANCE DEPARTMENT
ANDREW J BEAN	1003634	2505710	LEGAL SERVICES: KEITH THORNTON V CITY	LAW DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
ANDREW J BEAN	1003634	2576673		LAW DEPARTMENT
ANDREW J BEAN	1003634	2505715	LEGAL SERVICES	FINANCE DEPARTMENT
ANDREW J BEAN	1003634	2574494		LAW DEPARTMENT
AON RISK SERVICES INC OF MICHIGAN	17959	2506866	AUDIT	AUDITOR GENERAL
APCOA INC	18982	2504151	COBO COMPLEX PARKINGMANAGEMENT SERVICES	MUNICIPAL PARKING DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2546963	PARTNERSHIP FOR ADULT LEARNING	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2563067	WORK FIRST & WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2778448		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2797753		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2806229		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2775339		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2714444		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB AMERICAN & CHALDEAN COUNCIL	19955	2717186		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER	20424	2549478	ENGLISH AS A SECOND LANGUAGE	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB COMMUNITY CENTER	20424	2519169	JOB SEARCH AND TRAINING (WORK FIRST)	EMPLOYMENT AND TRAINING DEPARTMENT
ARAB COMMUNITY CENTER	20424	2740257		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2778446		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2797751		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2800934		WORKFORCE DEVELOPMENT DEPARTMENT
ARAB COMMUNITY CENTER FOR ECONOMIC SOCIAL SERVICES (ACCESS)	1070466	2778768		WORKFORCE DEVELOPMENT DEPARTMENT
ARTHUR F SMITH ARCHITECTS	19092	2500783	CAMP MASTERPLAN	NO DEPARTMENT INDICATED
ASHPAUGH & SCULCO CPA PLC	1026075	2506711	RATE CONSULTANT	NON-DEPARTMENTAL
AVANCE COMMUNICATIONS INC	1017277	2589125		DEPARTMENT OF TRANSPORTATION
AVANCE COMMUNICATIONS INC	1017277	2544753	COMMUNICATIONS	HUMAN SERVICES DEPARTMENT
B & B POOLS AND SPAS	8897	2680662		RECREATION DEPARTMENT
B E I ASSOCIATES INC	1002153	2500794	PROFESSIONAL ENGINEERING SERVICES	DEPARTMENT OF PUBLIC WORKS
BABBIE DEVELOPERS	1100891	2753822	ROOF REPLACEMENT FORT WAYNE-QUARTERMASTER WAREHOUSE	RECREATION DEPARTMENT
BAPCO-SUBSTANCE ABUSE	15997	2501510	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
BARNEY MCCOSKY BASEBALL LEAGUE	17329	2540757	36-NTV-NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
BARTECH GROUP	19194	2578539		FINANCE DEPARTMENT
BARTHEL CONTRACTING	6174	2506716	PAVEMENT RESURFACING, GROUP 95-3	DEPARTMENT OF PUBLIC WORKS
BARTHEL CONTRACTING	6174	2508554	WIDENING & RESURFACING	DEPARTMENT OF PUBLIC WORKS



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
BARTHEL CONTRACTING	6174	2508474	PAVEMENT RESURFACING, GROUP 96-5	DEPARTMENT OF PUBLIC WORKS
BARTHEL CONTRACTING	6174	2630995		DEPARTMENT OF PUBLIC WORKS
BARTHEL CONTRACTING	6174	2658806		DEPARTMENT OF PUBLIC WORKS
BDN INDUSTRIAL HYGIENE CONSULTANT	19807	2502471	ABATEMENT OF ASBESTOS	DEPARTMENT OF PUBLIC WORKS
BDO SEIDMAN LLP	1073285	2659484		LAW DEPARTMENT
BEACON ENERGY LLC	1088904	2699766		SEWERAGE DEPARTMENT
BEACON ENERGY LLC	1088904	2763942	PROVIDE CONSULTING SERVICES	PUBLIC LIGHTING DEPARTMENT
BEAL INC	1104822	2786319		RECREATION DEPARTMENT
BEI ASSOCIATES INC	19420	2586915		DEPARTMENT OF PUBLIC WORKS
BEI ASSOCIATES INC	19420	2576869		PUBLIC LIGHTING DEPARTMENT
BELLANCA BEATTIE & DELISLE PC	1002283	2515001	LEGAL SERVICES	FINANCE DEPARTMENT
BELLANCA BEATTIE & DELISLE PC	1002283	2502106	LEGAL SERVICES	NO DEPARTMENT INDICATED
BELLANCA BEATTIE & DELISLE PC	1002283	2618387	LEGAL SERVICES	LAW DEPARTMENT
BELMARC INC	1012648	2505560	PROFESSIONAL SERVICES	LAW DEPARTMENT
BERG MUIRHEAD AND ASSOCIATES	1051572	2758875		MAYOR'S OFFICE
BEST AMERICAN INDUSTRIAL	17038	2501442	SKILLED TRADES	NO DEPARTMENT INDICATED
BETTS MEDICAL GROUP LLC	1030943	2531569	PHYSICIAN SERVICES	HEALTH DEPARTMENT
BLACK & VEATCH	20115	2501009	PROFESSIONAL SERVICES	NO DEPARTMENT INDICATED
BLACK CAUCUS FOUNDATION OF MICHIGAN	18481	2501792		HEALTH DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2508726	PROGRAM COORDINATION OF COOPER	FINANCE DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2506003	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2784374		HUMAN SERVICES DEPARTMENT
BLACK FAMILY DEVELOPMENT INC	1012009	2761029		HUMAN SERVICES DEPARTMENT
BLOUNT ENGINEERS INC.	13566	2500972	PROFESSIONAL SERVICES	PUBLIC LIGHTING DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2507188	LEGAL SERVICES	LAW DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2501800	LEGAL SERVICES	PUBLIC LIGHTING DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2505006	LEGAL SERVICES	LAW DEPARTMENT
BODMAN LONGLEY DAHLING LLP	1000341	2501852	LEGAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
BONIFACE HUMAN SRVS	19449	2501513	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
BOOKER T WASHINGTON	17389	2517857	PUBLIC FACILITY REHABILITATION	FINANCE DEPARTMENT
BOOMER CO	19949	2784930	CITY OF DETROIT CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
BOOTH RESEARCH GROUP INC	1058277	2585080		POLICE DEPARTMENT
BOOTH RESEARCH GROUP INC	1058277	2759498	DPD PROMOTIONAL EXAMINATION	POLICE DEPARTMENT
BRACEFUL & ASSOCIATES PC	1002357	2508823	LEGAL SERVICES	FINANCE DEPARTMENT
BRACEFUL & ASSOCIATES PC	1002357	2507332	LEGAL SERVICES: TROMEUR V CITY	LAW DEPARTMENT
BRADY HATHAWAY PC	20356	2505092	LEGAL SERVICES: VINES/CHILDS V CITY	LAW DEPARTMENT
BRIGHTMOOR COMMUNITY CENTER	18407	2501479	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED

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C & H BUILDERS	1025257	2544437	HOME WEATHERIZATION	FINANCE DEPARTMENT
C & H BUILDERS	1025257	2524574	WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
C & H BUILDERS	1025257	2543531	LIHEAP-HOME WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
C & H BUILDERS	1025257	2793400		HUMAN SERVICES DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2799257	CPATTON PARK IMPROVEMENT	RECREATION DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2799260	BELLE ISLE - TENNIS COURT RENOVATIONS	RECREATION DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2789963	LITTLEFIELD PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
CAASTI CONTRACTING SERVICES INC	1066086	2798602	WINGLE PLAYLOT IMPROVEMENTS	RECREATION DEPARTMENT
CADILLAC TOWER MI LLC	1117104	2810553		BUDGET DEPARTMENT
CAPITAL ACCESS INC	1033428	2536054	CONSULTING AGREEMENT	PLANNING AND DEVELOPMENT DEPARTMENT
CAPITAL COMPUTER SOLUTIONS	16316	2507466	IMAGING SYSTEM (FICS #76497)	HEALTH DEPARTMENT
CAPITAL COMPUTER SOLUTIONS	16316	2760099		HEALTH DEPARTMENT
CARE GIVERS	19339	2510116	HOMELESSNESS PREVENTION	FINANCE DEPARTMENT
CAREERWORKS INC	10310	2501469	SUMMER PROGRAM	NO DEPARTMENT INDICATED
CAREERWORKS INC	10310	2518192	WORK FIRST JOB PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2526127	YOUTH SERVICES PROGRAM PY2000	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2539830	FOOD STAMP - 10/01/00 - 9/30/01	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2560643	FOOD STAMP 2001-2002	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2553148	WIA SUMMER COORDINATION	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2530117	WIA SUMMER - MICROSOFT PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2536669	WIA-ELECTRONICS & TELECOMMUNICATIONS	EMPLOYMENT AND TRAINING DEPARTMENT
CAREERWORKS INC	10310	2740262		WORKFORCE DEVELOPMENT DEPARTMENT
CARNEGIE MORGAN PARTNERS	18655	2600434		FINANCE DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2539246	PUBLIC SERVICE FOR THE HOMELESS	HUMAN SERVICES DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2521565	FOOD PROGRAM, EASTSIDE AND WESTSIDE	HUMAN SERVICES DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2570923		HUMAN SERVICES DEPARTMENT
CASS COMMUNITY SOCIAL SERVICES INC	1057639	2775168		HUMAN SERVICES DEPARTMENT
CASS COMMUNITY UNITED	18514	2559508	CASE MANAGEMENT AND COUNSELING	DEPARTMENT OF PUBLIC WORKS
CASS COMMUNITY UNITED	18514	2515503	WARMING CENTER FOR HOMELESS	HUMAN SERVICES DEPARTMENT
CASS COMMUNITY UNITED METHODIST	7182	2588909		HUMAN SERVICES DEPARTMENT
CASS CORRIDOR NEIGHBORHOOD DEVELOPMENT CORP	20452	2506844	PRE-DEVELOPMENT ACTIVITIES	FINANCE DEPARTMENT
CATHOLIC SOCIAL SERVICES	3536	2501515	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
CATHOLIC YOUTH ORGANIZATION	1961	2501808	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
CDL TRAINING SCHOOL LLC	1064701	2804809		HUMAN SERVICES DEPARTMENT
CDL TRAINING SCHOOL LLC	1064701	2775174		HUMAN SERVICES DEPARTMENT
CEI MICHIGAN LLC	1104760	2785400	EASTERN MARKET SHED NO. 3 RENOVATIONS	RECREATION DEPARTMENT

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CEI MICHIGAN LLC	1104760	2785393	CONSTRUCTION CONTRACT FOR EASTERN MARKET SHED NO. 3	RECREATION DEPARTMENT
CENTRAL MAINTENANCE SERVICE	9209	2501782	36/LS - MANAGEMENT SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
CENTRAL UNITY METHODIST CHURCH	5570	2503083	PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
CENTURY CEMENT CO INC	1393	2520066	REPAIR OF DAMAGED SIDEWALKS	DEPARTMENT OF PUBLIC WORKS
CENTURY CEMENT CO INC	1393	2541213	REPAIR OF DAMAGED SIDEWALKS	DEPARTMENT OF PUBLIC WORKS
CHARFOOS & CHRISTENSEN	19681	2599095	LEGAL SERVICES	LAW DEPARTMENT
CHARLES MERZ	19485	2501931	BELLE ISLE PICNIC SHELTER	NO DEPARTMENT INDICATED
CHECKER CAB	1002656	2533466		HUMAN SERVICES DEPARTMENT
CHECKER CAB	1002656	2620877		HUMAN SERVICES DEPARTMENT
CHECKER CAB	1002656	2775459		HUMAN SERVICES DEPARTMENT
CHECKER CAB	1002656	2803649		HUMAN SERVICES DEPARTMENT
CHECKER CAB	6574	2743785		HUMAN SERVICES DEPARTMENT
CHILD CARE COORDINATING COUNCIL OF DETROIT	18279	2751505		HUMAN SERVICES DEPARTMENT
CHILD CARE COORDINATING COUNCIL OF DETROIT	18279	2774001		HUMAN SERVICES DEPARTMENT
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2516007	EMPOWERMENT ZONE- PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2500872		NO DEPARTMENT INDICATED
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2554216	EMPOWERMENT ZONE- PUBLIC SERVICES	FINANCE DEPARTMENT
CHILDREN & YOUTH INITIATIVE OF DETROIT	18304	2532118	EMPOWERMENT ZONE - PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2618760		POLICE DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2620357		HUMAN SERVICES DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2563913		FINANCE DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2740222		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1002607	2775157		HUMAN SERVICES DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2614565		HUMAN SERVICES DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2778775		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2778778		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS AID SOCIETY	1049240	2800817		WORKFORCE DEVELOPMENT DEPARTMENT
CHILDRENS CENTER OF WAYNE COUNTY	12390	2501646	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
CHILDRENS CENTER OF WAYNE COUNTY	12390	2535133	HEAD START MENTAL CONSULTANT SERVICES	HUMAN SERVICES DEPARTMENT
CHILDRENS CENTER OF WAYNE COUNTY	12390	2516136	MENTAL HEALTH CONSULTANT SERVICES	HUMAN SERVICES DEPARTMENT
CHILDRENS CENTER OF WAYNE COUNTY	12390	2569653		HUMAN SERVICES DEPARTMENT

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CHILDRENS CENTER OF WAYNE COUNTY	12390	2501812	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
CHRISTIAN GUIDANCE CENTER	18739	2501814	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
CITY CONNECT DETROIT	1082718	2796700		WORKFORCE DEVELOPMENT DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2543328	ADDICTION TREATMENT	HEALTH DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2539765	TRAINING WORK FIRST PROGRAM	HEALTH DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2539650	YOUTH DEPARTMENT SAFETY PROGRAM	HEALTH DEPARTMENT
CLARK & ASSOCIATES PC	1008458	2675311		HUMAN SERVICES DEPARTMENT
CLARK ASSOCIATES INC	15176	2625022		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2504251	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2518285	CLARK MASTER - SUBSTANCE ABUSE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2588764		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2536507	CLARK - MEDICAID	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2670290		HUMAN SERVICES DEPARTMENT
CLARK ASSOCIATES INC	15176	2689636		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2534097	SUBSTANCE ABUSE MASTER AGREEMENT	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2559955	CLARK- MEDICAID	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2518292	CLARK MEDICAID-MASTER	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2518483	CLARK - DRUG EDUCATION	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2506642	EDUCATE FYE 6/30/99 CLARK/POLICE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2501252		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2557597	CLARK MASTER - SUBSTANCE ABUSE	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2625016		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2527241	YOUTH DEPT. SAFETY ASSESSMENT PROG.	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2618554		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2502443		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2618552		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2700218		RECREATION DEPARTMENT
CLARK ASSOCIATES INC	15176	2515854	CLARK - CCA- FYE 6/30/00 SPO2515857	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2779347		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2797389		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2750134		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2747666		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2779369		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2756507		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2805210		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2875766	S.A.F.E.T.Y. PROGRAM	HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2776664		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2779355		HEALTH DEPARTMENT

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CLARK ASSOCIATES INC	15176	2755767		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2801963		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2803778		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2786574		HEALTH DEPARTMENT
CLARK ASSOCIATES INC	15176	2759243		HEALTH DEPARTMENT
CLARK HILL	7778	2501937	LEGAL SERVICES	LAW DEPARTMENT
CLARK HILL	7778	2543385	LEGAL SERVICES	LAW DEPARTMENT
CLARKS CONSTRUCTION	1016952	2679759		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2636522		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2713626		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2714063		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2715398		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2731184	PARK & PLAYGROUND IMPROVEMENTS	RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2709777		RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2756725	PARK & PLAYGROUND IMPROVEMENTS	RECREATION DEPARTMENT
CLARKS CONSTRUCTION	1016952	2789767	LAKER PLAYGROUND IMPROVEMENTS	RECREATION DEPARTMENT
CLAYTON ENVIRONMENTAL	1002564	2519814	EPA PERMITS & DEREGULATIONS	PUBLIC LIGHTING DEPARTMENT
CMTS INC	18181	2501924	FICS 074776 INSPECTION SERVICES	DEPARTMENT OF PUBLIC WORKS
COHL STOKER TOSKEY & MCCLINCHEY PC	1081162	2661933		CITY COUNCIL
COMMUNITY & EDUCATIONAL SERVICES INC	1059876	2777992	EMERGENCY SHELTER SERVICES	HUMAN SERVICES DEPARTMENT
COMMUNITY DEVELOPMENT SOLUTIONS LLC	1057282	2695015		RECREATION DEPARTMENT
COMMUNITY DEVELOPMENT SOLUTIONS LLC	1057282	2675021		RECREATION DEPARTMENT
COMMUNITY HEALTH AWARENESS GROUP INC	1051231	2571474		HEALTH DEPARTMENT
COMMUTER TRANSPORTATION	15328	2510505	SHUTTLE SERVICE	CIVIC CENTER DEPARTMENT
COMPREHENSIVE DATA PROCESSING	11248	2502241	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
COMPUTECH CORPORATION	1054040	2574424		NON-DEPARTMENTAL
COMPUTECH CORPORATION	1054040	2620775		NON-DEPARTMENTAL
COMPUWARE CORPORATION	1003122	2595111		NON-DEPARTMENTAL
CONNOLLY RODGERS & SCHARMAN PLLC	1089154	2703083		LAW DEPARTMENT
CONSULTING ENGINEERING ASSOCIATES INC	1806	2514647	ELECTRICAL DESIGN-HIGHWAYS PROJECTS	DEPARTMENT OF PUBLIC WORKS
CONSULTING ENGINEERING ASSOCIATES INC	1806	2508478	ENGINEERING	WATER DEPARTMENT

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CONSULTING ENGINEERING ASSOCIATES INC	1806	2544911	FICS CONTRACT # 064150, ELECTRICAL DESIGN	DEPARTMENT OF PUBLIC WORKS
CONSULTING ENGINEERING ASSOCIATES INC	1806	2544914	FICS CONTRACT 065783, ELECTRICAL DESIGN	DEPARTMENT OF PUBLIC WORKS
CORPORATE ASSET MANAGEMENT INC	1022860	2607935		DEPARTMENT OF TRANSPORTATION
COUNCIL OF ACTION UNITED FOR SERVICE EFFORTS	14189	2608202		FINANCE DEPARTMENT
COUNCIL OF ISLAMIC ORGANIZATIONS	20305	2501825	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
COURRIER & I	-	2506952		LAW DEPARTMENT
COUZENS LANSKY FEALK ELLIS ROEDER & LAZAR	19705	2534094	LEGAL SERVICES	LAW DEPARTMENT
COVENANT HOUSE OF MICHIGAN	1049191	2614501		EMPLOYMENT AND TRAINING DEPARTMENT
COVENANT HOUSE OF MICHIGAN	1049191	2622827		EMPLOYMENT AND TRAINING DEPARTMENT
COVENANT HOUSE OF MICHIGAN	1049191	2563788	SUPPORTIVE HOUSING	HUMAN SERVICES DEPARTMENT
CREEKSIDE COMMUNITY DEVELOPMENT CORPORATION	1024525	2752940		PLANNING AND DEVELOPMENT DEPARTMENT
CSFB 1998 P1 WOODWARD OFFICE LLC	1074168	2652205		FINANCE DEPARTMENT
CUMMINGS MCCLOREY DAVIS	19999	2502111	LEGAL SERVICES: JANE DOE V P.O. JOURNEY	LAW DEPARTMENT
CUMMINGS MCCLOREY DAVIS	19999	2502154	LEGAL SERVICES	NO DEPARTMENT INDICATED
CURTIS & ASSOCIATES	18886	2563163	JOB SEARCH WORK FIRST/WTW 2001	EMPLOYMENT AND TRAINING DEPARTMENT
CVS	1026222	2782910		WORKFORCE DEVELOPMENT DEPARTMENT
D A CENTRAL INC	1020403	2860051	SECURITY SURVEILLANCE SYSTEM	NO DEPARTMENT INDICATED
D C BYERS COMPANY DETROIT	15847	2502244	FORD RD RESERVOIR REHAB	WATER DEPARTMENT
D P VANBLARICOM INC	1011787	2517238	ESTATE OF LARRY BELL V CITY	LAW DEPARTMENT
DATA COMPRESSION TECHNOLOGY INC.	1057080	2584759		FINANCE DEPARTMENT
DATA CONSULTING GROUP INC	18268	2507857	PARKING TICKETS	MUNICIPAL PARKING DEPARTMENT
DAVID ANDERSON & CATHY STULL	16925	2500749		LAW DEPARTMENT
DBAKER SOLUTIONS	1027729	2526961	CONCESSIONS CONTRACT CONSULTANT	ZOO
DECISION CONSULTANTS INC	14788	2502051	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
DELOITTE & TOUCHE LLP	17837	2592267		CITY COUNCIL
DEMARIA BUILDING COMPANY	19428	2819183	SKILLED TRADES REPAIR AND MAINTENANCE	GENERAL SERVICES DEPARTMENT
DEMARIA BUILDING COMPANY	19428	2706154	BELLE ISLE CONSERVATORY RENOVATIONS	RECREATION DEPARTMENT
DEMARIA BUILDING COMPANY	19428	2832912	EQUIPMENT PURCHASE AND INSTALLATION	WATER DEPARTMENT
DETROIT AREA AGENCY ON AGING	10643	2803629		HUMAN SERVICES DEPARTMENT
DETROIT AREA AGENCY ON AGING	10643	2743788		HUMAN SERVICES DEPARTMENT
DETROIT AREA AGENCY ON AGING	10643	2775457		HUMAN SERVICES DEPARTMENT
DETROIT AREA HEALTH COUNCIL INC	1069815	2619988		RECREATION DEPARTMENT
DETROIT ASSOC OF WOMENS CLUBS	14566	2514218	PUBLIC FACILITY REHAB-FICS #74834	FINANCE DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2501915	PUBLIC SERVICE	NO DEPARTMENT INDICATED
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2502124		NO DEPARTMENT INDICATED
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2807055		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2761547		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT ASSOCIATION OF BLACK ORGANIZATIONS	16148	2740241		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2503530	JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2508003	EZ-PUBLIC SERVICE	FINANCE DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2516130	DISABILITY SUPPORT TEAM	HUMAN SERVICES DEPARTMENT
DETROIT BOARD OF EDUCATION	1569	2501369	CAREER PREP PLANNING	EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500796	WINTER HOLDING & LIGHTING	ZOO
DETROIT BUILDING AUTHORITY	9266	2510115	DPD SECURITY SYSTEM UPGRADE	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500859	HUBER BUILDING RESTORE	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2513351		INFORMATION TECHNOLOGY SERVICES
DETROIT BUILDING AUTHORITY	9266	2593193		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2530203	CENTER & SITE IMPROVE	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2526905	FIRE DETECTION, ALARM & SUPPRESSION	ZOO
DETROIT BUILDING AUTHORITY	9266	2501859	EASTERN MARKET RENOVATIONS	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2545275	SECURITY SYSTEM UPGRADE	POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2503827	CUSTOMER SERVICE CENTER	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501051	FIRESTATION RENOVATION PROGRAM	FIRE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2636298		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2508408	BUILDING RENOVATIONS	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500748	PARKING IMPROVEMENTS	ZOO
DETROIT BUILDING AUTHORITY	9266	2540535		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2502360		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630384		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2514346	INFRASTRUCTURE IMPROVEMENTS	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2516282	FIRE SUPPRESSION AND DETECTION SYSTEM	CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501977	ADAMS BUTZEL CENTER	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2506561	COLEMAN A. YOUNG & ROBERTO CLEMENTE CENTERS IMPROVEMENTS	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2560470	2001-02 CAPITAL IMPROVEMENT PROGRAM	CIVIC CENTER DEPARTMENT



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT BUILDING AUTHORITY	9266	2500743	BIRD & TIGER RENOVATION	ZOO
DETROIT BUILDING AUTHORITY	9266	2691117		FIRE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2506912		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501579	MCCABE FIELD HOUSE SITE IMPROVEMENTS	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501961	MADISON CTR IMPROVEMENTS	NO DEPARTMENT INDICATED
DETROIT BUILDING AUTHORITY	9266	2653472		ZOO
DETROIT BUILDING AUTHORITY	9266	2505570	B.I. CANAL FICS CONTRACT# 073005	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2594879		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2517916		HUMAN SERVICES DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2600472		FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2544837	PUBLIC IMPROVEMENTS AT WOODWARD	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2654364		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2532375		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2505579		FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2536241	COBO CENTERS CAPITAL PROGRAM	CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2619410		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2688656		FIRE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2505726	MINATURE RAILROAD RENOVATION	ZOO
DETROIT BUILDING AUTHORITY	9266	2531292	ARCHITECTURAL PROGRAMMING	POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2561933	CAPITAL IMPROVEMENTS	CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2517985		HISTORICAL
DETROIT BUILDING AUTHORITY	9266	2638245		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2500762		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2545352		FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2706199		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2767791		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630436		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2739330		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2726923		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2719133		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630388		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2501957	CAPITAL PROJECTS	HEALTH DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2697790		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2630408		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2626704		HISTORICAL
DETROIT BUILDING AUTHORITY	9266	2675809		ZOO
DETROIT BUILDING AUTHORITY	9266	2550346	GROUND CARE PROJECT	RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2675818		ZOO



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT BUILDING AUTHORITY	9266	2583964		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2627766		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2653471		ZOO
DETROIT BUILDING AUTHORITY	9266	2710513		POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2651003		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2697809		CIVIC CENTER DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2560660	DETENTION CENTERS/POLICE HEADQUARTERS	FINANCE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2796726		AIRPORT DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2865303		DETROIT OFFICE OF HOMELAND SECURITY
DETROIT BUILDING AUTHORITY	9266	2749361		PUBLIC LIGHTING DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2568320		RECREATION DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2510335	RENOVATION AT PRECINCTS 2, 5, 7, & 11	POLICE DEPARTMENT
DETROIT BUILDING AUTHORITY	9266	2510162		POLICE DEPARTMENT
DETROIT CATHOLIC PASTORAL	18185	2855625		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT CATHOLIC PASTORAL	18185	2778107		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT CATHOLIC PASTORAL	18185	2554997	NEW CONTRACT SET-UP	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT CENTRAL CITY COMMUNITY	17253	2501790	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
DETROIT DISCOUNT DISTRIBUTORS INC	1027457	2526361	EMERGENCY FOOD	HUMAN SERVICES DEPARTMENT
DETROIT EAST COMMUNITY MENTAL	1005394	2663209		DEPARTMENT OF TRANSPORTATION
DETROIT EAST COMMUNITY MENTAL	1005394	2719895		DEPARTMENT OF TRANSPORTATION
DETROIT EAST INC	13771	2520517	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2515604	PROFESSIONAL ECONOMIC DEVELOPMENT	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2784670	ECONOMIC DEVELOPMENT SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2753574		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2809284		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT ECONOMIC GROWTH CORPORATION	7662	2725283		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT EDISON COMPANY	5636	2501179		NO DEPARTMENT INDICATED
DETROIT ELECTRICAL SERVICES LLC	1059639	2676228		WATER DEPARTMENT
DETROIT ENTREPRENEURSHIP INST	1036516	2562737	SELF EMPLOYMENT INITIATIVE	WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT ENTREPRENEURSHIP INST	1036516	2507446	P&DD/PS FICS CONTRACT #75285	FINANCE DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION	-	-	GRS SERVICE CONTRACT 2005, DATED MAY 25, 2005, BY AND BETWEEN THE CITY AND THE DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION	NO DEPARTMENT INDICATED
DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION	-	-	GRS SERVICE CONTRACT 2006, DATED JUNE 7, 2006, BY AND BETWEEN THE CITY AND THE DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION, AS THEREAFTER AMENDED	NO DEPARTMENT INDICATED
DETROIT HISPANIC	20401	2564466	JOB SEARCH AND PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT HOUSING COMMISSION	1033965	2801908	FUNDING AGREEMENT	DEPARTMENT OF PUBLIC WORKS
DETROIT HOUSING COMMISSION	1033965	2833063	FUNDING AGREEMENT	DEPARTMENT OF PUBLIC WORKS
DETROIT HOUSING COMMISSION	1033965	2669571		HOUSING DEPARTMENT
DETROIT LIGHT HOUSE PROGRAM	1001492	2501736	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
DETROIT LIGHT HOUSE PROGRAM	1001492	2515558	SUBSTANCE ABUSE FYE 9/99	HEALTH DEPARTMENT
DETROIT MEDICAL CENTER	20097	2501916	MEDICAL SERVICES	NO DEPARTMENT INDICATED
DETROIT METRO CONVENTION	1027508	2615728		CIVIC CENTER DEPARTMENT
DETROIT NEIGHBORHOOD & FAMILY INITIATIVE	1018914	2520602	EMPOWERMENT ZONE - PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT NEIGHBORHOOD DEVELOPMENT CORP	1035571	2539512	NEIGHBORHOOD REVITALIZATION	PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT NONPROFIT HOUSING CORPORATION	10641	2514457	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION	-	-	PFRS SERVICE CONTRACT 2005, DATED MAY 25, 2005, BY AND BETWEEN THE CITY AND THE DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION	NO DEPARTMENT INDICATED
DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION	-	-	PFRS SERVICE CONTRACT 2006, DATED JUNE 7, 2006, BY AND BETWEEN THE CITY AND THE DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION, AS THEREAFTER AMENDED	NO DEPARTMENT INDICATED
DETROIT PUBLIC SCHOOLS	1835	2587295		HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2557062	2001-2002 HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2532505	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2617076		EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2657665		WORKFORCE DEVELOPMENT DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2663934		WORKFORCE DEVELOPMENT DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT PUBLIC SCHOOLS	1835	2571396		EMPLOYMENT AND TRAINING DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2512549	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2771471		HUMAN SERVICES DEPARTMENT
DETROIT PUBLIC SCHOOLS	1835	2767770		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2502297	PERMANENT SHELTER & SUPPORT	HEALTH DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2560689	SUPPORTIVE SERVICES	HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2619840		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2548291	TRANSITIONAL HOUSING (FICS #076950)	FINANCE DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2501406	SHELTER FOR THE HOMELESS (FICS #079045)	HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2559511	CASE MANAGEMENT AND COUNSELING	HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2588816		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2751508		HUMAN SERVICES DEPARTMENT
DETROIT RESCUE MISSION MINISTRIES	14618	2774007		HUMAN SERVICES DEPARTMENT
DETROIT SNAP INC	19532	2501606	PUBLIC SERVICE	NO DEPARTMENT INDICATED
DETROIT SPECTRUM PAINTERS INC	11290	2785384	EASTERN MARKET RENOVATIONS	RECREATION DEPARTMENT
DETROIT TIGERS BASEBALL CLUB	1036628	2575026		PLANNING AND DEVELOPMENT DEPARTMENT
DETROIT TRANSPORTATION CORP DN2	14896	2624573		DEPARTMENT OF TRANSPORTATION
DETROIT URBAN LEAGUE	1587	2518492	DHS EMERGENCY NEED SERVICES PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2504264	CAREER DEVELOPMENT TRAINING	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2620591		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2575580		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2563476	WAGES AND MILEAGE WEATHERIZATION WORKERS	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2515009	WEATHERIZATION SPECIALIST	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2512778	WEATHERIZATION INSPECTORS	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2672024		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2608694		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2557533	JOB READINESS TRAINING	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2557619	EMERGENCY NEEDS PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2533037	CAREER DEVELOPMENT PROGRAM	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2620874		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2535487	EMERGENCY NEEDS PROGRAM.	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2518497	PROVIDE COMPUTER SKILLS TRAINING	HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2588385		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2804820		HUMAN SERVICES DEPARTMENT
DETROIT URBAN LEAGUE	1587	2775162		HUMAN SERVICES DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2693328		BUDGET DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2825805		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2738647		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2770051		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2714701		BUDGET DEPARTMENT
DETROIT WAYNE JOINT BUILDING AUTHORITY	19336	2800319		BUDGET DEPARTMENT
DETROIT WAYNE PORT AUTHORITY	10780	2501783		NON-DEPARTMENTAL
DETROIT WORKFORCE NETWORK INC	1071709	2623415		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2563727	JOB SEARCH AND PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
DEVELOPMENT CENTER INC	16686	2597991		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2627616		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2658738		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2778452		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2725743		WORKFORCE DEVELOPMENT DEPARTMENT
DEVELOPMENT CENTER INC	16686	2806231		WORKFORCE DEVELOPMENT DEPARTMENT
DFT SECURITY TEAM JV	1081574	2658119		WATER DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2504635	NEAL/WHITFIELD V ARCHER/JAMES	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2501914	LEGAL SERVICES	NO DEPARTMENT INDICATED
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502116	LEGAL SERVICES: JOAN GHOGIAN V CITY	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2500792	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2501982	LEGAL SERVICES	NO DEPARTMENT INDICATED
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502108	NORDE JAMES V CHIEF ISIAH MCKINNON	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2504874	LEGAL SERVICES: CHILDS V CITY	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502115	LEGAL SERVICES: TAMARA HARMON V CITY	LAW DEPARTMENT
DICKINSON WRIGHT MOON VANDUSEN PLLC	7769	2502105	NAOMI CONAWAY V CITY OF DETROIT	LAW DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
DICKINSON WRIGHT PLLC	1023465	2522227	ANALYSIS OF PA 374; ARCHER V STATE	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2553236	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2534973	TIGER STADIUM MGMT AGREEMENT	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2546606	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2543718	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2803153	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2765485	LEGAL SERVICES	LAW DEPARTMENT
DICKINSON WRIGHT PLLC	1023465	2781254	LEGAL SERVICES	LAW DEPARTMENT
DIVERSIFIED EDUCATIONAL SERVICE INC	18910	2561519	WORK FIRST/WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
DIVERSIFIED EDUCATIONAL SERVICE INC	18910	2734876		WORKFORCE DEVELOPMENT DEPARTMENT
DOGWOOD BROOKSIDE NEIGHBORHOODS	1103646	2781555	SIDEWALKS, CURBS, AND APPROACHES	PLANNING AND DEVELOPMENT DEPARTMENT
DOMBROWSKI, ROBERT	20565	2501542	UNIFORM RELOCATION ASSISTANCE	LAW DEPARTMENT
DON BOSCO HALL	20026	2501185		NO DEPARTMENT INDICATED
DON BOSCO HALL	20026	2595057		RECREATION DEPARTMENT
DON BOSCO HALL	20026	2622063		RECREATION DEPARTMENT
DON BOSCO HALL	20026	2778547		WORKFORCE DEVELOPMENT DEPARTMENT
DON BOSCO HALL	20026	2801085		WORKFORCE DEVELOPMENT DEPARTMENT
DOPAR SUPPORT SYSTEMS INC	21284	2713282		INFORMATION TECHNOLOGY SERVICES
DOWNTOWN DEVELOPMENT AUTHORITY	17716	2770230	LOWER WOODWARD IMPROVEMENT	DEPARTMENT OF PUBLIC WORKS
DOWNTOWN DEVELOPMENT AUTHORITY	17716	2563708	EQUIPMENT INSTALLATION	PUBLIC LIGHTING DEPARTMENT
DTWR LLC C/O FARBMAN GROUP	1066425	2604131		FINANCE DEPARTMENT
DTWR LLC C/O FARBMAN GROUP	1066425	2770218		BUDGET DEPARTMENT
DTWR LLC C/O FARBMAN GROUP	1066425	2738724		BUDGET DEPARTMENT
DUREN & ASSOCIATES	20479	2658590		WORKFORCE DEVELOPMENT DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2517349	WASHINGTON, D.C. LEGISLATIVE SERVICES	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2518125	U.S. DEPT OF JUSTICE DOT INVESTIGATION	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2537039	ANDRE YOUNG A/K/A DR. DRE V CITY	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2537005	WASHINGTON D.C. LIAISON	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2501222		PLANNING AND DEVELOPMENT DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2561984	LEGAL SERVICES	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2501872	LEGAL SERVICES	LAW DEPARTMENT
DYKEMA GOSSETT PLLC	22091	2550459	EUGENE BROWN V CITY	LAW DEPARTMENT
DYNALECTRIC	1103998	2765307	CLOSED CIRCUIT TELEVISION FOR DOT	DEPARTMENT OF TRANSPORTATION
E L S CONSTRUCTION	1098327	2785558	EASTERN MARKET SHED NO. 3 RENOVATIONS	RECREATION DEPARTMENT
EARTH TECH INC	20544	2500983	BELT FILTER PRESSES	SEWERAGE DEPARTMENT
EARTH TECH INC	20544	2502192	CASINO SITE APPRAISALS	LAW DEPARTMENT
EARTH TECH INC	20544	2510034	ENVIRONMENTAL REAL ESTATE-FICS #71021	FINANCE DEPARTMENT
EASTERN OIL CO.	-	2809177	LUBRICANT OIL	GENERAL SERVICES DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
EASTSIDE COMMUNITY RESOURCE	1018050	2538974	JOB ACCESS REVERSE COMMUTE	EMPLOYMENT AND TRAINING DEPARTMENT
EASTSIDE EMERGENCY CTR	16519	2502205	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
EASTSIDE EMERGENCY CTR	16519	2532107	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
EASTSIDE EMERGENCY CTR	16519	2543569	EMERGENCY SHELTER	HUMAN SERVICES DEPARTMENT
EASTWOOD CLINICS CORP OFFICE	1000451	2501528	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
EASTWOOD CLINICS CORP OFFICE	1000451	2501826	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
EBI DETROIT	1000452	2517413	WW-529 SCREEN HOUSE REHABILITATION	WATER DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2515748	PROFESSIONAL ECONOMIC DEVELOPMENT	PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2764614	FOX CREEK INFRASTRUCTURE PROJECT	DEPARTMENT OF PUBLIC WORKS
ECONOMIC DEVELOPMENT CORPORATION	1000454	2818723	EAST RIVERFRONT IMPROVEMENT PROJECT	DEPARTMENT OF PUBLIC WORKS
ECONOMIC DEVELOPMENT CORPORATION	1000454	2641018		PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2784665		PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2753580		PLANNING AND DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT CORPORATION	1000454	2809038	ECONOMIC DEVELOPMENT SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
EDUCATIONAL DATA SYSTEMS INC	20423	2724428		WORKFORCE DEVELOPMENT DEPARTMENT
EDUCATIONAL DATA SYSTEMS INC	1055746	2806233		WORKFORCE DEVELOPMENT DEPARTMENT
EDUCATIONAL DATA SYSTEMS INC	1055746	2778455		WORKFORCE DEVELOPMENT DEPARTMENT
EDWARD C GEORGE	9826	2502379		HUMAN SERVICES DEPARTMENT
EDWARD C LEVY CO DBA PLANT MAINTENANCE	1020737	2502151	BITUMINOUS SURFACE REMOVAL	DEPARTMENT OF PUBLIC WORKS
EJH CONSTRUCTION	1020562	2808924		HUMAN SERVICES DEPARTMENT
ELEVATOR TECHNOLOGY	1000471	2500082	ELEVATOR MAINTENANCE SERVICE	GENERAL SERVICES DEPARTMENT
ELMHURST HOME INC	10998	2501829	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
ELMHURST HOME INC	10998	2501729	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
EMERSON PROCESS MANAGEMENT POWER	1016248	2847526	GAS TURBINE UPGRADE AND REPAIR	PUBLIC LIGHTING DEPARTMENT
EMPCO INC	1118906	2878252		MAYOR'S OFFICE
EMPOWERMENT ZONE DEVELOPMENT CORP	19637	2513278	ADMINISTRATIVE ACTIVITY	PLANNING AND DEVELOPMENT DEPARTMENT
EMPOWERMENT ZONE DEVELOPMENT CORP	19637	2529275	EMPOWERMENT ZONE - PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
EMPRESA	1099489	2776404		WORKFORCE DEVELOPMENT DEPARTMENT
ENERGY GROUP INC	1017472	2509158	FICS CONTRACT 076115 - TREE TRIMMING	PUBLIC LIGHTING DEPARTMENT
ENGINE SUPPLY OF NOVI	1994	2505264	PARTS COMPLETE ENGINES (M80372)	FINANCE DEPARTMENT
ENOTA INC	1092130	2717072		POLICE DEPARTMENT
ENTECH PERSONNEL SERVICES INC	1000768	2544596	CLERICAL ASSISTANCE	CITY CLERK
ENVIRONMENTAL CONSULTING & TECHNOLOGY	1106148	2551431	ENVIRONMENTAL SVCS/GREATER RIVERFRONT	PLANNING AND DEVELOPMENT DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
ENVIRONMENTAL TESTING & CONSULTING INC	1003675	2502196	ABATEMENT OF ASBESTOS	DEPARTMENT OF PUBLIC WORKS
EPITEC GROUP INC	1045979	2556386	PROFESSIONAL SERVICES CONTRACT	INFORMATION TECHNOLOGY SERVICES
EPITEC GROUP INC	1045979	2573836		NON-DEPARTMENTAL
EPITEC GROUP INC	1045979	2620773		NON-DEPARTMENTAL
ESTHER LYNISE BRYANT	1019604	2508103	IJJOE/GIBSON V CITY	LAW DEPARTMENT
EVANS GROUP	1019232	2515534	JOSEPHINE MILLS V CITY	LAW DEPARTMENT
EVEREST SOLUTIONS LLC	1000830	2503912	CONVERSION OF YEAR 2000	FINANCE DEPARTMENT
EVO ACCOUNTING & FINANCIAL SERVICES	1070752	2761823		FINANCE DEPARTMENT
FAMILY SERVICE INC	4010	2541124	CASE MANAGEMENT/COUNSELING SERVICES	HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2508864	P&DD PUBLIC SERVICE	FINANCE DEPARTMENT
FAMILY SERVICE INC	4010	2559513	ASE MANAGEMENT AND COUNSELING	HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2597464		FINANCE DEPARTMENT
FAMILY SERVICE INC	4010	2620491		HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2588790		HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2773997		HUMAN SERVICES DEPARTMENT
FAMILY SERVICE INC	4010	2751502		HUMAN SERVICES DEPARTMENT
FARBMAN DEVELOPMENT GROUP INC	1052543	2574590		PLANNING AND DEVELOPMENT DEPARTMENT
FELIX J LIDDELL MID	9742	2619048		HUMAN SERVICES DEPARTMENT
FELIX J LIDDELL MID	9742	2771950		HUMAN SERVICES DEPARTMENT
FEMI TALABI & ASSOCIATES IINC	1025786	2693989		PLANNING AND DEVELOPMENT DEPARTMENT
FERGUSON ENTERPRISES INC	1002829	2762820	WATER SYSTEM IMPROVEMENTS	WATER DEPARTMENT
FERGUSON ENTERPRISES INC	1002829	2708886		RECREATION DEPARTMENT
FIRST AMERICAN EQUITY LOAN SERVICES INC	1053418	2572513		LAW DEPARTMENT
FIRST TEE OF DETROIT	1106838	2509532	JUNIOR GOLF PROGRAM	RECREATION DEPARTMENT
FLORISE E NEVILLE EWELL	18953	2511634	LAW DEPARTMENT CONTRACTS SECTION	FINANCE DEPARTMENT
FOCUS HOPE	20156	2595470		EMPLOYMENT AND TRAINING DEPARTMENT
FOCUS HOPE	20156	2517834	MACHINIST TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
FOCUS HOPE	20156	2782889		WORKFORCE DEVELOPMENT DEPARTMENT
FOLIA INDUSTRIES INC	1078969	2647895		RECREATION DEPARTMENT
FORBES MANAGEMENT INC	13713	2500738	8TH FL 2111 WOODWARD	NO DEPARTMENT INDICATED
FORBES MANAGEMENT INC	13713	2500736		NO DEPARTMENT INDICATED
FORENSIC EXAMINATION SERVICE	19765	2511601	ESTATE OF CARA BELL JONES	LAW DEPARTMENT
FORT WAYNE CONSTRUCTION INC	1002341	2508445	EMER. REPAIR OF STORM DAMAGED SIDEWALKS	DEPARTMENT OF PUBLIC WORKS
FOUNDATION FOR BEHAVIORAL RESOURCES	1001251	2562165	WORK FIRST & WTW	EMPLOYMENT AND TRAINING DEPARTMENT



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FOUNDATION FOR BEHAVIORAL RESOURCES	1001251	2629097		EMPLOYMENT AND TRAINING DEPARTMENT
FOUNDATION FOR BEHAVIORAL RESOURCES	1001251	2778457		WORKFORCE DEVELOPMENT DEPARTMENT
FRANCES GREENEBAUM	15339	2500958		HUMAN SERVICES DEPARTMENT
FRANCES GREENEBAUM	15339	2500968		HUMAN SERVICES DEPARTMENT
FRANCES S GREENEBAUM	1001353	2663660		HUMAN SERVICES DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2557088	2001-2002 EARLY HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2532391	EARLY HEAD START 2000-2001	FINANCE DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2512564	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
FRANKLIN WRIGHT SETTLEMENTS INC	1001261	2501500	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
FREEDOM HOUSE	19860	2551708	EMERGENCY SHELTER	HUMAN SERVICES DEPARTMENT
G4S SECURE SOLUTIONS USA, INC.	1116038	2741015	SECURITY SERVICES	GENERAL SERVICES DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2525486	ELIZABETH HURD, ET AL V CITY OF DETROIT	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2540460	LEGAL SERVICES	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2505197	JOHNSON V JECZEN, ET AL	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2502158	LEGAL SERVICES: TROMEUR V ADKINS	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2505077	LEGAL SERVICES	LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2574321		LAW DEPARTMENT
GARAN LUCOW MILLER PC	1007550	2505187	LEGAL SERVICES: BERNICE MARTIN V CITY	FINANCE DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2623273		PUBLIC LIGHTING DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2630629		PUBLIC LIGHTING DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2623274		PUBLIC LIGHTING DEPARTMENT
GENESIS ENERGY SOLUTIONS LLC	1059170	2625340		PUBLIC LIGHTING DEPARTMENT
GEORGE E SANSOUY P E LLC	1034071	2537262	PROFESSIONAL SERVICES: APPRAISALS	LAW DEPARTMENT
GEORGE JOHNSON & COMPANY	1826	2754359		HUMAN SERVICES DEPARTMENT
GERALD K EVELYN	1102554	2765473	LEGAL SERVICES	LAW DEPARTMENT
GERALD K EVELYN	1102554	2765475	LEGAL SERVICES	LAW DEPARTMENT
GHAFARI ASSOCIATES LLC	16840	2500978	ADAMS ROAD IMPROVEMENTS	NO DEPARTMENT INDICATED
GHAFARI ASSOCIATES LLC	16840	2520892	ELECTRICAL SERVICES AT 2633 MICHIGAN AVE.	DEPARTMENT OF PUBLIC WORKS
GIORGI CONCRETE LLC	1010405	2764704	REPAIR OF WATER SYSTEM	WATER DEPARTMENT
GIRL SCOUTS OF METRO DETROIT	7539	2588820		HUMAN SERVICES DEPARTMENT
GIRL SCOUTS OF METRO DETROIT	7539	2775160		HUMAN SERVICES DEPARTMENT
GIS DATA RESOURCES INC	1087473	2696020		POLICE DEPARTMENT
GLEANERS COMMUNITY FOOD BANK 1	16611	2775453		HUMAN SERVICES DEPARTMENT
GLEANERS COMMUNITY FOOD BANK 1	16611	2803612		HUMAN SERVICES DEPARTMENT
GLEANERS COMMUNITY FOOD BANK 1	16611	2778130		HUMAN SERVICES DEPARTMENT



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GLEANERS COMMUNITY FOOD BANK 1	16611	2746566		HUMAN SERVICES DEPARTMENT
GLEN OLIVACHE CPA PC	1001562	2507371		FINANCE DEPARTMENT
GLOBEWIDE FAVOR CONSTRUCTION CO LLC	1085092	2808926		HUMAN SERVICES DEPARTMENT
GLOBEWIDE FAVOR CONSTRUCTION CO LLC	1085092	2793406		HUMAN SERVICES DEPARTMENT
GODFREY J DILLARD ESQ	1103303	2779417		LAW DEPARTMENT
GOODMAN & HURWITZ PC	1101745	2760433	SPECIAL COUNSEL	CITY COUNCIL
GOODMAN MUSCAT INC	1015305	2509737	ORGANIZATIONAL ASSESSMENT	ENVIRONMENTAL AFFAIRS DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2563438	WORKFIRST/WTW JS/JR	EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2559919	FOOD STAMPS	EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2539285	WORKFIRST JS/JP 10/01/00-9/30/01	EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2628317		EMPLOYMENT AND TRAINING DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2797757		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2736042		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2782892		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2761556		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2740308		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2770617		WORKFORCE DEVELOPMENT DEPARTMENT
GOODWILL INDUSTRIES OF GREATER DETROIT	14999	2770613		WORKFORCE DEVELOPMENT DEPARTMENT
GRAY & GRAY PRODUCTIONS	18090	2594537		RECREATION DEPARTMENT
GREAT LAKES CENTER FOR INDEPENDENT LIVING	19673	2501926	PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
GREATER DETROIT COMMUNITY OUTREACH CENTER INC	19466	2501509	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
GREEN GREEN ADAMS PALMER & CRAIG PC	1014038	2508762	LEGAL SERVICES	CITY COUNCIL

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GREGORY TERRELL & COMPANY	14501	2506562	AUDIT	HUMAN SERVICES DEPARTMENT
GRIER & COPELAND PC	11779	2527604	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2546243	SANDRA MILLER V EUGENE BROWN, ET AL	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2502429	CHISHOLM, ET AL V CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2550395	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2548219	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2632136		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2545753	BRANDON BRYANT V EUGENE BROWN/CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2502093	LEGAL SERVICES	NO DEPARTMENT INDICATED
GRIER & COPELAND PC	11779	2502430	LEGAL SERVICES: MCHUGH, ET AL V CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2505089	LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2597158		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2576025		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2708898		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2634211		LAW DEPARTMENT
GRIER & COPELAND PC	11779	2649862	CONTRACT FOR LEGAL SERVICES	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2688106	DAREL DEON CHANCELLOR V CITY	LAW DEPARTMENT
GRIER & COPELAND PC	11779	2551543	WILLIE BRYANT V EUGENE BROWN	LAW DEPARTMENT
GS EQUITIES LLC	1088912	2700328		LAW DEPARTMENT
HALCROW INC	1102933	2769474		MAYOR'S OFFICE
HALE CONTRACTING INC	1025577	2757453	VENTILATION SYSTEM	RECREATION DEPARTMENT
HALEY & ALDRICH INC	1098676	2740779		WATER DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2507157	BELLE ISLE MASTER PLAN	RECREATION DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2530873	FARWELL FIELD ARCHITECTURAL SERVICES	RECREATION DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2508644	BELLE ISLE'S LOITER WAY REFECTORY	RECREATION DEPARTMENT
HAMILTON ANDERSON ASSOCIATES	18698	2563405	BELLE ISLE'S MASTER PLAN	RECREATION DEPARTMENT
HAMPTON RIDGE PROPERTIES LLC	1019230	2515341		WORKFORCE DEVELOPMENT DEPARTMENT
HARBIN GROUP INC	16607	2507665	CASINO SITE APPRAISAL	FINANCE DEPARTMENT
HARPER HOUSE	1003691	2501737		HEALTH DEPARTMENT
HARTFORD MEMORIAL BAPTIST CHURCH	14442	2502480	SENIOR CITIZENS MEALS	HEALTH DEPARTMENT
HAYES LAND DEVELOPMENT CORPORATION	1106003	2613519		WATER DEPARTMENT
HEALTH MANAGEMENT SYSTEMS	5654	2542966	EMPLOYEE ASSISTANCE PROGRAM	HUMAN RESOURCES DEPARTMENT
HEALTH MANAGEMENT SYSTEMS	1043088	2613135		HUMAN RESOURCES DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2504678	TARGET CITIES FYE 9/30/99	FINANCE DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2501833	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2568871		HEALTH DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2570277		HEALTH DEPARTMENT

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HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2504742	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
HEALTH SERVICES TECHNICAL ASSISTANCE	9042	2512068	SUBSTANCE ABUSE ASSESSMENT	HEALTH DEPARTMENT
HEAT & WARMTH FUND	18570	2717114		WATER DEPARTMENT
HEIGHTS HEATING & COOLING INC	1032472	2741890	AIR CONDITIONING INSTALLATION	RECREATION DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2505277	MEDICAL SERVICES	HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2605168		HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2574218		HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2621296		HEALTH DEPARTMENT
HENRY FORD HEALTH SYSTEM	1012926	2752105		HEALTH DEPARTMENT
HERBERT REALTY & MANAGEMENT	1018769	2559115		FINANCE DEPARTMENT
HERITAGE OPTICAL CENTER INC	16451	2515148	OPTOMETRIC SERVICES	HEALTH DEPARTMENT
HERITAGE OPTICAL CENTER INC	16451	2530208		HEALTH DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2604598		FINANCE DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2761160		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2775593		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2757513		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2783105		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2761157		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2706006		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2804847		HUMAN SERVICES DEPARTMENT
HINES FINANCIAL SERVICES	1059682	2744129		HUMAN SERVICES DEPARTMENT
HNTB MICHIGAN INC	1025696	2589459		DEPARTMENT OF PUBLIC WORKS
HNTB MICHIGAN INC	1025696	2800235	PROFESSIONAL SERVICES	AIRPORT DEPARTMENT
HOUSING & COMMUNITY DEVELOPMENT CORP OF WAYNE COUNTY	1021017	2518243	HOUSING REHABILITATION SERVICES	FINANCE DEPARTMENT
HOWARD & HOWARD ATTORNEYS PC	1013410	2773508	LEGAL SERVICES	LAW DEPARTMENT
HTC GLOBAL SERVICES INC	1003630	2501175		INFORMATION TECHNOLOGY SERVICES
HUBBARD RICHARD COMMON COUNCIL	9225	2501533		NO DEPARTMENT INDICATED
HUFFMASTER ASSOCIATES LLC	1010540	2506275	INVESTIGATIVE SERVICES	FINANCE DEPARTMENT
HUNGER ACTION COALITION OF MICHIGAN	16897	2510332	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
HUNT ASSOCIATES 1 INC	19746	2537045	WIA OUT OF SCHOOL YOUTH	EMPLOYMENT AND TRAINING DEPARTMENT
HUNT ASSOCIATES 1 INC	19746	2628062		WORKFORCE DEVELOPMENT DEPARTMENT
HUTZEL HOSPITAL	15175	2501837	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
HUTZEL HOSPITAL	15175	2508866		HEALTH DEPARTMENT
IBM CORPORATION	2865	2505095		INFORMATION TECHNOLOGY SERVICES
ICDS	1003163	2501182		PUBLIC LIGHTING DEPARTMENT
IMAGE SCAN INC	18157	2512900	DATA ENTRY SOFTWARE	INFORMATION TECHNOLOGY SERVICES

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IMPERIAL CONSTRUCTION CO	12464	2746886		WATER DEPARTMENT
IMPERIAL CONSTRUCTION CO	12464	2685161		WATER DEPARTMENT
IMPERIAL CONSTRUCTION CO	12464	2679721		WATER DEPARTMENT
IN LAND WATERS POLLUTION	14434	2502291	REMOVAL OF STORAGE TANKS	DEPARTMENT OF PUBLIC WORKS
IN LAND WATERS POLLUTION	14434	2502290	UST UPGRADES	DEPARTMENT OF PUBLIC WORKS
INDUSTRIAL RELATIONS INC	1027976	2527324	PERFORMANCE MANAGEMENT SYSTEM	FINANCE DEPARTMENT
INDUSTRIAL RELATIONS INC	1027976	2513432	EMPLOYEE DEVELOPMENT PROGRAM	HUMAN RESOURCES DEPARTMENT
INFRASTRUCTURE MANAGEMENT GROUP INC	1061121	2634315		PUBLIC LIGHTING DEPARTMENT
INLAND WATERS POLLUTION CONTROL INC	1055642	2556880	UNDERGROUND STORAGE TANKS	DEPARTMENT OF PUBLIC WORKS
INTERCLEAN EQUIPMENT INC	1011180	2504773	INSTALLATION OF TRUCK WASH SYSTEMS	DEPARTMENT OF PUBLIC WORKS
INTERGRAPH CORPORATION	6153	2516412	953625- COMPUTER RELATED PRODUCTS	INFORMATION TECHNOLOGY SERVICES
INTERNATIONAL INSTITUTE OF METROPOLITAN DETROIT INC	9144	2521334		FINANCE DEPARTMENT
ISLANDVIEW VILLAGE DEVELOPMENT CORP	20425	2509212	SITE PREP/STREET IMPROVEMENT	FINANCE DEPARTMENT
ITW MORTGAGE INVESTMENTS III INC	1561	2501775		FINANCE DEPARTMENT
J & J YOUTH SERVICES	1012849	2506553	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
JJ ASSOCIATES	17711	2589033		INFORMATION TECHNOLOGY SERVICES
JJ ASSOCIATES	17711	2502052	PROGRAMMING CODING	INFORMATION TECHNOLOGY SERVICES
JJ ASSOCIATES	17711	2560948	2002 PROFESSIONAL SERVICES CONSULTING	INFORMATION TECHNOLOGY SERVICES
JO A CONSTRUCTION CO INC	1001666	2642903		RECREATION DEPARTMENT
JACKETS FOR JOBS INC	1064297	2778459		WORKFORCE DEVELOPMENT DEPARTMENT
JACKETS FOR JOBS INC	1064297	2754535		WORKFORCE DEVELOPMENT DEPARTMENT
JACKSON & KELLY PLLC	1016929	2511861	LEGAL SERVICES	LAW DEPARTMENT
JAMES C COBB JR PC	10571	2504319	LEGAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
JAMES C COBB JR PC	10571	2501780	LEGAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
JAMES HANEY MD	1012073	2544158	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2513136	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2559396	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2508122	DRUG TREATMENT PROGRAM PHYSICIAN	FINANCE DEPARTMENT
JAMES HANEY MD	1012073	2591486		HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2746434		HUMAN SERVICES DEPARTMENT
JAMES HANEY MD	1012073	2771944		HUMAN SERVICES DEPARTMENT
JAMES W BURDICK PC	1101618	2760028		LAW DEPARTMENT
JEFFERSON WELLS INTERNATIONAL INC	1032623	2546414	PROFESSIONAL SERVICES	AUDITOR GENERAL
JEFFERSON WELLS INTERNATIONAL INC	1032623	2534548	INTERNAL AUDIT PARTNER	AUDITOR GENERAL

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JENKINS CONSTRUCTION INC	17037	2541121	WS-621 WATER MAIN REPAIRS	WATER DEPARTMENT
JENKINS CONSTRUCTION INC	17037	2501854	CONSTRUCTION	DEPARTMENT OF PUBLIC WORKS
JENKINS CONSTRUCTION INC	17037	2691365		WATER DEPARTMENT
JESSE TOLBERT MD	1012082	2559428	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JESSE TOLBERT MD	1012082	2544148	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JESSE TOLBERT MD	1012082	2508116	DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
JESSE TOLBERT MD	1012082	2513142	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JESSE TOLBERT MD	1012082	2591460		HUMAN SERVICES DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2797759		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2726449		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2777965		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	1015533	2778659		WORKFORCE DEVELOPMENT DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2552853	CASE MANAGEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2513901	NO WRONG DOOR	EMPLOYMENT AND TRAINING DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2550062	PAL BASIC LITERACY	EMPLOYMENT AND TRAINING DEPARTMENT
JEWISH VOCATIONAL SERVICE	11835	2538061	WORK FIRST JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
JOHN KING	1070289	2799418		WORKFORCE DEVELOPMENT DEPARTMENT
JOHN KING	1070289	2781812		
JOHN PETER QUINN	1088277	2751148		LAW DEPARTMENT
JOHN W HEAD JR DR	1016367	2544130	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
JOHN W HEAD JR DR	1016367	2559403	MEDICAL DIRECTOR	HUMAN SERVICES DEPARTMENT
JOHN W HEAD JR DR	1016367	2771947		HUMAN SERVICES DEPARTMENT
JOHNSON ROSATI LABARGE	1012630	2577160		LAW DEPARTMENT
JOHNSON ROSATI LABARGE	1012630	2600509		LAW DEPARTMENT
JOHNSON ROSATI LABARGE	1012630	2508107	LEGAL SERVICES	FINANCE DEPARTMENT
JORDAN CLINCS LIMITED PARTNERSHIP	1098511	2770685		HEALTH DEPARTMENT
JOWA ASSOCIATES	7422	2501000	UNIFORMED GUARD SERVICE	AIRPORT DEPARTMENT
JOWA ASSOCIATES	7422	2513434	GUARD SERVICE FOR DEPARTMENT CLINICS	HUMAN SERVICES DEPARTMENT
JOYFIELD CAREGIVERS	1048950	2597503		FINANCE DEPARTMENT
JOYFIELD CAREGIVERS	1048950	2563712	36-NTV-NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
JVS DETROIT'S WORKPLACE	1034682	2575844		EMPLOYMENT AND TRAINING DEPARTMENT
JVS DETROIT'S WORKPLACE	1034682	2592232		WORKFORCE DEVELOPMENT DEPARTMENT
JVS DETROIT'S WORKPLACE	1034682	2597745		EMPLOYMENT AND TRAINING DEPARTMENT
JVS DETROIT'S WORKPLACE	1034682	2566265	WORK FIRST JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
KASIBORSKI RONANYRI FLASKA PC	19685	2503637	LEGAL SERVICES	FINANCE DEPARTMENT
KASIBORSKI RONANYRI FLASKA PC	19685	2531995	WAYNE COUNTY V CITY OF DETROIT	LAW DEPARTMENT
KASIBORSKI RONANYRI FLASKA PC	19685	2502453	LEGAL SERVICES	FINANCE DEPARTMENT
KELLER THOMA SCHWARTZ	1020326	2517263	EMPLOYMENT-RELATED INVESTIGATIONS	LAW DEPARTMENT

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KELLY SERVICES INC	1000576	2583741		FINANCE DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2760784		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2664187		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2706955		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2755384	ROOF PLACEMENT	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2798610		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2733881	BUTZEL PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2734358	ACTIVITIES CENTER RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2760999	WISH-EGAN PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2761019	MILAN PLAYFIELD RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2761662	KRAINZ PARK RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2789769		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2734388	DRAINAGE/SEWER	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2731179		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2712232		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2760990	OPTOMIST-STOUT RENOVATIONS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2762087	2008 PARK IMPROVEMENTS	RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2711290		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2712252		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2714050		RECREATION DEPARTMENT
KEO AND ASSOCIATES INC	1040014	2807770	REPAIRS AT HENDERSON MARINA	RECREATION DEPARTMENT
KIDSMART SOFTWARE COMPANY	1072607	2781805		WORKFORCE DEVELOPMENT DEPARTMENT
KIMLEY-HORN OF MICHIGAN INC	1003415	2502474	CASINO SITE APPRAISER	LAW DEPARTMENT
KOHN FINANCIAL CONSULTING	1014434	2511508	PASSALAQUA CHOP HOUSE V DETROIT	FINANCE DEPARTMENT
KOHN FINANCIAL CONSULTING	1014434	2537217	PROFESSIONAL SERVICES: STILLMON V CITY	LAW DEPARTMENT
KOHN FINANCIAL CONSULTING	1014434	2794993	PROVIDE ADVICE ON SOLID WASTE FUND	BUDGET DEPARTMENT
KPMG CONSULTING, INC	1028311	2529517	AUDITING SERVICES	AUDITOR GENERAL
KPMG CONSULTING, INC	1028311	2552186	AUDITING SERVICES	AUDITOR GENERAL
KPMG LLP	1440	2510105	IMPLEMENT TIDEMARK COMPUTER SYSTEM	BUILDINGS AND SAFETY DEPARTMENT
KPMG LLP	1440	2513477	AUDITING SERVICES	AUDITOR GENERAL
KPMG LLP	1440	2504566	CONSULTING SERVICES	BUDGET DEPARTMENT
KVM DOOR SYSTEMS INC	1099793	2785386	EASTERN MARKET SHED NO. 3 RESERVATIONS	RECREATION DEPARTMENT
L D' AGOSTINI & SONS INC	1000677	2500927	LATERAL SEWER REPLACEMENT	NO DEPARTMENT INDICATED
LACEY & ASSOCIATES	1010869	2590826		FINANCE DEPARTMENT
LACEY & JONES LLP	1013697	2562865	DPOA ACT 312 2001-2004 PROCEEDINGS	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2502300	BLUE CROSS/BLUE SHIELD RESERVE FUND	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518960	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2534969	KELLY FOREMAN V CITY	LAW DEPARTMENT

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LACEY & JONES LLP	1013697	2518952	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518964	EDWARD LEWIS V P.O. STEVEN PEIL/CITY	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2539980	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2520968	LEGAL SERVICES: KEMP V NOETZEL & KEMP	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2539975	LEGAL SERVICES: MAURICE BROWN V CITY	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518969	MICHAEL MCHUGH V CITY OF DETROIT	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518967	JESSE WILLIAMS V CITY OF DETROIT	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2501959	LEGAL SERVICES	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2518973	BEAUCHAMP V OWENS/CITY	LAW DEPARTMENT
LACEY & JONES LLP	1013697	2562836	MAXIMILIAN ENGRAM, ET AL V CITY	LAW DEPARTMENT
LAKESHORE ENGINEERING SERVICE INC	19808	2502201	ABATEMENT ASBESTOS	DEPARTMENT OF PUBLIC WORKS
LAMONT TITLE CORPORATION	1070200	2501595	36/LS - TITLE COMMITMENTS	PLANNING AND DEVELOPMENT DEPARTMENT
LAMONT TITLE CORPORATION	1070200	2603572		PLANNING AND DEVELOPMENT DEPARTMENT
LANIER	1012355	2533656	EMERGENCY USE FOR POLICE PAYROLL	FINANCE DEPARTMENT
LANZO CONSTRUCTION CO	13425	2613521		WATER DEPARTMENT
LARDNER ELEVATOR COMPANY	24166	2507678	ELEVATOR LOAD & NO-LOAD TEST	WATER DEPARTMENT
LASED	11513	2560786	WIA IN SCHOOL YOUTH PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
LASED	11513	2501749	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
LASED	11513	2740243		WORKFORCE DEVELOPMENT DEPARTMENT
LASED	11513	2719927		DEPARTMENT OF TRANSPORTATION
LASED	11513	2801087		WORKFORCE DEVELOPMENT DEPARTMENT
LASED	11513	2778540		WORKFORCE DEVELOPMENT DEPARTMENT
LATINO FAMILY SERVICES INC	16339	2504667	MEDICAID FYE 9/30/99	HEALTH DEPARTMENT
LATINO FAMILY SERVICES INC	16339	2501843	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
LAW OFFICES COLLINS EINHORN	1049868	2765611		LAW DEPARTMENT
LAWTON SCHOOL	1100766	2806424		HUMAN SERVICES DEPARTMENT
LEWIS & MUNDAY PC	12439	2502307	LEGAL SERVICES: CRUMBIE V GUYTON, ET AL	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2502427	GAINES/HARRIS/HINES/HUGHES V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2539985	SANDRA/DARREN MILLER V EUGENE BROWN	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2539983	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2536840	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2553151	BERRY/CHENAULT/CROCKETT ET AL V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2553122	KUE/WALKER/SMITH/WIGGINS V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2634333		LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2655854		LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2529631	BRAZIL/PENA V CITY/HOOD	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2561951	ALLEN/BATTLE/COOPER/GRIFFIN V CITY	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2600494		LAW DEPARTMENT



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LEWIS & MUNDAY PC	12439	2774620	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2502303	LEGAL SERVICES	LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2641462		LAW DEPARTMENT
LEWIS & MUNDAY PC	12439	2649874		LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2500765	LEGAL SERVICES: VELA V PRICE/CITY	LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2539960	LEGAL SERVICES	LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2517379	LEGAL SERVICES	LAW DEPARTMENT
LIEDEL GRINNAN & LIEDEL PC	1007353	2548909	LEGAL SERVICES	LAW DEPARTMENT
LIFE FITNESS INC	1085199	2704235		RECREATION DEPARTMENT
LIONEL SAWYER COLLINS	19940	2502230	PROFESSIONAL SERVICES	CITY COUNCIL
LOCAL INITIATIVES SUPPORT CORPORATION	1014122	2562574	PROFESSIONAL SERVICES	CITY COUNCIL
LOCAL INITIATIVES SUPPORT CORPORATION	18595	2502034	EMPOWERED ZONE	NO DEPARTMENT INDICATED
LOCAL INITIATIVES SUPPORT CORPORATION	1014122	2592262		FINANCE DEPARTMENT
LOCAL INITIATIVES SUPPORT CORPORATION	1014122	2567588		FINANCE DEPARTMENT
LOOKING FOR MY SISTER	1104410	2784890	BLOCK GRANT PROGRAM	POLICE DEPARTMENT
LOUIS G REDSTONE ASSCS INC	16448	2502006	DESIGN FOR ROGELL GLF CRS	NO DEPARTMENT INDICATED
LUXURY SEDAN VAN SERVICE	1015148	2570671		MUNICIPAL PARKING DEPARTMENT
MACDERMOTT ROOFING & SHEET METAL	16537	2732369	BELLE ISLE GARAGE - ROOF REPLACEMENT	RECREATION DEPARTMENT
MACDERMOTT ROOFING & SHEET METAL	16537	2796454	ROOF REPAIRS	RECREATION DEPARTMENT
MACK ALIVE INC	19676	2801089		WORKFORCE DEVELOPMENT DEPARTMENT
MACK ALIVE INC	19676	2778765		WORKFORCE DEVELOPMENT DEPARTMENT
MAJOR CEMENT CO	22141	2502189	PW 7561 REPAIR DAMAGED	NO DEPARTMENT INDICATED
MAJOR CEMENT CO	22141	2634038		DEPARTMENT OF PUBLIC WORKS
MARINERS INN	5159	2509995	WTW SUBSTANCE ABUSE COUNSELING	EMPLOYMENT AND TRAINING DEPARTMENT
MARINERS INN	5159	2549595	CAREER INITIATIVES CENTER PROJECT	HUMAN SERVICES DEPARTMENT
MARJORIE R MALARNEY & ASSOCIATES	12830	2500751	LANSING LOBBYIST	LAW DEPARTMENT
MARYGROVE COLLEGE	6279	2589338		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE COLLEGE	6279	2629691		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE COLLEGE	6279	2595777		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE COLLEGE	6279	2627961		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2507022	FIC #76292 WORK FIRST	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2512792	ASSESSMENT CTR TITLES IIA/IIC & III	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2555328	WIA ADULT & OUT-OF-SCHOOL YOUTH	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2529603	ASSESS CTR MOD#1	FINANCE DEPARTMENT



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MARYGROVE NONPROFIT CORPORATION	1014543	2563669	LEARNING RESOURCE CTR WORK FIRST	EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2571652		EMPLOYMENT AND TRAINING DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2777810		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2771650		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2740292		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2725976		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2740278		WORKFORCE DEVELOPMENT DEPARTMENT
MARYGROVE NONPROFIT CORPORATION	1014543	2754537		WORKFORCE DEVELOPMENT DEPARTMENT
MATRIX HUMAN SERVICES	1584	2512563	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2528270	EMPOWERMENT ZONE- PUBLIC SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
MATRIX HUMAN SERVICES	1584	2541817	PAROLEE EMPLOYMENT TRAINING PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
MATRIX HUMAN SERVICES	1584	2557083	2001-2002 HEAD START CONTRACT	HEALTH DEPARTMENT
MATRIX HUMAN SERVICES	1584	2502075	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2532520	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2501666	JOB SEARCH AND PLACEMENT	NO DEPARTMENT INDICATED
MATRIX HUMAN SERVICES	1584	2512181	SHELTER FOR HOMELESS YOUTH	HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2561392	WORK FIRST & WTW. 2001-2002	EMPLOYMENT AND TRAINING DEPARTMENT
MATRIX HUMAN SERVICES	1584	2606499		EMPLOYMENT AND TRAINING DEPARTMENT
MATRIX HUMAN SERVICES	1584	2847169		HUMAN SERVICES DEPARTMENT
MATRIX HUMAN SERVICES	1584	2767093		HUMAN SERVICES DEPARTMENT
MAYOR'S TIME	1070618	2780286		WORKFORCE DEVELOPMENT DEPARTMENT
METCO SERVICES INC	13250	2502148		DEPARTMENT OF PUBLIC WORKS
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2557075	2001-2002 HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2532514	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2505351		HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2512558	HEAD START SERVICES	HUMAN SERVICES DEPARTMENT
METROPOLITAN BAPTIST CHURCH HEAD START	9004	2768826		HUMAN SERVICES DEPARTMENT
METRO EAST DRUG TREATMENT	10996	2501534	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
METRO EMPLOYMENT SOLUTIONS	1007722	2564007	WORK FIRST & WELFARE TO WORK	EMPLOYMENT AND TRAINING DEPARTMENT
METRO EMPLOYMENT SOLUTIONS	1007722	2626981		WORKFORCE DEVELOPMENT DEPARTMENT
METROPOLITAN ARTS COMPLEX INC	1001141	2501630	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
METROPOLITAN ARTS COMPLEX INC	1001141	2501857	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
METROPOLITAN CHILDREN & YOUTH INC	1082096	2847163		HUMAN SERVICES DEPARTMENT

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METROPOLITAN DETROIT AFL-CIO	1001142	2502169	JOB SEARCH	NO DEPARTMENT INDICATED
METROPOLITAN DETROIT AFL-CIO	1001142	2603384		EMPLOYMENT AND TRAINING DEPARTMENT
METROPOLITAN DETROIT VISITORS	21182	2530321	ADVERTISING AND PROMOTIONAL EXPERTISE	CIVIC CENTER DEPARTMENT
METROPOLITAN DETROIT VISITORS	21182	2550871	PROMOTION FOR COBO CENTER	CIVIC CENTER DEPARTMENT
METROPOLITAN DETROIT VISITORS	21182	2767846	PROFESSIONAL SERVICES CONTRACT	CIVIC CENTER DEPARTMENT
MGM LEGAL MGMT SOLUTIONS	20133	2502235		NO DEPARTMENT INDICATED
MICHIGAN CONFERENCE SDA DETROIT/METRO	1012847	2506682	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
MICHIGAN DEPARTMENT OF CAREER	1016600	2511440	EMPLOYMENT SERVICES	EMPLOYMENT AND TRAINING DEPARTMENT
MICHIGAN DEPARTMENT OF CAREER	1016600	2620233		EMPLOYMENT AND TRAINING DEPARTMENT
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2510495	ADVANCE-TRAFFIC SIGNAL MODERNIZATION	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2517085	BITUMINIOUS COLDMILLING WORK ALONG HWY M102 FROM HWY M53TO KELLY ROAD	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500761	DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2518505	COLDMILLING ALONG HWY. US-24 FROM HWY. M-5(GRAND RIVER) TO M-102	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501400	RESURFACING	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501407	RECONSTRUCTION OF DECK	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2511603	TRAFFIC SIGNALS AND PAVEMENT MARKINGS	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501807	DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500758	SCREENING	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2518522	DECK REPLACEMENT	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500787	REPLACE BRIDGES	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2512565	CONCRETE OVERLAY FOR STRUCTURE WHICH CARRIES PORTER ST. OVER I-75	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501877	BRIDGE	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2521604	DECK REPLACEMENT	DEPARTMENT OF PUBLIC WORKS

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MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2524693	PEDESTRAIN SCREENING FOR VARIOUS STRUCTURES	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2502178	RECONSTRUCT HWY - I 75 SPRINGWELL	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2501411	BRIDGE AND DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2567088		DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2502469	RESURFACE DECK	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2538766	TRAFFIC SIGNALWORK AT DICKERSON ROAD	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2520074	RECONSTRUCTION OF STRUCTURE WHICH CARRIES GREENFIELD ROAD OVER HWY. M-10	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500781	DECK REPLACEMENT	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2500779	RESURFACING	NO DEPARTMENT INDICATED
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2622755		DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2740688		DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2517764	DECK REPLACEMENT WORK ON BRIDGE	DEPARTMENT OF PUBLIC WORKS
MICHIGAN DEPARTMENT OF STATE HIGHWAYS & TRANSPORTATION	2100	2511049	BITUMINOUS RESURFACING AND CURB WORK ALONG LIVERNOIS	DEPARTMENT OF PUBLIC WORKS
MICHIGAN FOOD AND BEVERAGE ASSOCIATION	1101727	2759218	PERIOD SERVICES FOR METRO YOUTH DAY	RECREATION DEPARTMENT
MICHIGAN FOOD AND BEVERAGE ASSOCIATION	1101727	2786573	METRO YOUTH DAY	RECREATION DEPARTMENT
MICHIGAN HVAC VOCATIONAL	17478	2512764	RETRAINING SERVICES	EMPLOYMENT AND TRAINING DEPARTMENT
MICHIGAN STATE AFL-CIO HRDI	1027005	2769866		WORKFORCE DEVELOPMENT DEPARTMENT
MICHIGAN STATE UNIVERSITY	8167	2795800	ACCIDENT INVESTIGATION COURSES	POLICE DEPARTMENT
MIDNIGHT GOLF PROGRAM	1055952	2778544		WORKFORCE DEVELOPMENT DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2540054	JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2562793	WORK FIRST PROGRAM	EMPLOYMENT AND TRAINING DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2778461		WORKFORCE DEVELOPMENT DEPARTMENT
MIDWEST CAREERS INSTITUTE	1062863	2806239		WORKFORCE DEVELOPMENT DEPARTMENT

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MILWAUKEE INVESTMENT CO	17041	2501818		EMPLOYMENT AND TRAINING DEPARTMENT
MILWAUKEE INVESTMENT CO	17041	2524249		WORKFORCE DEVELOPMENT DEPARTMENT
MIRO WEINER & KRAMER PC	1039572	2665562		LAW DEPARTMENT
MISDEMEANOR DEFENDERS LAW CLINIC PC	1009823	2534641	LEGAL SERVICES	NO DEPARTMENT INDICATED
MITCHCO	1022053	2553859	GAS, COMPRESSED NATURAL	DEPARTMENT OF TRANSPORTATION
MOLLY LEVITT	1951	2500956		HUMAN SERVICES DEPARTMENT
MOLLY LEVITT	1951	2500955		HUMAN SERVICES DEPARTMENT
MOMS & BABES TOO MISP/ISSP INC	1013849	2508892	25-WIC 9/99 CERTIFICATION	HEALTH DEPARTMENT
MONTEZ GROUP	1100889	2769654		MAYOR'S OFFICE
MOORE & ASSOCIATES INC	1001299	2501402	EMPOWERMENT ZONE PROJECT	RECREATION DEPARTMENT
MOORISH SCIENCE TEMPLE OF AMERICA	1003703	2506282	NOF PUBLIC SERVICE	FINANCE DEPARTMENT
MORGAN FRAZIER SPECIALIZED SERVICES	1001308	2502273	CONSULTANT NUISANCE ABATEMENT	BUILDINGS AND SAFETY DEPARTMENT
MOSAIC YOUTH THEATRE OF DETROIT	1001332	2543835	THEATRICAL TRAINING	RECREATION DEPARTMENT
MOTOR CITY ELECTRIC CO	13102	2581185		PUBLIC LIGHTING DEPARTMENT
MOTOR CITY ELECTRIC CO	13102	2501432	ELECTRICAL CONSTRUCTION PL 130	NO DEPARTMENT INDICATED
MOTOR CITY ELECTRIC CO	13102	2611714		PUBLIC LIGHTING DEPARTMENT
MOTOR CITY ELECTRIC CO	13102	2611719		PUBLIC LIGHTING DEPARTMENT
MOTOR CITY ELECTRIC/METCO SERVICES AUV	1033698	2537241	FREQUENCY DRIVES AT WWTP'S INTERMEDIATE LIFT PUMP STATION #2	SEWERAGE DEPARTMENT
MOTOR CITY PIPE	1001344	2753399	WING SEALS STAINLESS STEEL STRAPPING	GENERAL SERVICES DEPARTMENT
MOTOR CITY PIPE	1001344	2763247	PLUMBING & STEAM FITTING SUPPLIES	GENERAL SERVICES DEPARTMENT
NARDIN PARK DRUG ABUSE CENTER	1706	2501540	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NARDIN PARK DRUG ABUSE CENTER	1706	2506559	SUBSTANCE ABUSE FYE9/98 NARDIN PARK	HEALTH DEPARTMENT
NATIONAL COUNCIL ON ALCOHOLISM	16455	2501541	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NEIGHBORHOOD DEVELOPMENT CORPORATION	20509	2501589	LAND ACQUISITION SITE PREPARATION	PLANNING AND DEVELOPMENT DEPARTMENT
NEIGHBORHOOD RECONCILIATION CENTER INC	1000268	2533307		HUMAN RIGHTS DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2547780	WALK IN CENTER FOR THE HOMELESS	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2532814	24 HOUR WALK IN CENTER	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2527949	963-STAY (HOMELESS HOTLINE)	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2501594	SERVICES FOR THE HOMELESS	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2557085	2001-2002 HEAD START (HIPPI) CONTRACT	HUMAN SERVICES DEPARTMENT
NEIGHBORHOOD SERVICE ORGANIZATION	8118	2849011		HEALTH DEPARTMENT
NESS BORIS CORPORATION	1087558	2693925		PLANNING AND DEVELOPMENT DEPARTMENT
NETCOL ASSOCIATES INC	1101173	2782059		HEALTH DEPARTMENT
NETCOL ASSOCIATES INC	1101173	2756230		HEALTH DEPARTMENT

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NETIMATION INC	20384	2502117	PROFESSIONAL SERVICES	NO DEPARTMENT INDICATED
NEW CENTER COMMUNITY	19199	2502090		NO DEPARTMENT INDICATED
NEW DAY MULTI-PURPOSE COMMUNITY	14872	2510758	NUTRITIONAL MEALS, TRANSPORTATION	HUMAN SERVICES DEPARTMENT
NEW DAY MULTI-PURPOSE COMMUNITY	14872	2533571	SHELTER AND SUPPORTIVE SERVICES	HUMAN SERVICES DEPARTMENT
NEW DETROIT INC	10869	2529859	WIA CLASSROOM INSTRUCTION	EMPLOYMENT AND TRAINING DEPARTMENT
NEW DETROIT INC	10869	2502172	EZ-PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
NEW LIFE HOME FOR RECOVERING	18726	2501457	SUBSTANCE ABUSE COOR AGENCY 9-99	HEALTH DEPARTMENT
NEW LIFE HOME FOR RECOVERING	18726	2501621	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NEW LIGHT RECOVERY CENTER INC	1003695	2501638	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
NEW ST PAUL HEAD START AGENCY	1048766	2620502		HUMAN SERVICES DEPARTMENT
NEW ST PAUL HEAD START AGENCY	1048766	2587304		HUMAN SERVICES DEPARTMENT
NEW TECHNOLOGY LTD	16280	2500969		SEWERAGE DEPARTMENT
NITRO TELECOM COMMUNICATIONS SPECIALIST	1012632	2582916		FINANCE DEPARTMENT
NOETIX CORPORATION	1067921	2649928		NON-DEPARTMENTAL
NORTH CENTRAL COMMUNITY MENTAL HEALTH	1003696	2501657		NO DEPARTMENT INDICATED
NORTHEAST HEALTH SERVICES INC	1003700	2507303	MEDICAID SERVICES	HEALTH DEPARTMENT
NORTHERN AREA ASSOCIATION	19677	2509233	HOME REPAIR TECHNICAL ASSISTANCE	FINANCE DEPARTMENT
NORTHSTAR COMMUNITY DEVELOPMENT CORP	1018049	2565847	PREDEVELOPMENT ACTIVITIES	FINANCE DEPARTMENT
NORTHSTAR COMMUNITY DEVELOPMENT CORP	1018049	2536554	36/LS-CHDO OPERATING SUPPORT	FINANCE DEPARTMENT
NORTHSTAR COMMUNITY DEVELOPMENT CORP	1018049	2517450	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
NORTHWEST COMMUNITY PROGRAMS INC	1062722	2676860		HUMAN SERVICES DEPARTMENT
NORTHWEST COMMUNITY PROGRAMS INC	1062722	2765500	PROFESSIONAL SERVICES CONTRACT	RECREATION DEPARTMENT
NORTHWEST DETROIT NON-PROFIT	12557	2510026	PUBLIC FACILITY REHAB.-FICS #74895	FINANCE DEPARTMENT
NOVA CONTRACTING CORPORATION	14983	2504312	ENLOADER / W OPERATOR (M-80754)	SEWERAGE DEPARTMENT
NOVA DEVELOPMENT GROUP DETROIT LLC	1107544	2809435		HUMAN SERVICES DEPARTMENT
NTH CONSULTANTS LTD	16602	2504056	CONSULTING UGS TANKS	DEPARTMENT OF PUBLIC WORKS
NTH CONSULTANTS LTD	16602	2501727	ENVIRONMENTAL SERVICES-FICS #73837	PLANNING AND DEVELOPMENT DEPARTMENT
NTH CONSULTANTS LTD	16602	2627188		RECREATION DEPARTMENT
OFFICE EXPRESS	1105974	2731413		MAYOR'S OFFICE
O'LAUGHLIN CONSTRUCTION	12053	2507308	RENOVATION OF HYDRAULIC STRUCTURES	WATER DEPARTMENT
O'LAUGHLIN CONSTRUCTION	12053	2574640	PC-695 IN SYSTEM STORAGE	SEWERAGE DEPARTMENT

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OLYMPIA ENTERTAINMENT	1007150	2507725	PARKING FACILITY MANAGEMENT SERVICES	MUNICIPAL PARKING DEPARTMENT
OMNICARE HEALTH PLAN	1005707	2546137	WIC CERTIFICATION	HEALTH DEPARTMENT
OMNICARE HEALTH PLAN	1005707	2507763	25 WIC 1999 CERTIFICATION	HEALTH DEPARTMENT
OMNILEARN LLC	1066579	2633220		NON-DEPARTMENTAL
OPERATION ABLE OF MICHIGAN	17427	2519090	BASIC SKILLS AND OCCUPATIONAL SKILLS	EMPLOYMENT AND TRAINING DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2519079	BASIC SKILLS AND OCCUPATIONAL SKILLS.	EMPLOYMENT AND TRAINING DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2501939	PUBLIC SERVICE EZ	NO DEPARTMENT INDICATED
OPERATION ABLE OF MICHIGAN	17427	2797761		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2771757		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION ABLE OF MICHIGAN	17427	2740218		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION GET DOWN	3347	2550216	TRANSITIONAL HOUSING	HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2533044	EMERGENCY NEED RESOURCES	HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2518996	EMERGENCY NEED RESOURCES	HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2588310		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2557544	FAMILY AND COMMODITY SERVICES	FINANCE DEPARTMENT
OPERATION GET DOWN	3347	2776867		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2746767		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2810794		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2775349		HUMAN SERVICES DEPARTMENT
OPERATION GET DOWN	3347	2803609		HUMAN SERVICES DEPARTMENT
OPERATION HELP INC	1442	2501652	WF EMP SKILLS & JOB PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
OPERATION HELP INC	1442	2721152		WORKFORCE DEVELOPMENT DEPARTMENT
OPERATION HELPING HAND INC	19338	2511433	EMERGENCY SHELTER	FINANCE DEPARTMENT
ORCHARDS CHILDRENS SERVICE	1015406	2778756		WORKFORCE DEVELOPMENT DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2557060	2001-2002 HEAD START CONTRACT	HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2532503	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2512545	HEAD START SERVICES	RECREATION DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2620494		HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2502084		HUMAN SERVICES DEPARTMENT
ORDER OF THE FISHERMEN MINISTRY	1057660	2797263		HUMAN SERVICES DEPARTMENT
ORGANIZATION & SYSTEMS CHANGE CONSULTANTS	1101841	2779409		WORKFORCE DEVELOPMENT DEPARTMENT
PARK RITE	18490	2504157	PROFESSIONAL PARKING MANAGEMENT	MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2570673		MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2504154	PROFESSIONAL PARKING MANAGEMENT	MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2504153	PROFESSIONAL PARKING MANAGEMENT	MUNICIPAL PARKING DEPARTMENT
PARK RITE	18490	2501379	EASTERN MARKET GARAGE	MUNICIPAL PARKING DEPARTMENT
PARKVIEW COUNSELING CENTER	1003697	2501728	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT

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PARSONS BRINCKEROFF MICHIGAN INC	1025586	2531875	DEVELOP TRAFFIC MASTER PLAN	DEPARTMENT OF PUBLIC WORKS
PARSONS BRINCKEROFF MICHIGAN INC	1025586	2666820		RECREATION DEPARTMENT
PARTRIDGE ENTERPRISES INC	19090	2515024	REMOVAL OF DEAD ANIMALS	HEALTH DEPARTMENT
PARTRIDGE ENTERPRISES INC	19090	2773727		HEALTH DEPARTMENT
PATTERSON PHIFER	1007814	2508834	KUE/SWANGER/ WALKER/BOONE V CITY	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2509732	LEGAL SERVICES	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2521163	LEGAL SERVICES	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2521178	LEGAL SERVICES	LAW DEPARTMENT
PATTERSON PHIFER	1007814	2513517	MAURICE BROWN V CITY OF DETROIT, ET AL	LAW DEPARTMENT
PATTERSON PHIFER & PHILLIPS	17376	2505725	LEGAL SERVICES	FINANCE DEPARTMENT
PATTERSON PHIFER & PHILLIPS	17376	2505728	LEGAL SERVICES	LAW DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE	7737	2564267	WORKFIRST/WTW, 10/1/01 - 9/30/02, JS/JR	EMPLOYMENT AND TRAINING DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE	7737	2528278	WIA BASIC EDUCATION AGES 14-18	EMPLOYMENT AND TRAINING DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE	7737	2740260		WORKFORCE DEVELOPMENT DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE AND COMMERCE	1030662	2778463		WORKFORCE DEVELOPMENT DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE AND COMMERCE	1030662	2801097		WORKFORCE DEVELOPMENT DEPARTMENT
PAYNE-PULLIAM SCHOOL OF TRADE AND COMMERCE	1030662	2778760		WORKFORCE DEVELOPMENT DEPARTMENT
PCT SECURITY LLC	1107205	2812357	SURVEILLANCE EQUIPMENT INSTALLATION	WORKFORCE DEVELOPMENT DEPARTMENT
PEGGY YOUNG & ASSOCIATES INC	7333	2502363	APPRAISAL SERVICES	PLANNING AND DEVELOPMENT DEPARTMENT
PEGGY YOUNG & ASSOCIATES INC	7333	2763958		PLANNING AND DEVELOPMENT DEPARTMENT
PEOPLE'S COMMUNITY SERVICES OF METROPOLITAN DETROIT	10686	2501460	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
PEOPLE'S CREATIVE ENSEMBLE	14786	2501435	PUBLIC SERVICE	NO DEPARTMENT INDICATED
PEPPER HAMILTON LLP	1009412	2635807		LAW DEPARTMENT
PEPPER HAMILTON LLP	1009412	2719996		LAW DEPARTMENT
PERRY MATHIS MD	1012076	2559401	DRUG TREATMENT PROGRAM PHYSICIAN	FINANCE DEPARTMENT
PERRY MATHIS MD	1012076	2544150	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
PERRY MATHIS MD	1012076	2508114	DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
PERRY MATHIS MD	1012076	2513140	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
PHARMACY EMPLOYMENT SERVICE	1053611	2572655		HEALTH DEPARTMENT
PHIFER & WHITE PC	1027627	2537538	LEGAL SERVICES: SMITH/WIGGINS V CITY	LAW DEPARTMENT
PHIFER & WHITE PC	1027627	2537563	LEGAL SERVICES: WOODWARD/JEAN V CITY	LAW DEPARTMENT
PHIFER & WHITE PC	1027627	2623900		LAW DEPARTMENT
PHILLIP G CRAMER MD	1019205	2527982	TB MEDICAL SERVICES	HEALTH DEPARTMENT
PHILLIP G CRAMER MD	1019205	2579701		HEALTH DEPARTMENT



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PHOENIX SERVICES UNLIMITED INC	19496	2501351	BATTERER'S SCHOOL	NO DEPARTMENT INDICATED
PHOENIX SERVICES UNLIMITED INC	19496	2548814	DOMESTIC VIOLENCE COUNSELING	POLICE DEPARTMENT
PIERCE MONROE & ASSOCIATES INC	18223	2501044		FINANCE DEPARTMENT
PIERCE MONROE & ASSOCIATES INC	18223	2502104		FINANCE DEPARTMENT
PIQUETTE MARKET INC	1072282	2803604		HUMAN SERVICES DEPARTMENT
PIQUETTE MARKET INC	1072282	2775345		HUMAN SERVICES DEPARTMENT
PIQUETTE MARKET INC	1072282	2743795		HUMAN SERVICES DEPARTMENT
PLANNED PARENTHOOD	1012848	2603682		FINANCE DEPARTMENT
PLUNKETT & COONEY PC	10371	2527611	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2536997	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2590835		LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2540467	LEGAL SERVICES: ADAMS, ET AL V CITY, ET AL	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2508813	IRA LEE TODD V CITY OF DETROIT, ET AL	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2508816	GRAZES/IVERZAI/SMITH, ET AL V CITY	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2527406	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2538058	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2501702	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2538244	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2652076	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2502112	LEGAL SERVICES	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2537223	LORETTA BOOTH V CITY OF DETROIT	LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2569755		LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2570503		LAW DEPARTMENT
PLUNKETT & COONEY PC	10371	2774678		LAW DEPARTMENT
POLICE ATHLETIC LEAGUE INC	3703	2535838	TENNIS PROGRAM	RECREATION DEPARTMENT
POPKIN SOFTWARE SYSTEMS	20304	2518460	SYSTEMS ARCHITECT AND OPTIONS	INFORMATION TECHNOLOGY SERVICES
POSEN CONSTRUCTION CO	20208	2748229	BELLE ISLE SCOTT FOUNTAIN LAGOON PIPELINE SYSTEM CLEAN-OUT	RECREATION DEPARTMENT
POSEN CONSTRUCTION CO	20208	2584529		WATER DEPARTMENT
POSITIVE IMAGES	19950	2501495		HEALTH DEPARTMENT
POSITIVE IMAGES	19950	2501653	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
PREMIER STAFFING SOURCE INC	1118976	2877577	TEMPORARY STAFFING SERVICES	HUMAN RESOURCES DEPARTMENT
PRISM SOLUTIONS LLC	1051836	2610132		RECREATION DEPARTMENT
PROBE ENVIRONMENTAL INC	19803	2502194	ABATEMENT OF ASBESTOS	DEPARTMENT OF PUBLIC WORKS
PROJECT GET	20363	2540814	JOB SEARCH & PLACEMENT-WORK FIRST	EMPLOYMENT AND TRAINING DEPARTMENT
PROJECT GET	20363	2563946	JOB SEARCH & PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
PROJECT GET	20363	2501733	JOB SEARCH	NO DEPARTMENT INDICATED
PROJECT GET	20363	2778465		WORKFORCE DEVELOPMENT DEPARTMENT



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PROJECT GET	20363	2806247		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2778467		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2778477		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2761554		WORKFORCE DEVELOPMENT DEPARTMENT
PROVIDENCE COMMUNITY SERVICES/ROSS IES	1095234	2778661		WORKFORCE DEVELOPMENT DEPARTMENT
PVS TECHNOLOGIES INC	24231	2501270		SEWERAGE DEPARTMENT
R L WINIGER & COMPANY	1033182	2506508	INVESTIGATIVE SERVICES	FINANCE DEPARTMENT
RALPH CALDER & ASSOC	20041	2502210	PATTON PARK POOL/RECREATION FACILITY	RECREATION DEPARTMENT
RAM CONSTRUCTION SERVICES OF MICHIGAN	1104845	2786314	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
RAMA RAO & ALFRED INC	15030	2502274	A/E SERVICES WATER WORKS	NO DEPARTMENT INDICATED
RAMA RAO & ALFRED INC	15030	2500977	BLUEHILL STATION ADDITIONS	NO DEPARTMENT INDICATED
RAMA RAO & ALFRED INC	15030	2767688	CONTRACT FOR PROFESSIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES
RANDALL S LEVINE PC DBA LEVINE & LEVINE PC	1017685	2513748	LEGAL SERVICES	OMBUDSPERSON
RANDY LANE PC	1070228	2879763	CONTRACT FOR ACCOUNTING SERVICES	FINANCE DEPARTMENT
RAYMOND JONES MD	10770	2513137	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
RAYMOND JONES MD	10770	2544138	DRUG TREATMENT PROGRAM PHYSICIAN	HUMAN SERVICES DEPARTMENT
RAYMOND JONES MD	10770	2508115	SERVICES FOR DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
RAYMOND JONES MD	10770	2559423	PHISICIAN FOR DRUG TREATMENT PROGRAM	FINANCE DEPARTMENT
RAYMOND JONES MD	10770	2591480		HUMAN SERVICES DEPARTMENT
REACH INC	17260	2504789	NOF-PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
REACH PROJECT INC	1048827	2599632		HEALTH DEPARTMENT
REDSTONE ARCHITECTS	1001648	2506677	CAMPUS MARTIUS PARK DEVELOPMENT	RECREATION DEPARTMENT
REID & REID PC	1012544	2633008		LAW DEPARTMENT
RENAISSANCE PROPERTIES INC	1032580	2562053		FINANCE DEPARTMENT
RENAISSANCE PROPERTIES INC	1032580	2534576		HUMAN SERVICES DEPARTMENT
RESOURCE DATA SYSTEMS CORP	10349	2500772	LAW DEPARTMENT COMPUTER SYSTEMS	LAW DEPARTMENT
RESOURCE NETWORK	1007604	2560345	JOB SEARCH AND PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
RESOURCE NETWORK	1007604	2726455		WORKFORCE DEVELOPMENT DEPARTMENT
RESOURCE NETWORK	1007604	2778663		WORKFORCE DEVELOPMENT DEPARTMENT
RESPONSE NETWORK	1103012	2771949	CUSTOM SOFTWARE DEVELOPMENT	POLICE DEPARTMENT
RIGHT ASSOCIATES /JANNOTTA BRAY & ASSOCIATES	20383	2511677	EXECUTIVE COACHING SERVICES	HUMAN RESOURCES DEPARTMENT

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RILEY ROUMELL & CONNOLLY PC	1060612	2623897		LAW DEPARTMENT
RILEY ROUMELL & CONNOLLY PC	1060612	2623906		LAW DEPARTMENT
RILEY ROUMELL & CONNOLLY PC	1060612	2623942		LAW DEPARTMENT
RLI INSURANCE COMPANY	1099957	2765028		WATER DEPARTMENT
ROBERT C BIRKS MD PC	7251	2578999		HUMAN SERVICES DEPARTMENT
ROBERT C BIRKS MD PC	7251	2592085		HUMAN SERVICES DEPARTMENT
ROBERT MATHEWS & ASSOCIATES INC	1059586	2620918		HUMAN SERVICES DEPARTMENT
ROBERT SEDLER	9851	2769756	CONSULTANT SERVICES	LAW DEPARTMENT
ROSE & ROSE	15597	2500750	LEGAL SERVICES	NO DEPARTMENT INDICATED
ROSS LEARNING INC	10675	2562588	WF WTW TIREMAN/GREYDALE PY 2002	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2562593	WF & WTW FORT WAYNE PY 2002	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2554055	BASIC LITERACY & COORDINATION	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2562407	WF & WTW LTC PY 2002	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2549631	WTW COMPETITIVE COORDINATION	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2537106	WIA ITA IMPLEMENTATION PY 01	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2540277	WF & FOOD STAMP ITA PY 01	EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2572344		EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2624160		EMPLOYMENT AND TRAINING DEPARTMENT
ROSS LEARNING INC	10675	2599059		EMPLOYMENT AND TRAINING DEPARTMENT
ROY F WESTON INC	16868	2512933	ENVIRONMENTAL SERVICES - FICS #74431	FINANCE DEPARTMENT
ROY F WESTON INC	16868	2501574	WATERFRONT RECLAMATION PROJECT	LAW DEPARTMENT
ROYAL ROOFING CO INC	13119	2730710	ROOF REPLACEMENT	RECREATION DEPARTMENT
S D HAMILTON GROUP	1019484	2603327		FINANCE DEPARTMENT
SABRE CONTRACTING LLC	1106108	2797979	RENOVATIONS	RECREATION DEPARTMENT
SACRED HEART MAJOR SEMINARY	1576	2501491	FICS CONTRACT 078684 SPO 2510159	HEALTH DEPARTMENT
SACRED HEART REHABILITATION CENTER, INC	1013401	2507443	MEDICAID S.A. F.YE 9/99 SACRED HEART	HEALTH DEPARTMENT
SAFE CENTER INC	19547	2501207		NO DEPARTMENT INDICATED
SAFE CENTER INC	19547	2557542	FAMILY SERVICES AND COUNSELING	FINANCE DEPARTMENT
SAFE CENTER INC	19547	2533141	EMERGENCY SERVICES	HUMAN SERVICES DEPARTMENT
SALVATION ARMY BOOTH SERVICES	15401	2510155	TRANSITIONAL HOUSING	FINANCE DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538824	LEGAL SERVICES	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538789	LEGAL SERVICES	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538820	LEGAL SERVICES: CLAUDE NELSON V CITY	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2505098	LEGAL SERVICES	FINANCE DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538816	BRADFORD ERVING V CITY/HAYWARD	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2538794	EST. OF TOMMIE THOMAS V CITY	LAW DEPARTMENT
SANDERS & JOHNSON PLLC	1003611	2534988	PATRICK HATFIELD V CITY	LAW DEPARTMENT

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SCHINDLER ELEVATOR CORPORATION	6926	2558355	MADISON CENTER ELEVATOR MAINTENANCE	NO DEPARTMENT INDICATED
SCHUMAKER & COMPANY INC	1064547	2689171		BUDGET DEPARTMENT
SER CASA ACADEMY	1025139	2589594	EMPOWERMENT ZONE- PUBLIC SERVICE	PLANNING AND DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2528378	YOUTH OPPORTUNITY GRANT # 2	EMPLOYMENT AND TRAINING DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2519316	YOUTH OPPORTUNITIES	EMPLOYMENT AND TRAINING DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2622682		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2536987	INDIVIDUAL TRAINING ACCOUNTS	EMPLOYMENT AND TRAINING DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2594584		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2501434	PUBLIC FACILITY REHAB	NO DEPARTMENT INDICATED
SER METRO DETROIT - JOB FOR PROGRESS	3369	2778762		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2775948		WORKFORCE DEVELOPMENT DEPARTMENT
SER METRO DETROIT - JOB FOR PROGRESS	3369	2761551		WORKFORCE DEVELOPMENT DEPARTMENT
SERCO INC	16569	2568070		EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2623557		EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2548196	PARTNERSHIP FOR ADULT LEARNING	EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2561194	JOB SEARCH AND JOB PLACEMENT (JSP)	EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2561177	JOB SEARCH AND PLACEMENT(DEC-2K)	EMPLOYMENT AND TRAINING DEPARTMENT
SERCO INC	16569	2778471		WORKFORCE DEVELOPMENT DEPARTMENT
SERCO INC	16569	2806253		WORKFORCE DEVELOPMENT DEPARTMENT
SFT INCORPORATED	1033579	2536333	FOR MISTERSKI POWER PLANT PROJECT	CITY COUNCIL
SHAR HOUSE	11024	2501503	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
SHAR HOUSE	11024	2501501	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
SHAR HOUSE	11024	2564200	WOMEN AND CHILDREN EXPANSION GRANT	HEALTH DEPARTMENT
SHAR HOUSE	11024	2501642	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
SHARON RODDY MD	1016242	2544065		HUMAN SERVICES DEPARTMENT
SHEVRIN CONSULTING SERVICES	1081120	2658592		WORKFORCE DEVELOPMENT DEPARTMENT
SIEMENS BUILDING TECHNOLOGIES INC	1080147	2799544	CONTROL SYSTEM IMPROVEMENTS	RECREATION DEPARTMENT
SIEMENS HEALTHCARE DIAGNOSTICS	1101501	2849348	ON-SITE DRUG TESTING	HEALTH DEPARTMENT
SILVERI ARCHITECTS	1031901	2549574	EMPOWERMENT ZONE IMPROVEMENT	RECREATION DEPARTMENT
SIMON HOUSE	18009	2541640	PERMANENT HOUSING (FICS#074931)	FINANCE DEPARTMENT
SIMON HOUSE	18009	2510640	EMERGENCY SHELTER	FINANCE DEPARTMENT
SIMONE CONTRACTING CORPORATION	1000476	2786501	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
SMITH BROS ELECTRIC INC	1018473	2582919		FINANCE DEPARTMENT
SMITH BROS ELECTRIC INC	1018473	2505208	INSTALL VOICE AND DATA WIRING SERVICES	INFORMATION TECHNOLOGY SERVICES
SMITH GROUP JR LLC	1003317	2504102	LONG TERM MANAGEMENT	FINANCE DEPARTMENT
SNELL ENVIRONMENTAL GROUP INC	1000483	2502200	ABATEMENT ASBESTOS	DEPARTMENT OF PUBLIC WORKS
SNELL ENVIRONMENTAL GROUP INC	1000483	2500795	ENGINEERING SERVICES FOR NEW BRIDGES	DEPARTMENT OF PUBLIC WORKS
SOBH PROPERTY MANAGEMENT LLC	1018847	2515472		HEALTH DEPARTMENT

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SOBRIETY HOUSE INC	1797	2501505	SUBSTANCE ABUSE COORDINATION AGENCY	HEALTH DEPARTMENT
SOBRIETY HOUSE INC	1797	2501734	MEDICAID SUBSTANCE ABUSE	HEALTH DEPARTMENT
SOCIETY OF ST VINCENT DE PAUL	10460	2587915		FINANCE DEPARTMENT
SONDRA E JENKINS	1013274	2507145	JOINT L-M/QI PROJECT CONSULTANT	HUMAN RESOURCES DEPARTMENT
SOUTHEAST CHILDREN AND FAMILY DEVELOPMENT HEAD START	10372	2587309		HUMAN SERVICES DEPARTMENT
SOUTHEAST CHILDREN AND FAMILY DEVELOPMENT HEAD START	10372	2532516	HEAD START PROGRAM	HUMAN SERVICES DEPARTMENT
SOUTHEAST CHILDREN AND FAMILY DEVELOPMENT HEAD START	10372	2504138	HEAD START PROGRAM 1998-99	HUMAN SERVICES DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2593437		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501895	HEALTHY START INIT 8/98	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2560866	CPBC MASTER AGREEMENT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2516778	FIDUCIARY SERVICES	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2538658	HEALTHY START INITIATIVE PROGRAM	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2556341	FIDUCIARY SERVICES FOR LEAD FREE DETROIT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2537516	CPBC MASTER CONTRACT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501527	EPSDT (HEALTHY KIDS)	NO DEPARTMENT INDICATED
SOUTHEASTERN MICHIGAN HEALTH	8092	2625403		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2522514	HEALTHY START INITIATIVE	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2507951	HIV EMERGENCY RELIEF 2/00	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501918	25 STD CONTROL 9-98 AND 9-99	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2501498	HOPWA-PERSONS W/AIDS HSG	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2505868	25 STD & TB PHYSICIAN SERVICES	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2502007	STD & TB PYHSICIAN	NO DEPARTMENT INDICATED
SOUTHEASTERN MICHIGAN HEALTH	8092	2536778	FETAL INFANT MORTALITY REVIEW GRANT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2516123	EPSDT ( HEALTHY KIDS )	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2528888	SEMHA - CCA ADMINISTRATION	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2538739	HIV/AIDS PROJECT CPO	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2665698		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2587750		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2506174	25 TB/HIV CONTROL PROGRAM - 12/99	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2510504	LEAD FREE DETROIT PROJECT	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2581401		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2504657	FISCAL MANAGEMENT SERVICES	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2614575		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2612915		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2619300		HEALTH DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
SOUTHEASTERN MICHIGAN HEALTH	8092	2538646	REFUGEE HEALTH SCREENING PROGRAM	HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2613498		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2571721		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2766781		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2766314		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2793186		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2770373		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2753985		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2761660		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2788671		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2755765		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2784430		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2799776		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2796870		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2797934		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2797936		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2624694		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2799792		HEALTH DEPARTMENT
SOUTHEASTERN MICHIGAN HEALTH	8092	2776660		HEALTH DEPARTMENT
SOUTHWEST COUNSELING	1000589	2549618	CAREER INITIATIVES CENTER PROJECT	HUMAN SERVICES DEPARTMENT
SOUTHWEST COUNSELING	1000589	2593318		FINANCE DEPARTMENT
SOUTHWEST DETROIT BUSINESS ASSOCIATION	19640	2548414		FINANCE DEPARTMENT
SOUTHWEST DETROIT COMMUNITY	1067854	2606819		FINANCE DEPARTMENT
SPALDING DEDECKER ASSOCIATES INC	1427	2632652		RECREATION DEPARTMENT
SPEC ASSOCIATES	19262	2765376		HUMAN SERVICES DEPARTMENT
SPECTRUM HUMAN SERVICES	20301	2501508	SUBSTANCE ABUSE COORDINATION AGENCY	NO DEPARTMENT INDICATED
SPIEGEL & MCDIARMID	19669	2501813	LEGAL SERVICES	PUBLIC LIGHTING DEPARTMENT
ST GREGORY COMMUNITY CENTER	16937	2511397	P&DD PUBLIC SERVICE	FINANCE DEPARTMENT
ST PATRICKS SENIOR CENTER INC	12493	2502481	SENIOR CITIZENS MEAL	HEALTH DEPARTMENT
ST REGIS DETROIT PARTNERS LLC	1102961	2770016		POLICE DEPARTMENT
STAR CENTERS INC	1003699	2501619	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
STELLA B SEIDEN	2398	2502097		NO DEPARTMENT INDICATED
STONE & WEBSTER MICHIGAN INC	8561	2500914	MISTERSKY PWR PLANT CONSULTING	PUBLIC LIGHTING DEPARTMENT
STRATEGIC STAFFING SOLUTIONS	17268	2620837		NON-DEPARTMENTAL
STRATEGIC STAFFING SOLUTIONS	17268	2767687	CONTRACT FOR PROFESSIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES
STRATEGIC STAFFING SOLUTIONS	17268	2681666		INFORMATION TECHNOLOGY SERVICES
STRATEGIC STAFFING SOLUTIONS	17268	2554729	2001/2002 CONTRACTUAL RESOURCES	INFORMATION TECHNOLOGY SERVICES

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
STRATEGIC STAFFING SOLUTIONS	17268	2643900		INFORMATION TECHNOLOGY SERVICES
STROHL SYSTEMS GROUP INC	19599	2514946	970259-COMPUTER - SOFTWARE LICENSE	INFORMATION TECHNOLOGY SERVICES
STS CONSULTANTS LTD	1027626	2619993		RECREATION DEPARTMENT
SWORD SOLUTIONS INC	1075932	2634531		HEALTH DEPARTMENT
SYNC TECHNOLOGIES INC	1025602	2643904		INFORMATION TECHNOLOGY SERVICES
SYNC TECHNOLOGIES INC	1025602	2681667		INFORMATION TECHNOLOGY SERVICES
SYNC TECHNOLOGIES INC	1025602	2804856		HUMAN SERVICES DEPARTMENT
SYNCH SOLUTIONS	1102866	2768084	CONTRACT FOR TECHNOLOGY RESOURCES	INFORMATION TECHNOLOGY SERVICES
SYSTEMS CONSULTING GROUP LLC	1021802	2537205	CONSULTANT SERVICES	DEPARTMENT OF TRANSPORTATION
T & T BUILDERS	1025258	2544439	HOME WEATHERIZATION	HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2524579	WEATHERIZATION PROGRAM	HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2525183		FINANCE DEPARTMENT
T & T BUILDERS	1025258	2672030		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2607322		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2789080		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2732569		HUMAN SERVICES DEPARTMENT
T & T BUILDERS	1025258	2761175		HUMAN SERVICES DEPARTMENT
TARA TUOMAALA	1047262	2569166		CULTURAL AFFAIRS DEPARTMENT
TC SIMMONS VISITING MINISTRY	18571	2510152	SHELTER AND SERVICE	FINANCE DEPARTMENT
TECH TOWN	1107416	2807786		HUMAN SERVICES DEPARTMENT
TEI ENVIRONMENTAL SOLUTIONS LLC	1109309	2548181	(UNIROYAL) INTERIM RESPONSE ACTIVITIES FOR EAST JEFFERSON AT BELLE ISLE	ENVIRONMENTAL AFFAIRS DEPARTMENT
TEI ENVIRONMENTAL SOLUTIONS LLC	1109309	2563252	BROWNFIELD SAP PHASE I AND PHASE II	ENVIRONMENTAL AFFAIRS DEPARTMENT
TETRA TECH MPS	1030048	2633203		DEPARTMENT OF PUBLIC WORKS
THE ARTS PLACE	20040	2643815		RECREATION DEPARTMENT
THE BARTECH GROUP	1036576	2681675		INFORMATION TECHNOLOGY SERVICES
THE BARTECH GROUP	1036576	2643893		INFORMATION TECHNOLOGY SERVICES
THERMO JARRELL ASH CORP	23280	2502432	MAINTENANCE	FINANCE DEPARTMENT
THOMAS E MARSHALL PC	17881	2511456	SHAUN NEAL, ET AL V CITY OF DETROIT, ET AL	LAW DEPARTMENT
THOMAS E MARSHALL PC	17881	2513521	LIGENS D. MOORE V CITY OF DETROIT	LAW DEPARTMENT
THOMAS J WALSH APPRAISAL CO	20198	2502095	CASINO SITE APPRAISER	LAW DEPARTMENT
TIBURON INC	1072420	2614989		POLICE DEPARTMENT
TIBURON INC	1072420	2637943		POLICE DEPARTMENT
TILLMAN & TILLMAN PC	1018624	2515016	WILLIAM GRAHAM V CITY/MANSON	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2562545	LEGAL SERVICES: LYNN/BEAUCHAMP V CITY	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2544381	RYAN LACKIE V CITY OF DETROIT/FULKS	LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2632190		LAW DEPARTMENT
TIMMIS & INMAN LLP	19998	2534965	ANDREOS COOPER V CITY	LAW DEPARTMENT





<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
URBANWERKS LLC	1083053	2664787		RECREATION DEPARTMENT
URS CORPORATION	1052537	2607949		ENVIRONMENTAL AFFAIRS DEPARTMENT
URSO PALMER & ROSS PC	1048532	2574335		CITY COUNCIL
U-SNAP BAC NON-PROFIT CORP	20364	2506589	PUBLIC SERVICE AND REHAB	FINANCE DEPARTMENT
U-SNAP BAC NON-PROFIT CORP	20364	2584237		PLANNING AND DEVELOPMENT DEPARTMENT
U-SNAP BAC NON-PROFIT CORP	20364	2501597	SITE IMPROVEMENTS HOUSING	NO DEPARTMENT INDICATED
V W PROPERTIES	1084250	2531882		POLICE DEPARTMENT
V W PROPERTIES	1084250	2509482		POLICE DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2505192	LEGAL SERVICES: DEWOLF, ET AL V CITY	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2521182	LYNN/BEAUCHAMP V CITY/RADFORD	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2505073	LEGAL SERVICES	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2539172	LEGAL SERVICES	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2515553	LEGAL SERVICES: KIMBER V CITY/ADUROJA	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2521167	LEGAL SERVICES: LONGSTREET V JORDAN	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2536310	LEGAL SERVICES	LAW DEPARTMENT
VAN OVERBEKE & ASSOCIATES	20121	2511869	LEGAL SERVICES	LAW DEPARTMENT
VAN SCOYOC ASSOCIATES INC	1070940	2617193		LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2594482		LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2563075	BLUE CROSS/BLUE SHIELD RESERVE FUND	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2544823	LEGAL SERVICES	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2546318	LEGAL SERVICES	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2591271		LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2563068	TOYIA MOODY/STEPHANIE BENNETT V CITY	LAW DEPARTMENT
VANOVERBEKE MICHAUD & TIMMONY P C	1026688	2632746		LAW DEPARTMENT
VARNUM RIDDERING SCHMIDT	17517	2502367	TELECOMMUNICATIONS/FIBER OPTICS	LAW DEPARTMENT
VARNUM RIDDERING SCHMIDT	17517	2514143	LEGAL SERVICES	LAW DEPARTMENT
VENABLE BAETJER HOWARD LLP	20054	2503723	PROFESSIONAL SERVICES	CITY COUNCIL
VIRCHOW KRAUSE & CO LLP	1099691	2746850		FINANCE DEPARTMENT
VIRGINIA PARK CITIZENS SERVICE	16867	2719711		DEPARTMENT OF TRANSPORTATION
VISION INFORMATION TECHNOLOGIES	1011855	2542788	WEB DEVELOPMENT	INFORMATION TECHNOLOGY SERVICES
VOICE PRINT INTERNATIONAL INC	1045791	2816063	MAINTENANCE FOR VOICE SERVICES	POLICE DEPARTMENT
VORHIES ESTATE INC	1005399	2517975		HUMAN SERVICES DEPARTMENT
VS VISUAL STATEMENT INC	1076618	2796124		POLICE DEPARTMENT
W D LEE CENTER FOR LIFE MANAGEMENT	1003687	2502211	MEDICAID SUBSTANCE ABUSE	NO DEPARTMENT INDICATED
W-3 CONSTRUCTION COMPANY	1022302	2796096	LIGHTING IMPROVEMENTS	RECREATION DEPARTMENT
WALBRIDGE-ALDINGER CO	2782	2588907		WATER DEPARTMENT
WALBRIDGE-ALDINGER CO	2782	2529880	PRIMARY CLARIFIER NUMBERS 17 AND 18	SEWERAGE DEPARTMENT
WALBRIDGE-ALDINGER CO	2782	2517999	SECONDARY CLARIFIER IMPROVEMENTS	SEWERAGE DEPARTMENT



<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
WALSH CONSTRUCTION	1003706	2540999	CONNER CREEK PILOT CSO CONTROL FACILITY	SEWERAGE DEPARTMENT
WARM TRAINING CENTER	1099138	2798140		HUMAN SERVICES DEPARTMENT
WARM TRAINING CENTER	1099138	2761360		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2637413		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2592885		FINANCE DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2746897		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2808870		HUMAN SERVICES DEPARTMENT
WARM TRAINING PROGRAM INC	1001814	2706004		HUMAN SERVICES DEPARTMENT
WARREN CONNER DEVELOPMENT COALITIONS	1015379	2515838	WARREN CONNER SA FYE 9/99	HEALTH DEPARTMENT
WARREN CONNER DEVELOPMENT COALITIONS	1015379	2736044		WORKFORCE DEVELOPMENT DEPARTMENT
WAYNE COUNTY	18789	2560623	WF/WTW JOB SEARCH AND JOB PLACEMENT	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE COUNTY	18789	2574696		POLICE DEPARTMENT
WAYNE COUNTY	18789	2772891		POLICE DEPARTMENT
WAYNE COUNTY	-	-	PURCHASE AGREEMENT, DATED JULY 28, 1976 BETWEEN THE CITY AND COUNTY OF WAYNE	NO DEPARTMENT INDICATED
WAYNE COUNTY COMMUNITY COLLEGE	1008933	2782908		WORKFORCE DEVELOPMENT DEPARTMENT
WAYNE COUNTY COMMUNITY COLLEGE	1008933	2782906		WORKFORCE DEVELOPMENT DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539793		HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539816	PREVENTATIVE SERVICES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539788	TARGET CITIES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539821	PREVENTATIVE SERVICES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2516330	WSU - UNIVERSITY CONSORTIUM	HUMAN RESOURCES DEPARTMENT
WAYNE STATE UNIVERSITY	1015979	2539807	PREVENTATIVE SERVICES	HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2560543	CITY/UNIVERSITY CONSORTIUM	HUMAN RESOURCES DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2532723	WIA TITLE I OFFICE AUTOMATION TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2501980	TITLE III OFFICE AUTOMATION TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2571280		EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2552859	OFFICE AUTOMATION & WORD PROCESSING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2519218	WORD PROCESS TRAINING	EMPLOYMENT AND TRAINING DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2611249		POLICE DEPARTMENT
WAYNE STATE UNIVERSITY	3116	2501174		NO DEPARTMENT INDICATED
WAYNE STATE UNIVERSITY	3116	2765357		CITY COUNCIL
WAYNE STATE UNIVERSITY	3116	2797492		HEALTH DEPARTMENT
WAYNE STATE UNIVERSITY COLLEGE	19759	2502190		PLANNING AND DEVELOPMENT DEPARTMENT
WAYNE STATE UNIVERSITY COLLEGE	19759	2500873	EZ PROGRAM OPERATIONS	NO DEPARTMENT INDICATED

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
WCI CONTRACTORS	17607	2681202		RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2733883	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2762089	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2708713		RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2731182		RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2762091	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2729538	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2785381	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WCI CONTRACTORS	17607	2799443	CONSTRUCTION CONTRACT	RECREATION DEPARTMENT
WE CARE DEVELOPMENT CORP	20361	2627183		WORKFORCE DEVELOPMENT DEPARTMENT
WEISS CONSTRUCTION CO	16586	2500908	DWS-805 SUBURBAN METER AUTOMATION	WATER DEPARTMENT
WEISS CONSTRUCTION CO	16586	2501482	DWS-800 SUBURBAN WATER METERS	WATER DEPARTMENT
WELLSPRING	18110	2597175		FINANCE DEPARTMENT
WEST DETROIT INTERFAITH	1044949	2554192		FINANCE DEPARTMENT
WESTFIELD DETROIT LLC	1021039	2517679		HUMAN SERVICES DEPARTMENT
WESTIN ENGINEERING INC	14468	2767695	PROFESSIONAL SERVICES CONTRACT	INFORMATION TECHNOLOGY SERVICES
WILDWOOD RANCH	1012803	2547128	DETROIT RESCUE MISSION	HUMAN SERVICES DEPARTMENT
WILDWOOD RANCH	1012803	2516691	SUMMER CAMPERSHIPS TO URBAN YOUTHS	HUMAN SERVICES DEPARTMENT
WILLA R WALKER LLC	1071151	2618732		CULTURAL AFFAIRS DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2501454	GRAIMARK REHAB PROJ - FICS #79019	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2501725	ENVIRONMENTAL STATUTES & REGULATIONS	LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2505940	LEGAL SERVICES-ENVIRONMENTAL	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2500981	FICS #68652-MID-CITY REVITALIZATION	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2559971	ERNEST MONROE V CITY OF DETROIT	WATER DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2623874		LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2501539	CASINO DEVELOPMENT PROJECT	LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2553947	BRUSH PARK PROJECT	PLANNING AND DEVELOPMENT DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2641654	LEGAL SERVICES	LAW DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2593326	LEGAL SERVICES	ENVIRONMENTAL AFFAIRS DEPARTMENT
WILLIAMS ACOSTA PLLC	1049952	2512512	LEGAL SERVICES	LAW DEPARTMENT
WILLIE L MAYO CPA	1021915	2518939	AUDIT TRAINING	HUMAN SERVICES DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2618093		WATER DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2679478		WATER DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2566621		WATER DEPARTMENT
WILLIE MCCORMICK ASSOCIATES INC	1001824	2673433		WATER DEPARTMENT
WINDHAM REALTY GROUP INC	17474	2500986	VIC PARK MANAGER	PLANNING AND DEVELOPMENT DEPARTMENT
WOMENS JUSTICE CENTER	14689	2508100		HUMAN SERVICES DEPARTMENT

<u>Name of Counterparty</u>	<u>Vendor #</u>	<u>Contract #</u>	<u>Description</u>	<u>City Department</u>
WOMENS JUSTICE CENTER/MY SISTER PLACE	1031434	2535491	DOMESTIC VIOLENCE SERVICES	POLICE DEPARTMENT
WORKBRAIN INC	1087022	2688977		NON-DEPARTMENTAL
WTF COMPANY LLC	1009825	2509611		POLICE DEPARTMENT
XEROX CORPORATION	20143	2527583	PHOTOCOPIER MAINTENANCE	COMMUNICATIONS AND CREATIVE SERVICES DEPARTMENT
YMCA OF METRO DETROIT	17203	2502285	PUBLIC FACILITY REHABILITATION	NO DEPARTMENT INDICATED
YMCA OF METROPOLITAN DETROIT	1071155	2801079		WORKFORCE DEVELOPMENT DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2516595		EMPLOYMENT AND TRAINING DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2797765		WORKFORCE DEVELOPMENT DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2775343		HUMAN SERVICES DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2743797		HUMAN SERVICES DEPARTMENT
YOUNG DETROIT BUILDERS	1008086	2803602		HUMAN SERVICES DEPARTMENT
YOUTH CONNECTION	1054883	2801091		WORKFORCE DEVELOPMENT DEPARTMENT
YOUTH LINKS USA	1044013	2552463	OPERATION FAST BREAK	EMPLOYMENT AND TRAINING DEPARTMENT
YWCA INTERIM HOUSE	2143	2535474	SERVICES WITH DOMESTIC VIOLENCE UNIT	POLICE DEPARTMENT
YWCA INTERIM HOUSE	2143	2508609	ESG CONTRACT FICS # 078503	FINANCE DEPARTMENT
ZETA STORK'S NEST FOUNDATION	13210	2508767	NOF PUBLIC SERVICE CONTRACT	FINANCE DEPARTMENT
All collective bargaining agreements that had expired prior to confirmation to the extent that they purported to, or would be determined by applicable law to, provide continuing contractual benefits to employees or former employees of the City				

**EXHIBIT III.D.2**

RETAINED CAUSES OF ACTION

### **EXHIBIT III.D.2**

Reference is made to Section III.D.2 of the Plan. Capitalized terms used but not defined herein shall have the meanings given to them in Section I.A of the Plan.

Without limiting any relevant provision of the Plan (including Section III.D.2 thereof), the City expressly reserves and retains, and may enforce, any and all of its rights with respect to: (i) Causes of Action related to the City's Municipal Parking Department, (ii) Causes of Action related to the City's Finance Department, (iii) Causes of Action related to the City's Airport Department, (iv) Causes of Action related to the City's Public Lighting Department, (v) Causes of Action related to the City's Planning and Development Department, (vi) Causes of Action related to the City's Building Safety, Engineering and Environmental Department, (vii) Causes of Action related to the City's Water and Sewerage Department, (viii) Causes of Action related to the City's Department of Public Works, (ix) Causes of Action related to the City's Police Department, (x) Causes of Action related to the City's Fire Department, (xi) Causes of Action related to the City's Assessment Division, (xii) Causes of Action related to the City's Law Department, (xiii) Causes of Action related to any other City department, (xiv) Causes of Action against all litigation parties listed on Schedule H of the Second Amended List of Creditors and Claims [Docket No. 1059] and (xv) the Causes of Action in the following proceedings:

1. City of Detroit v. MTZ Incorporated, No. 05-121906, Mich. 36<sup>th</sup> Dist. Ct.;
2. City of Detroit v. Big Daddy's Soul Food, No. 04-109681, Mich. 36<sup>th</sup> Dist. Ct.;
3. City of Detroit v. Louie's Foods, Inc., No. 05-115153, Mich. 36<sup>th</sup> Dist. Ct.;
4. City of Detroit v. Robinson Group Home and Rodney Robinson, No. 07-125747, Mich. 36<sup>th</sup> Dist. Ct.;
5. City of Detroit v. Arthur R. Jett and Mildred S. Jett, No. 97-713173, Mich. 36<sup>th</sup> Dist. Ct.;
6. City of Detroit v. Celia Y. Collins, No. 02-107182, Mich. 36<sup>th</sup> Dist. Ct.;
7. City of Detroit v. Anthony Gillam & Kimberly Gillam, No. 01-113119, Mich. 36<sup>th</sup> Dist. Ct.;
8. City of Detroit v. Caesar Austin and Evelyn Austin, No. 02-119500, Mich. 36<sup>th</sup> Dist. Ct.;
9. City of Detroit v. Means Construction, Inc., Eric J. Means and Ted Smith, No. 03-105353, Mich. 36<sup>th</sup> Dist. Ct.;
10. City of Detroit v. Eick B. Jeter and Crystal B. Jeter, No. 03-146312, Mich. 36<sup>th</sup> Dist. Ct.;
11. City of Detroit v. Albert Green and Loretta Green, No. 06-102852, Mich. 36<sup>th</sup> Dist. Ct.;
12. City of Detroit v. Marlon Currie, No. 04-110183-GC, Mich. 36<sup>th</sup> Dist. Ct.;
13. City of Detroit v. Tamara Smith and James Smith, No. 04-114151, Mich. 36<sup>th</sup> Dist. Ct.;
14. City of Detroit v. Juan Rosado and Lori Rosado, No. 04-420691, Mich. 36<sup>th</sup> Dist. Ct.;
15. City of Detroit v. Victor Barnes and Gwendolyn Barnes, No. 04-130939, Mich. 36<sup>th</sup> Dist. Ct.;
16. City of Detroit v. Charles Selmon, No.04-132032-GC, Mich. 36<sup>th</sup> Dist. Ct.;

17. City of Detroit v. Gregory Webb, No. 04-139195, Mich. 36<sup>th</sup> Dist. Ct.;
18. City of Detroit v. Alden M. Jarvis and Veronica V. Jarvis, No. 04-136449, Mich. 36<sup>th</sup> Dist. Ct.;
19. City of Detroit v. Lisa D. Bradley, No. 04-136448, Mich. 36<sup>th</sup> Dist. Ct.;
20. City of Detroit v. Jarrick F. Goldsby, No. 04-145046, Mich. 36<sup>th</sup> Dist. Ct.;
21. City of Detroit v. Edgar Butler & Quensetta Butler, No. 04-145049-GC, Mich. 36<sup>th</sup> Dist. Ct.;
22. City of Detroit v. Michael Marshall and Sheila Marshall, No. 04-415055, Mich. 36<sup>th</sup> Dist. Ct.;
23. City of Detroit v. Dwight Riddell, Mich. 36<sup>th</sup> Dist. Ct.;
24. City of Detroit v. Frank Wilson and Edwina J. Wilson, No. 04-142987-GC, Mich. 36<sup>th</sup> Dist. Ct.;
25. City of Detroit v. Sharon F. Sexton, No. 05-103709, Mich. 36<sup>th</sup> Dist. Ct.;
26. City of Detroit v. John W. & Winnie M. Plummer, No. 05-108201-GC, Mich. 36<sup>th</sup> Dist. Ct.;
27. City of Detroit v. Leon Jackson and Harvard Square Center, Mich. 36<sup>th</sup> Dist. Ct.;
28. City of Detroit v. Michael Franke, No. 05-110302-GC, Mich. 36<sup>th</sup> Dist. Ct.;
29. City of Detroit v. Caesar Austin and Evelyn Austin, No. 05-116751, Mich. 36<sup>th</sup> Dist. Ct.;
30. City of Detroit v. Steven P. Morrow and Sophia Morrow, No. 05-121904, Mich. 36<sup>th</sup> Dist. Ct.;
31. City of Detroit v. Brian L. Reese and Deborah H. Reese, No. 07-121144, Mich. 36<sup>th</sup> Dist. Ct.;
32. City of Detroit v. Lori Rosado, No. 06-105264, Mich. 36<sup>th</sup> Dist. Ct.;
33. City of Detroit v. James M. Woodget, No. 08-124280, Mich. 36<sup>th</sup> Dist. Ct.;
34. City of Detroit v. Calvin L. Hall and Juanda W. Hall, No. 06-111621, Mich. 36<sup>th</sup> Dist. Ct.;
35. City of Detroit v. Stanley T. and Linda A. Bridges, Mich. 36<sup>th</sup> Dist. Ct.;
36. City of Detroit v. Nardin Park Recovery Center, No. 07-714583, Mich. 36<sup>th</sup> Dist. Ct.;
37. City of Detroit v. Jimmie Maddix and Carolyn Maddix, No. 08-137874, Mich. 36<sup>th</sup> Dist. Ct.;
38. City of Detroit v. Adrian Austin, No. 09-123096, Mich. 36<sup>th</sup> Dist. Ct.;
39. City of Detroit v. Betty Warmack, No. 09-123865, Mich. 36<sup>th</sup> Dist. Ct.;
40. City of Detroit v. Caesar Austin and Evelyn Austin, No. 10-106506, Mich. 36<sup>th</sup> Dist. Ct.;
41. City of Detroit v. Charles & Cheryl Lasley (Moss), No. 09-130913, Mich. 36<sup>th</sup> Dist. Ct.;
42. City of Detroit v. Sterling J. Brown and Mary Lisa Brown, No. 09-131658, Mich. 36<sup>th</sup> Dist. Ct.;

43. City of Detroit v. Carter Stevenson and Barbara Stevenson, No. 10-106505, Mich. 36<sup>th</sup> Dist. Ct.;
44. City of Detroit v. Jacqueline Murry, Mich. 36<sup>th</sup> Dist. Ct.;
45. City of Detroit v. James Gulley and Phyllis Gulley, Mich. 36<sup>th</sup> Dist. Ct.;
46. City of Detroit v. John Reed, No.10-124047, Mich. 36<sup>th</sup> Dist. Ct.;
47. City of Detroit v. Coleman Reed and Laurine Reed, No. 11-118847-GC, Mich. 36<sup>th</sup> Dist. Ct.;
48. City of Detroit v. Ernest Gardner, No. 11-117750, Mich. 36<sup>th</sup> Dist. Ct.;
49. City of Detroit v. Ronald Carrington and Delores Carrington, No. 12-109805, Mich. 36<sup>th</sup> Dist. Ct.;
50. City of Detroit v. Lawrence Harris, Mich. 36<sup>th</sup> Dist. Ct.;
51. City of Detroit v. Raymond McMurrian, No. 12-117043, Mich. 36<sup>th</sup> Dist. Ct.;
52. City of Detroit v. Luis Arroyo and Braka Higgins a.k.a. Arroyo, Mich. 36<sup>th</sup> Dist. Ct.;
53. City of Detroit v. Adrian Austin, Mich. 36<sup>th</sup> Dist. Ct.;
54. City of Detroit v. Joel Ruffin and Willma Orange-Ruffin, Mich. 36<sup>th</sup> Dist. Ct.;
55. City of Detroit v. Paulette Cochran, Mich. 36<sup>th</sup> Dist. Ct.;
56. City of Detroit v. April Kincaid, No. 12-113636, Mich. 36<sup>th</sup> Dist. Ct.;
57. City of Detroit v. James & Adino, No. 14-10436, Mich. 36<sup>th</sup> Dist. Ct.;
58. City of Detroit v. Dennis Denmark & Elana Denmark, No. 13-102803, Mich. 36<sup>th</sup> Dist. Ct.;
59. City of Detroit v. Clarinda Barnett-Harrison, Mich. 36<sup>th</sup> Dist. Ct.;
60. City of Detroit v. Jason Jordan, Mich. 36<sup>th</sup> Dist. Ct.;
61. City of Detroit v. Mondry Hardware & Mondrey, Louis, Mich. 36<sup>th</sup> Dist. Ct.;
62. City of Detroit v. Roland, Lisa, Mich. 36<sup>th</sup> Dist. Ct.;
63. City of Detroit v. Lazana, Deandre & Natalie, No. 12-123542-GC, Mich. 36<sup>th</sup> Dist. Ct.;
64. City of Detroit v. William Landrum and Caroline Landrum, No. 13-119468, Mich. 36<sup>th</sup> Dist. Ct.;
65. City of Detroit v. James Bates and Pricilla Bates, No. 13-102805, Mich. 36<sup>th</sup> Dist. Ct.;
66. City of Detroit v. Coutia Ramsey, No. 13-102804, Mich. 36<sup>th</sup> Dist. Ct.;
67. City of Detroit v. Ann Fletcher, No. 13-108163, Mich. 36<sup>th</sup> Dist. Ct.;
68. City of Detroit v. Jackie Hunter and Mary Hunter, Mich. 36<sup>th</sup> Dist. Ct.;
69. City of Detroit v. Monica Gordon, Mich. 36<sup>th</sup> Dist. Ct.;
70. City of Detroit v. Patricia Brown, No. 13-119470, Mich. 36<sup>th</sup> Dist. Ct.;



71. City of Detroit v. Ronald Coleman & Alice Coleman, No. 13-117682 GC, Mich. 36<sup>th</sup> Dist. Ct.;
72. City of Detroit v. Rennilda Graham, No. 13-119472, Mich. 36<sup>th</sup> Dist. Ct.;
73. City of Detroit v. Kamin Davis & Tana Davis, Mich. 36<sup>th</sup> Dist. Ct.;
74. City of Detroit v. Elaine Ivery, Mich. 36<sup>th</sup> Dist. Ct.;
75. City of Detroit v. Eric Smith, No. 13-122869, Mich. 36<sup>th</sup> Dist. Ct.;
76. City of Detroit v. Mary Waters, Mich. 36<sup>th</sup> Dist. Ct.;
77. City of Detroit v. Todd Philson, Mich. 36<sup>th</sup> Dist. Ct.;
78. City of Detroit v. Kenneth Holms, Sr., Mich. 36<sup>th</sup> Dist. Ct.;
79. City of Detroit v. Jack Kene Obi, No. 05-104554-GC, Mich. 36<sup>th</sup> Dist. Ct.;
80. City of Detroit v. Brandy Marie Duke aka Brandy Niang, No. 08-124279, Mich. 36<sup>th</sup> Dist. Ct.;
81. City of Detroit v. Cevonia Cherise McClure, No. 07-110343, Mich. 36<sup>th</sup> Dist. Ct.;
82. City of Detroit v. Henry Ricardo Smith, No. 07-2093, Mich. 36<sup>th</sup> Dist. Ct.;
83. City of Detroit v. Abdul Raheem Rashed, No. 07-1556323, Mich. 36<sup>th</sup> Dist. Ct.;
84. City of Detroit v. Milton Lee Newman, No. 07-121142, Mich. 36<sup>th</sup> Dist. Ct.;
85. City of Detroit v. Andre Williams, Mich. 36<sup>th</sup> Dist. Ct.;
86. City of Detroit v. Helen Roberts, Mich. 36<sup>th</sup> Dist. Ct.;
87. City of Detroit v. Terry Darnell Jackson , No. 06-119826-GC, Mich. 36<sup>th</sup> Dist. Ct.;
88. City of Detroit v. Bushierra McDonald, No. 07-132889, Mich. 36<sup>th</sup> Dist. Ct.;
89. City of Detroit v. Denna Belton, No. 06-160876, Mich. 36<sup>th</sup> Dist. Ct.;
90. City of Detroit v. Georgianna Colston , No. 07-132886, Mich. 36<sup>th</sup> Dist. Ct.;
91. City of Detroit v. Terrance Omar Ford, No. 07-144864, Mich. 36<sup>th</sup> Dist. Ct.;
92. City of Detroit v. Jessie Al McQuarter, No. 07-127234, Mich. 36<sup>th</sup> Dist. Ct.;
93. City of Detroit v. Kevin Labrell Howell, No. 07-127238, Mich. 36<sup>th</sup> Dist. Ct.;
94. City of Detroit v. Deconte Jerdo, Mich. 36<sup>th</sup> Dist. Ct.;
95. City of Detroit v. Sheila Marie-Maxwell Coleman, Mich. 36<sup>th</sup> Dist. Ct.;
96. City of Detroit v. Jessie Crutcher and Adrienne Smith, No. 08-133795, Mich. 36<sup>th</sup> Dist. Ct.;
97. City of Detroit v. Joachba D. Hammound-Grace, Mich. 36<sup>th</sup> Dist. Ct.;
98. City of Detroit v. Lamont Street, Mich. 36<sup>th</sup> Dist. Ct.;
99. City of Detroit v. William F. & Constance Harris, No. 08-124278, Mich. 36<sup>th</sup> Dist. Ct.;
100. City of Detroit v. Shealtiel N. Moore, Mich. 36<sup>th</sup> Dist. Ct.;



101. City of Detroit v. Mary Rogers, Mich. 36<sup>th</sup> Dist. Ct.;
102. City of Detroit v. Daniel R. Tapert, Mich. 36<sup>th</sup> Dist. Ct.;
103. City of Detroit v. Dukes, Emanuel C., Mich. 36<sup>th</sup> Dist. Ct.;
104. City of Detroit v. Yolanda F. Brady, Mich. 36<sup>th</sup> Dist. Ct.;
105. City of Detroit v. Erskine Wright II, Mich. 36<sup>th</sup> Dist. Ct.;
106. City of Detroit v. Lonnie E. Coleman, Mich. 36<sup>th</sup> Dist. Ct.;
107. City of Detroit v. Calvin Meeks, III, Mich. 36<sup>th</sup> Dist. Ct.;
108. City of Detroit v. Neandue O. Nance, No. 09-11643, Mich. 36<sup>th</sup> Dist. Ct.;
109. City of Detroit v. Lula M. Smith, No. 09-119723, Mich. 36<sup>th</sup> Dist. Ct.;
110. City of Detroit v. Latasha Merriweather, No. 09-119723, Mich. 36<sup>th</sup> Dist. Ct.;
111. City of Detroit v. Tamieka L. Norris, No. 10-125151, Mich. 36<sup>th</sup> Dist. Ct.;
112. City of Detroit v. Franceksa Rodriquez, No. 10-124044, Mich. 36<sup>th</sup> Dist. Ct.;
113. City of Detroit v. Laquanya Candice, No. 08-120177-GC, Mich. 36<sup>th</sup> Dist. Ct.;
114. City of Detroit v. Latonya Katina-Foxey, No. 08-120173, Mich. 36<sup>th</sup> Dist. Ct.;
115. City of Detroit v. Raegan Carmell Sweet, No. 08-120172, Mich. 36<sup>th</sup> Dist. Ct.;
116. City of Detroit v. Oscar Cameron & Oscar G. Cameron II, Mich. 36<sup>th</sup> Dist. Ct.;
117. City of Detroit v. Macia Sherrie Stokes, No. 08-120171, Mich. 36<sup>th</sup> Dist. Ct.;
118. City of Detroit v. Angela Conley, No. 08-120174, Mich. 36<sup>th</sup> Dist. Ct.;
119. City of Detroit v. Eugene Cole & Victory Outreach Detroit, No. 07-120608-GC, Mich. 36<sup>th</sup> Dist. Ct.;
120. City of Detroit v. Kevin Dittich, No. 14-101640, Mich. 36<sup>th</sup> Dist. Ct.;
121. City of Detroit v. Morgan McCrary, Mich. 36<sup>th</sup> Dist. Ct.;
122. City of Detroit v. Twayla Lynette Larry, No. 07-120610, Mich. 36<sup>th</sup> Dist. Ct.;
123. City of Detroit v. Deandre Lamarr Falls, Mich. 36<sup>th</sup> Dist. Ct.;
124. City of Detroit v. Latonya Katina-Foxey, No. 08-120173, Mich. 36<sup>th</sup> Dist. Ct.;
125. City of Detroit v. Raegan Carmell Sweet, No. 08-120172, Mich. 36<sup>th</sup> Dist. Ct.;
126. City of Detroit v. Milton L. Newman, Mich. 36<sup>th</sup> Dist. Ct.;
127. City of Detroit v. 3843 Biddle & Scroggins, Daisy, No. 05-122123-GC, Mich. 36<sup>th</sup> Dist. Ct.;
128. City of Detroit v. Alexander Spencer, Jr., Mich. 36<sup>th</sup> Dist. Ct.;
129. City of Detroit v. Tonia Williams, Mich. 36<sup>th</sup> Dist. Ct.;
130. City of Detroit v. Mayor Rissell & Karen Russell, No. 04-113310, Mich. 36<sup>th</sup> Dist. Ct.;
131. City of Detroit v. Minnie Lee Martin, No. 99-925205, Mich. Third Judicial Cir.;

132. City of Detroit v. Ambassador Nursing Home, Inc. aka Pembroke Nursing Center, No. 02-238630, Mich. Third Judicial Cir.;
133. City of Detroit v. Tyrone and Janice Winfrey, Mich. 36<sup>th</sup> Dist. Ct.;
134. City of Detroit v. Mark Kulbaba, Inc. dba Servicemaster & Mark Kulbaba, No. 03-302931, Mich. Third Judicial Cir.;
135. City of Detroit v. Nardin Park Recovery Center, Mich. Third Judicial Cir.;
136. City of Detroit v. Page Litho, Inc., No. 11-006743-CZ, Mich. Third Judicial Cir.;
137. City of Detroit v. The Printing Professionals, No. 11-006745-CZ, Mich. Third Judicial Cir.;
138. City of Detroit v. Waterman & Sons Printing Company, Inc., No. 11-007078-CZ, Mich. Third Judicial Cir.;
139. City of Detroit v. Opus One, Mich. Third Judicial Cir.;
140. City of Detroit v. Kyler Reamules, Mich. Third Judicial Cir.;
141. City of Detroit v. B & J Enameling Inc. & Holtshouser, Erin & Kownacki, Sandra, Mich. Third Judicial Cir.;
142. City of Detroit v. Jacquettier Coleman, No. 13-116327, Mich. 36<sup>th</sup> Dist. Ct.;
143. City of Detroit v. Nardin Park Drug Abuse Center et al., No. 13-011688-CZ, Mich. Third Judicial Cir.;
144. City of Detroit v. Sheila A. Kimbrough, No. 07-155641, Mich. 36<sup>th</sup> Dist. Ct.;
145. City of Detroit v. Counselo Maurico, No. 07-155674, Mich. 36<sup>th</sup> Dist. Ct.;
146. City of Detroit v. Christina Morris, No. 07-155726, Mich. 36<sup>th</sup> Dist. Ct.;
147. DuJon Johnson v. City of Detroit; No. 12-202678, Mich. 36<sup>th</sup> Dist. Ct.;
148. Bella Marshall, aka Bella Marshall Barden, No. 2012-777-270-DE (Probate);
149. William S. Jordan, No. 03-41137, Bankr. E.D. Mich.;
150. Catherine Gaskin, No. 03-67569, Bankr. E.D. Mich.;
151. Catherine Gaskin, No. 03-41232, Bankr. E.D. Mich.;
152. Dwayne Akra, No. 03-69349, Bankr. E.D. Mich.;
153. Dwayne Akra, No. 00-47216, Bankr. E.D. Mich.;
154. Diana Daniel, No. 05-56536, Bankr. E.D. Mich.;
155. Jerry Lee Miller, No. 09-62314, Bankr. E.D. Mich.;
156. Lyall T Hoggatt and Gwendolyn Hoggatt, No. 09-76296, Bankr. E.D. Mich.;
157. Terri L. Sykes, No. 11-72188, Bankr. E.D. Mich.;
158. Shanta Corporation, No. 12-43956, Bankr. E.D. Mich.;
159. Sareta Jean Cheathem, No. 12-59435, Bankr. E.D. Mich.;

160. Belinda Rochelle Sanders, No. 12-57603, Bankr. E.D. Mich.;
161. Denise Evans Whitley, No. 14-40849, Bankr. E.D. Mich.;
162. Whitley v. City of Detroit Treasurer et al, No. 14-04131 Bankr. E.D. Mich.;
163. Kimberli Powell, No. 13-40036 (Adversary Case No. 13-04134), Bankr. E.D. Mich.;
164. Ruthea Taylor:, No. 13-41265-PJS (Adversary Case No(s) 13-04235, 13-04237 and 13-04239), Bankr. E.D. Mich.;
165. Louise Williams, No. 13-40374-MBM (Adversary Case No. 13-04215), Bankr. E.D. Mich.;
166. Dorothy Wilson, No. 13-43731-WSD (Adversary Case No. 13-04296); Bankr. E.D. Mich.;
167. Carol Lowe-Redding, No. 12-60626, Bankr. E.D. Mich.;
168. Rodney A. Bowie, No. 04-40019, Bankr. E.D. Mich.;
169. Christopher D. Baty, No. 04-54408, Bankr. E.D. Mich.;
170. Tonia Howard, No. 07-58025, Bankr. E.D. Mich.;
171. Carl Barner and Yolanda Barner, No. 07-58840, Bankr. E.D. Mich.;
172. Jerome Jenkins, No. 09-67014, Bankr. E.D. Mich.;
173. Romana Bullock v. Wayne County Treasurer, et al. Mich. 36<sup>th</sup> Dist. Ct.;
174. General Shale Brick v. City of Detroit, No. 06-44397, Mich. 36<sup>th</sup> Dist. Ct.;
175. Gloria Jean McLaurin v. Detroit Parking Violations Bureau, No. 293700, Mich. Ct. App.;
176. Dennis Lynval v. City of Detroit, No. 12-012164, Mich. 36<sup>th</sup> Dist. Ct.;
177. City of Detroit v. Mdrahi, Mohamed, No. 3-005784-CC (Condemnation);
178. City of Detroit v. True Missionary Baptist Church, No. 13-005785-CC (Condemnation);
179. City of Detroit v. True Missionary Baptist Church, No. 13-005787-CC (Condemnation);
180. City of Detroit v. True Missionary Baptist Church, No. 13-005795-CC (Condemnation);
181. City of Detroit v. True Missionary Baptist Church, No. 13-005814-CC (Condemnation);
182. City of Detroit v. Khami, Issam, et al., No. 13-005816-CC (Condemnation);
183. City of Detroit v. CE Detroit, No. 13-005820-CC (Condemnation);
184. City of Detroit v. State of Michigan, No. 12-014797-CC (Condemnation);
185. City of Detroit v. Wilcox aka Albert, Martha, No. 12-014799-CC (Condemnation);
186. City of Detroit v. Wilson, Kenneth L., No. 13-005825-CC (Condemnation);
187. City of Detroit v. True Missionary Baptist Church, No. 13-05826-CC (Condemnation);
188. City of Detroit v. True Missionary Baptist Church, No. 13-005827-CC (Condemnation);
189. City of Detroit v. Wilson, Gail, et al., No. 12-015039-CC (Condemnation);

190. City of Detroit v. Wilcox, Martha, No. 12-014867-CC (Condemnation);
191. City of Detroit v. CE Detroit, LLC, No. 12-014803-CC (Condemnation);
192. City of Detroit v. Lucido, Steven J., et al., No. 13-05828-CC (Condemnation);
193. City of Detroit v. Detroit Leasing, Inc., No. 13-005829-CC (Condemnation);
194. City of Detroit v. Newell, Nema N., No. 13-005830-CC (Condemnation);
195. City of Detroit v. Jones, James N., No. 13-005831-CC (Condemnation);
196. City of Detroit v. Jones, James N., No. 13-005832-CC (Condemnation);
197. Manos, Dino v. City of Detroit and Abram, Frank H. , No. 12-011400, Mich. 36<sup>th</sup> Dist. Ct.;
198. City of Detroit v. Priscilla White, No. 06-120153-GC, Mich. 36<sup>th</sup> Dist. Ct.;
199. City of Detroit v. Tommie L. Douglas, Jr., No. 13-116328, Mich. 36<sup>th</sup> Dist. Ct.;
200. City of Detroit v. Natoshia Lane Lucas, No. GC-08H559, Mich. 36th Dist. Ct.;
201. City of Detroit v. James Strickland, No. 12-103387-GC, Mich. 36th Dist. Ct.;
202. City of Detroit v. Giant Janitorial Services Inc & Peter J. Huthwaite, No. 02-147508, Mich. 36th Dist. Ct.;
203. City of Detroit v. Deborah Davenport Bankruptcy, No. 03-65075, Bankr. E.D. Mich.;
204. City of Detroit v. Renaissance West Comental Helath Services et al., No. 04-405900-CZ, Mich. Third Judicial Cir.;
205. City of Detroit v. Ernest Karr, No. 13-009376, Mich. 36<sup>th</sup> Dist. Ct.;
206. City of Detroit v. Clarence & Marilyn Bell, Mich. 36th Dist. Ct.;
207. City of Detroit v. John W. & Martha Higgins, Mich. 36th Dist. Ct.;
208. City of Detroit v. Beverly Jeanette, Mich. 36th Dist. Ct.;
209. City of Detroit v. Gwendolyn Broadnax, Mich. 36th Dist. Ct.;
210. City of Detroit v. Emily Talbert-Holt, No. 09-003020-CZ, Mich. Third Judicial Cir.;
211. City of Detroit v. Linda Terry, No. 09-17213-GC, Mich. 36th Dist. Ct.;
212. City of Detroit v. Dwayne B. Toles, No. 07-157206-GC, Mich. 36th Dist. Ct.;
213. City of Detroit v. Victor C. Travier, No. 08-126677-GC, Mich. 36th Dist. Ct.;
214. City of Detroit v. Victoria L. Cliett, No. 13-118142, Mich. 36<sup>th</sup> Dist. Ct.;
215. City of Detroit v. Bessie Harris, No. 08-126678-GC, Mich. 36th Dist. Ct.;
216. City of Detroit v. Donald R. & Latania C. McClendon, No. 08-145303-GC, Mich. 36th Dist. Ct.;
217. City of Detroit v. Jeanette Beverly, No. 09-108564-GC, Mich. 36th Dist. Ct.;
218. City of Detroit v. Linda Terry, No. 09-17213-GC, Mich. 36th Dist. Ct.;
219. City of Detroit v. Sharon Brown, No. 09-114024-GC, Mich. 36th Dist. Ct.;

220. City of Detroit v. Emily Talbert-Holt, No. 09-003020-CZ, Mich. 36th Dist. Ct.;
221. City of Detroit v. Deborah Hicks, No. 13-012387, Mich. 36<sup>th</sup> Dist. Ct.;
222. City of Detroit v. Flozelle Crosby, No. 09-112041-GC, Mich. 36th Dist. Ct.;
223. City of Detroit v. Vanessa A. Hall, No. 09-112039-GC, Mich. 36th Dist. Ct.;
224. City of Detroit v. Milton s. & Brenda K. Campbell, No. 09-114017-GC, Mich. 36th Dist. Ct.;
225. City of Detroit v. Jerel Johnson & Deshawn L. Morrison, No. 09-131660-GC, Mich. 36th Dist. Ct.;
226. City of Detroit v. Will Ivey, No. 13-118143, Mich. 36<sup>th</sup> Dist. Ct.;
227. City of Detroit v. Melvin Eades and Rachel Eades, No. 09-135760, Mich. 36th Dist. Ct.;
228. City of Detroit v. James Woodget, No. 10-104902-GC, Mich. 36th Dist. Ct.;
229. City of Detroit v. Pamela Franklin and Marvin Franklin, No. 10B2476, Mich. 36th Dist. Ct.;
230. City of Detroit v. Yvette Pugh, No. 11-107209-GC, Mich. 36th Dist. Ct.;
231. City of Detroit v. Everette Driver & Sheila Driver, No. 11-107031-GC, Mich. 36th Dist. Ct.;
232. City of Detroit v. Paul Swanson, No. 1102022H-GC, Mich. 41B Dist. Ct.;
233. City of Detroit v. Gillian John, No. 13-118144, Mich. 36<sup>th</sup> Dist. Ct.;
234. City of Detroit v. Luther Gray III, No. 07-122557-GC, Mich. 36th Dist. Ct.;
235. City of Detroit v. Tony Davis Garnishment, No. 08-114619-CD, Mich. 36th Dist. Ct.;
236. City of Detroit v. Bennie Hayden, No. 13-C3512-GC, Mich. 36th Dist. Ct.;
237. City of Detroit v. Raymond McMurrian, No. 12-117043-GC, Mich. 36th Dist. Ct.;
238. City of Detroit v. Timothy Ebendick and Colleen Ebendick, No. 13-117680-gc, Mich. 36th Dist. Ct.;
239. City of Detroit v. Sea-Breeze Traing Corp dba City Laundry Pers Prop, Mich. Third Judicial Cir.;
240. City of Detroit v. Jean James, No. 13-117268-GC, Mich. 36th Dist. Ct.;
241. City of Detroit v. Chezcore Inc. & Cieskowksi, David, Mich. Third Judicial Cir.;
242. City of Detroit v. Monica Chavers, No. 13-118145, Mich. 36<sup>th</sup> Dist. Ct.;
243. City of Detroit v. Slack, Jonathon, No. 13-117270-GC, Mich. 36th Dist. Ct.;
244. City of Detroit v. Kevin Doss, No. 13-117269-GC, Mich. 36th Dist. Ct.;
245. City of Detroit v. Mack Orangelolo, No. 13-39949-GC, Mich. 36th Dist. Ct.;
246. Markos Patty Store v. City of Detroit, No. 13-000003-CZ, Mich. Third Judicial Cir.;
247. City of Detroit v. Gloria Ballard, Mich. 36th Dist. Ct.;

248. City of Detroit v. Daryl Johnson & Nadeine Johnson, Mich. 36th Dist. Ct.;
249. City of Detroit v. Rebecca Shelton, Mich. 36th Dist. Ct.;
250. City of Detroit v. Cynthia Snith & Kwame Smith, No. 13-117678-GC, Mich. 36th Dist. Ct.;
251. City of Detroit v. Zeola Carey, No. 09-107281, Mich. 36<sup>th</sup> Dist. Ct.;
252. City of Detroit v. Kenneth Tinsley & Cheryl Tinsley, Mich. 36th Dist. Ct.;
253. City of Detroit v. Louis Parker, Mich. 36th Dist. Ct.;
254. City of Detroit v. Matthew Underwood & Vantress Underwood, No. 13-117679-GC, Mich. 36th Dist. Ct.;
255. City of Detroit v. James D. & Marva E. Washington, No. 03-145330-GC, Mich. 36th Dist. Ct.;
256. City of Detroit v. Belda P. Garza, No. 07-122553-GC, Mich. 36th Dist. Ct.;
257. City of Detroit v. Fred Hill, No. 14-101263-GC, Mich. 36th Dist. Ct.;
258. City of Detroit v. Kathrine Luckett, No. 13-122872-GC, Mich. 36th Dist. Ct.;
259. City of Detroit v. Mary Majek, No. 14-101262-GC, Mich. 36th Dist. Ct.;
260. City of Detroit v. Kyler Reamules, No. 13-122874-GC, Mich. 36th Dist. Ct.;
261. City of Detroit v. Mary Waters, No. 13-121800, Mich. 36<sup>th</sup> Dist. Ct.;
262. City of Detroit v. Meal Tech Products, Inc. & Letitia Gordon, No. 14--000586-CZ, Mich. Third Judicial Cir.;
263. City of Detroit v. Davis McGill & Juwana D. McGill, No. 13-20224-GC, Mich. 36th Dist. Ct.;
264. City of Detroit v. Majestic Theater center Inc., No. 11-007260-CZ, Mich. Third Judicial Cir.;
265. City of Detroit v. Shelbourne Group In. Y Leipsitz-Makino, Kathy, No. 14-102379-GC, Mich. 36th Dist. Ct.;
266. City of Detroit v. Ali Beidoun, No. 13-121801, Mich. 36<sup>th</sup> Dist. Ct.;
267. City of Detroit v. Marcel Maurice Moore, No. 07-04395T-GC, Mich. 41B Dist. Ct.;
268. City of Detroit v. Shashu Makeda Harris, No. 06-101803-GC, Mich. 36th Dist. Ct.;
269. City of Detroit v. Lesley Girard Gates, No. 06-120154-GC, Mich. 36th Dist. Ct.;
270. City of Detroit v. Shawn Myatt, Mich. 36th Dist. Ct.;
271. City of Detroit v. Angela Nicole Shelly, No. 07-122578-GC, Mich. 36th Dist. Ct.;
272. City of Detroit v. Ann Francine Smith, No. 07-117414-GC, Mich. 36th Dist. Ct.;
273. City of Detroit v. Saun Roland Scott, No. 07-122576-GC, Mich. 36th Dist. Ct.;
274. City of Detroit v. Faynese deeneil Robinson-Law, No. 06-101802-GC, Mich. 36th Dist. Ct.;



275. City of Detroit v. Celia Harris, No. 13-121803, Mich. 36<sup>th</sup> Dist. Ct.;
276. City of Detroit v. Delois Kirkman, No. 07-134556-GC, Mich. 36th Dist. Ct.;
277. City of Detroit v. Michael Amthony Hines, No. 06-120152-GC, Mich. 36th Dist. Ct.;
278. City of Detroit v. Derrick James McDowell, No. 07-58101-GC, Mich. 36th Dist. Ct.;
279. City of Detroit v. Tamaara Morris, No. 06-101804-GC, Mich. 36th Dist. Ct.;
280. City of Detroit v. Rhonda Joann White, No. 07-134557-GC, Mich. 36th Dist. Ct.;
281. City of Detroit v. Danetta L. Simpson, No. 12-121739-GC, Mich. 36th Dist. Ct.;
282. City of Detroit v. Kildare Clarke, No. 08-00468-GC, Mich. 36th Dist. Ct.;
283. City of Detroit v. Aretha Lula Crawford, No. 07-145090-GC, Mich. 36th Dist. Ct.;
284. City of Detroit v. Euel Kinsey, No. 14-304163, Mich. 36<sup>th</sup> Dist. Ct.;
285. City of Detroit v. Natasha Nakie-Nacole Coats, No. 08-C0945-GC, Mich. 36th Dist. Ct.;
286. City of Detroit v. Rebecca Marie Dunn, No. 07155738-GC, Mich. 36th Dist. Ct.;
287. City of Detroit v. Eve Reedy Doster, No. 08-106725-GC, Mich. 36th Dist. Ct.;
288. City of Detroit v. Barnstormer Pilot Club, LLC, No. 14-002984, Mich. 36<sup>th</sup> Dist. Ct.;
289. City of Detroit v. Virginia Francnessa Flamer, No. 07-145091-GC, Mich. 36th Dist. Ct.;
290. City of Detroit v. Gregory Lynn Delaney, No. 07-145091-GC, Mich. 36th Dist. Ct.;
291. City of Detroit v. Tyrone Jemall Peals, No. 07-117411-GC, Mich. 36th Dist. Ct.;
292. City of Detroit v. Paul Douglas Bosman, No. 07-1805-GC, Mich. 22nd Dist. Ct.;
293. City of Detroit v. Ann Francien Smith, Mich. 36th Dist. Ct.;
294. City of Detroit v. Khatoon Dawood, No. 08-C01778-GC-01, 52nd Dist. Ct.;
295. City of Detroit v. Jaroslaw Sziejter, No. 09-114019, Mich. 36th Dist. Ct.;
296. City of Detroit v. Kimberly James, Mich. 36<sup>th</sup> Dist. Ct.;
297. City of Detroit v. Rachel Erika Thomas-Sharpe, Mich. 36th Dist. Ct.;
298. City of Detroit v. Tawanda Latreese Wilder, No. 09-114021-GC, Mich. 36th Dist. Ct.;
299. City of Detroit v. Elgin R. Taylor, No. 09-114022-GC, Mich. 36th Dist. Ct.;
300. City of Detroit v. Lasonia Smith, Mich. 36th Dist. Ct.;
301. City of Detroit v. Lamont Street, Mich. 36th Dist. Ct.;
302. City of Detroit v. Shealtiel N. Moore, Mich. 36th Dist. Ct.;
303. City of Detroit v. Jaroslaw Sziejter, No. 09-114019, Mich. 36th Dist. Ct.;
304. City of Detroit v. Christine Myers, Gavin Harrison, Karen Kialka, No. 09-114016-GC, Mich. 36th Dist. Ct.;
305. City of Detroit v. Verizon, Mich. 36<sup>th</sup> Dist. Ct.;
306. City of Detroit v. Marcus Ricardo Gary, No. 09-114018-GC, Mich. 36th Dist. Ct.;

307. City of Detroit v. Christine Myers, Gavin Harrison, Karen Kialka, No. 09-114016-GC, Mich. 36th Dist. Ct.;
308. City of Detroit v. Derek Culver, No. 13-121802, Mich. 36<sup>th</sup> Dist. Ct.;
309. City of Detroit v. Rita Lynette Powell-Pyles, No. 09-131657-GC, Mich. 36th Dist. Ct.;
310. City of Detroit v. Kari Burge, No. 10-106504-GC, Mich. 36th Dist. Ct.;
311. City of Detroit v. Jerea Deana Jackson, No. 08-106730-GC, Mich. 36th Dist. Ct.;
312. City of Detroit v. Angelo Iafrate, Mich. 36<sup>th</sup> Dist. Ct.;
313. City of Detroit v. Jamal Anthony Gaddie, No. 07-141061-GC, Mich. 36th Dist. Ct.;
314. City of Detroit v. Sophia Hawkins, No. 07-141894-GC, Mich. 36th Dist. Ct.;
315. City of Detroit v. Terrance Thomas, No. 10-108337-GC, Mich. 36th Dist. Ct.;
316. City of Detroit v. Terrance Thomas, No. 10-108337-GC, Mich. 36th Dist. Ct.;
317. City of Detroit v. Maia Williams, Mich. 36th Dist. Ct.;
318. City of Detroit v. Frances Blue, No. 10-118297-GC, Mich. 36th Dist. Ct.;
319. City of Detroit v. Jerel D. Matthaw, No. 10-122303, Mich. 36th Dist. Ct.;
320. City of Detroit v. Ashli R. Thomas, No. 10-122302-GC, Mich. 36th Dist. Ct.;
321. City of Detroit v. George Webb, No. 10-121743-GC, Mich. 36th Dist. Ct.;
322. City of Detroit v. Elsie L. Green & Sadie Reynolds, No. 10-124040-GC, Mich. 36th Dist. Ct.;
323. City of Detroit v. Wayne County 7 Raymond J. Wojtowicz, No. 13-000036-MZ-C30, Mich. 36<sup>th</sup> Dist. Ct.;
324. City of Detroit v. Kenneth L. Hurt, No. 11-105194-GC, Mich. 36th Dist. Ct.;
325. City of Detroit v. Tiyunna George, Mich. 36th Dist. Ct.;
326. City of Detroit v. Dejuan L. Washington, No. 11-105192-GC, Mich. 36th Dist. Ct.;
327. City of Detroit v. Marc Williams, No. 12-103384-GC, Mich. 36th Dist. Ct.;
328. City of Detroit v. Charles Williams, Mich. 36th Dist. Ct.;
329. City of Detroit v. Jennifer Bramer, No. 12-103386-GC, Mich. 36th Dist. Ct.;
330. City of Detroit v. Ronald Taylor, No. 04-117439-GC, Mich. 36th Dist. Ct.;
331. City of Detroit v. Empire Leasing, No. 14-15917-GC, Mich. 36th Dist. Ct.;
332. City of Detroit v. Wise Finley, No. 14-105916-GC, Mich. 36th Dist. Ct.;
333. City of Detroit v. John Louis Herring, Mich. 36th Dist. Ct.;
334. City of Detroit v. Damon Key, No. 14-15921-GC, Mich. 36th Dist. Ct.;
335. City of Detroit v. Claudio Lopez, Mich. 36th Dist. Ct.;
336. City of Detroit v. Michael Mingo, No. 14-105920-GC, Mich. 36th Dist. Ct.;



337. City of Detroit v. Myrtle Pasha, Mich. 36th Dist. Ct.;
338. City of Detroit v. Larry Callahan, No. 08-105046-GC, Mich. 36th Dist. Ct.;
339. City of Detroit v. Anthony Caslio, No. 07-154008-GC, Mich. 36th Dist. Ct.;
340. City of Detroit v. Antonio L. Johnson, No. 08-122838-GC, Mich. 36th Dist. Ct.;
341. City of Detroit v. Markeeda Morgan, No. 07-124692-GC, Mich. 36th Dist. Ct.;
342. City of Detroit v. 19696 Omira, No. 09-110228-GC, Mich. 36th Dist. Ct.;
343. City of Detroit v. Cadolba Management and Associates, No. 09-120755-GC, Mich. 36th Dist. Ct.;
344. City of Detroit v. Clarence Edward Key, No. 09-114023-GC, Mich. 36th Dist. Ct.;
345. Motor City Bending Inc vs City of Detroit, No. 07-729179, Mich. 36th Dist. Ct.;
346. City of Detroit v. 19696 Omira, No. 09-110228, Mich. 36th Dist. Ct.;
347. City of Detroit v. Cadpba Management and Associates, No. 09-120755, Mich. 36th Dist. Ct.;
348. City of Detroit v. Clarence Edward Key, No. 09-114023, Mich. 36th Dist. Ct.;

**ITEM 16**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

Chapter 9

City of Detroit, Michigan,

Case No. 13-53846

Debtor.

Hon. Steven W. Rhodes

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**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On October 20, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via Overnight mail on the service lists attached hereto as **Exhibit B** and **Exhibit C**:

- Order Regarding City's Objection to Proof of Claim #2958 Filed by AFSCME Council 25 and Its Affiliated Detroit Locals (Dkt. #4876) [Docket No. 8015]

On October 20, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit A**; and via Overnight mail on the service list attached hereto as **Exhibit B**:

- Certification of No Response or Objection Regarding Notice of Presentment of Order Approving Stipulation for an Order Resolving Objections to Proof of Claim Number 3683 Filed by Macomb Interceptor Drain Drainage District [Docket No. 8022]
- Order Resolving Objections to Proof of Claim Number 3683 Filed by Macomb Interceptor Drain Drainage District [Docket No. 8025]

Dated: October 20, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245



# EXHIBIT A

**Exhibit A**  
**Served via Email**

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**Exhibit A**  
**Served via Email**

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**Exhibit A**  
**Served via Email**

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Union Representative	DOT Foreperson's Association of America	Attn: Pamela King	Pamkin@detroitmi.gov
Top 20 Creditor	Downtown Development Authority	Athanasios Papapanos Glen W Long Jr and Rebecca Navin	Artp1@degc.org; gwrong@degc.org; navin@degc.org;
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**Exhibit A**  
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Office of the United States Trustee	Office of the United States Trustee	Sean Cowley	brettmiller@mof.com;
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**Exhibit A**  
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**Exhibit A**  
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Counsel for Public Lighting Authority	The Allen Law Group, P.C.	Attn: Ron Liscombe, Esq.	rliscombe@alglawpc.com
City's Secured & Unsecured Bonds	The Bank of New York Mellon Trust Company, National Association, as trustee	Attn: Eduardo Rodriguez	eduardo.rodriguez@bnymellon.com
Corporation Counsel for the City of Detroit	The City of Detroit	Attn: Corporation Counsel	Johnsoncu@detroitmi.gov
Counsel for Kevin Lewis & Jeremy Morris	The Markowitz Law Office	Carolyn B Markowitz PC	bankruptcy@markowitzlegal.com
Counsel for Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	The Sanders Law Firm PC	Herbert A Sander	hsanders@miafscme.org
Counsel for Michigan Auto Recovery Service Inc; Wayne County Circuit Court, Hyde Park Cooperative, et al. v. City of Detroit, by and through its Buildings and Safety Engineering Department, Case No. 10-005687-CZ	Thornbladh Legal Group PLLC	Kurt Thornbladh	kthornbladh@gmail.com; thornbladh.kurt3@gmail.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan T. Brown	susan.brown5@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan E. Jacobsen VP	susan.jacobsen2@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water Bonds)	U.S. Bank National Association, as trustee, for the Detroit Sewer and Water Bonds	Attn: Lawrence J. Bell	lawrence.bell@usbank.com
Union Representative	UAW - Local # 412	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - Local #212	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - PAA Local #2211	Attn: Robyn Brooks	BrooR@detroitmi.gov
Union Representative	UAW - WWTP Local #2200	Attn: Laurie Stuart	mimilaurie@yahoo.com; ltownse@detroitpubliclibrary.org
Union Representative	United Auto Workers Union	Attn: Michael Nicholson	mnicholson@uaw.net
Counsel for United States of America	Unites States Attorney	Julia A. Caroff, Assitant US Attorney	julia.caroff@usdoj.gov
Union Representative	Utility Workers Union of America	Attn: James Harrison	jharrison@uwua.net
Union Representative	Utility Workers Union of America Local #488	Attn: Carl Anderson	canderson@dwsd.org
Union Representative	Utility Workers Union of America Local #504	Attn: Curlisa Jones	mcqueen@dwsd.org
Union Representative	Utility Workers Union of America Local #531	Attn: Samuel Wilson	swilson@dwsd.org
Counsel for Center for Community Justice and Advocacy ("CCJA")	Vanessa G. Fluker, Esq., PLLC	Vanessa G Fluker	vgflawyer@sbcglobal.net
Interested Party	Vanguardians	Barry Allen	pra@vanguardians.org
Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Attn: David E. Lemke, Esq. & Courtney Rogers	david.lemke@wallerlaw.com; courtney.rogers@wallerlaw.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Michael R Paslay Ryan K Cochran	Mike.Paslay@wallerlaw.com; Ryan.Cochran@wallerlaw.com
Counsel for UBS AG and Merrill Lynch Capital Services, Inc. (COP Swap Counterparties)	Warner Norcross & Judd LLP	Charles N Ash Jr	cash@wnj.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
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Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Attn: Gary T. Holtzer, Esq. & Alfredo R. Pérez, Esq.	gary.holtzer@weil.com; alfredo.perez@weil.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Kelly DiBlasi	kelly.dibiasi@weil.com
Counsel for Robbie Flowers, Michael Wells, Janet Whitson, Mary Washington and Bruce Goldman	William A. Wertheimer		billwertheimer@gmail.com
Counsel for Financial Guaranty Insurance Company	Williams Williams Rattner & Plunkett PC	Ernest J Essad Jr & Mark R James	ejessad@wwrplaw.com; mrjames@wwrplaw.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Attn: Lawrence A. Larose Samuel S. Kohn Carrie V. Hardman	llarose@winston.com; skohn@winston.com; chardman@winston.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Sarah T. Foss	sfoss@winston.com
Counsel for The Bank of New York Mellon	Wolfson Bolton PLLC	Scott A Wolfson & Anthony J Kochis	swolfson@wolfsonbolton.com; akochis@wolfsonbolton.com
Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	dls@wmlaborlaw.com
Counsel for Oakland County	Young & Associates	Jaye Quadrozzi and Sara K. MacWilliams	macwilliams@youngpc.com; quadrozzi@youngpc.com; efiling@youngpc.com

# **EXHIBIT B**

**Exhibit B**  
**Served via Overnight Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
Interested Party	Ricoh USA Inc	Recovery & Bankruptcy Group	3920 Arkwright Rd Ste 400		Macon	GA	31210
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

# EXHIBIT C

**Exhibit C**  
**Served via Overnight Mail**

COMPANY	CONTACT	ADDRESS1	ADDRESS2	CITY	STATE	ZIP
Michigan AFSCME Council 25 et al	Richard G Mack Jr	Miller Cohen PLC	600 W Lafayette Blvd 4th Floor	Detroit	MI	48226



**ITEM 17**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

Chapter 9

City of Detroit, Michigan,

Case No. 13-53846

Debtor.

Hon. Steven W. Rhodes

**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On October 22, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit A**; and via Overnight mail on the service list attached hereto as **Exhibit B**:

- Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (October 22, 2014) [Docket No. 8045]
- Notice of Filing of Redlined Version of Eighth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 8046]
- Motion of the City of Detroit, Pursuant to Section 105(a) of the Bankruptcy Code, for an Order Confirming that the Automatic Stay Does Not Apply to Disciplinary Proceedings Initiated by the City Against City Officers and Employees [Docket No. 8060]

Dated: October 22, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245



# **EXHIBIT A**

**Exhibit A**  
**Served via Email**

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Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Union Representative	AFSCME Council #25	Attn: Catherine Phillips	cphillips@miafscme.org
Union Representative	AFSCME Council #25	Attn: DeAngelo Malcolm	dmalcolm@miafscme.org
Union Representative	AFSCME Council #25	Attn: Ed McNeil	emcneil@miafscme.org
Union Representative	AFSCME Local # 6087	Attn: Clarence Sanders	clmcndrs@yahoo.com
Union Representative	AFSCME Local #0062	Attn: Lacydia Moore-Reese	Reesel@detroitmi.gov
Union Representative	AFSCME Local #0207	Attn: James Williams	afscme207@sbcglobal.net
Union Representative	AFSCME Local #0214	Attn: June Nickleberry	missnick64@hotmail.com
Union Representative	AFSCME Local #0229	Attn: Zachary Carr	afscmelocal229@gmail.com
Union Representative	AFSCME Local #0273	Attn: Scecella Hunt	anurses@att.net
Union Representative	AFSCME Local #0542	Attn: Phyllis McMillon	philphil48238@yahoo.com
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Union Representative	AFSCME Local #1206	Attn: Arlene Kirby	arlene.kirby@yahoo.com
Union Representative	AFSCME Local #1220	Attn: Gerald Thompson	gvp1220@aol.com
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Union Representative	AFSCME Local #2394	Attn: Yalonda King	KingY687@detroitmi.gov
Union Representative	AFSCME Local #2799	Attn: Yvonne Ross	Yvonnerr2001@yahoo.com
Union Representative	AFSCME Local #2920	Attn: Thomas Johnson II	local2920@sbcglobal.net
Counsel for Airgas USA LLC	Airgas USA LLC	Mr David Boyle	david.boyle@airgas.com
Counsel for Dexia Cr�dit Local, Dexia Holdings, Inc., Norddeutsche Landesbank Luxembourg, S.A., on behalf of Norddeutsche Landesbank Covered Finance Bank S.A. (collectively "Dexia") and Ad Hoc COPs Holders; and Panning Capital Management, LP, Monarch Alternative Capital LP, Bronze Gable, L.L.C. Aurelius Capital Management, LP, Stone Lion Capital Partners L.P.,	Allard & Fish PC	Deborah L Fish and Timothy R. Graves	dfish@allardfishpc.com; tgraves@allardfishpc.com
Union Representative	Amalgamated Transit Union, Division 26	Attn: Henry Gaffney	atulocal26pba@aol.com
Counsel for Ian Mobley, Paul Kaiser, Angie Wong, James Washington, Nathaniel Price, Stephanie Hollander, Jason Leverette-Saunders, Darlene Hellenberg, Kimberly Mobley, Jerome Price, Wanda Leverette, and Laura Mahler.	American Civil Liberties Union Fund of Michigan	Daniel S. Korobkin	dkorobkin@aclumich.org
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Counsel for Ambac Assurance Corporation	Arent Fox LLP	David L Dubrow	David.Dubrow@arentfox.com
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Union Representative	Association of City of Detroit Supervisors	Attn: Richard King	KingR@detroitmi.gov
Union Representative	Association of Detroit Engineers	Attn: Sanjay M. Patel	patel@dwsd.org
Union Representative	Association of Municipal Engineers	Attn: Partho Ghosh	pghosh@dwsd.org
Union Representative	Association of Municipal Inspectors	Attn: Michael Neil	m.neil@sbcglobal.net
Union Representative	Association of Professional & Technical Employees	Attn: Dempsey Addison	theda3t@yahoo.com
Union Representative	Association of Professional Construction Inspectors	Attn: Juanita Sanders	senorita@bonita@peoplepc.com
The Office of the Attorney General of the State of Michigan	Attorney General Bill Schuette		miag@michigan.gov
Counsel for Detroit Branch NAACP, Michigan State Conference NAACP, Donnell White, individually and on behalf of Detroit Branch NAACP and Michigan State Conference NAACP, Thomas Stallworth III, individually, Rashida Tlaib, individually, and Maureen Taylor, individually, interested parties in this bankruptcy matter as it pertains to their civil suit in the Federal Eastern District Court of Michigan (Case Number 13-CV-12098)	Ayad Law PLLC	Nabih H Ayad	nayad@ayadlaw.com
Counsel for Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A., Hypothekbank Frankfurt AG, Hypothekbank Frankfurt International S.A., and Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (collectively "EPEK").	Ballard Spahr LLP	Vincent J Marriott	marriott@ballardspahr.com
Attorneys for Hypothekbank Frankfurt AG, Hypothekbank Frankfurt International S.A., Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A.	Ballard Spahr LLP	Vincent J. Marriott, III, Benjamin M. Schmidt, and Ma	marriott@ballardspahr.com; whitema@ballardspahr.com; schmidt@ballardspahr.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
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Counsel for Genuine Parts Company	Barack Ferrazzano Kirschbaum & Nagelberg LLP	Kimberly J Robinson	Kim.robinson@bfn.com
Counsel for the 36th District Court for the State of Michigan	Barnes & Thornburg LLP	Peter A Clark	pclark@btlaw.com
Counsel for the 36th District Court for the State of Michigan	Barnes & Thornburg LLP	Patrick E. Mears & Scott R Murphy	pmears@btlaw.com; smurphy@btlaw.com
Counsel to Hyde Park Cooperative and Plymouth Square Limited Housing Association	Becker & Wasvary PLLC	Carl G Becker	markwasvary@hotmail.com; mark@wasvarylaw.com
Counsel for Assured Guaranty Corporation and Assured Guaranty Municipal Corporation	Berkshire Hathaway Assurance Corporation	Attn: Kara Raiguel, Sunil Khanna and Thomas Scherer	skhanna@berkre.com
Counsel to UBS, AG (COP Swap Counterparties)	Bingham McCutchen LLP	Attn: Edwin E. Smith, Esq.	Edwin.smith@bingham.com
Counsel for UBS AG (COP Swap Counterparties)	Bingham McCutchen LLP	Edwin E Smith Jared Clark Steven Wilamowsky & E Marcus Marsh	edwin.smith@bingham.com; jared.clark@bingham.com; steven.wilamowsky@bingham.co m; marcus.marsh@bingham.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Bodman PLC	Attn: Barbara A. Bowman, Esq.	bbowman@bodmanlaw.com
Counsel for Blue Cross Blue Shield of Michigan and Blue Care Network of Michigan	Bodman PLC	Brian R Trumbauer	btrumbauer@bodmanlaw.com
Local Counsel for U.S. Bank National Association	Bodman PLC	Robert J Diehl Jr	rdiehl@bodmanlaw.com
Counsel for Amalgamated Transit Union Local 26	Bredhoff & Kaiser PLLC	Andrew D Roth Jeffrey R Freund & Douglas L Greenfield	aroeth@bredhoff.com jfreund@bredhoff.com dgreenfield@bredhoff.com
Counsel for the Official Committee of Retirees	Brooks Wilkins Sharkey & Turco PLLC	Matthew E Wilkins & Paula A Hall	wilkins@bwst-law.com; hall@bwst-law.com
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Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Brian E McGinty	McGinty@butzel.com
Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Brian E McGinty	McGinty@butzel.com
Attorneys for Defendants, Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Bruce L Sendek Thomas B Radom Cynthia J Haffey	radom@butzel.com; Haffey@butzel.com; Sendek@butzel.com
Attorneys for Defendants, Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Bruce L Sendek Thomas B Radom Cynthia J Haffey	radom@butzel.com; Haffey@butzel.com; Sendek@butzel.com
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Interested Party	Chase Paymentech LLC	Attn Lazonia Clark Business Analyst	lazonia.clark@chasepaymentech.com
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Counsel for Treasurer, City of Detroit	City of Detroit, Law Department	Mary Beth Cobbs	cobbm@detroitmi.gov
Counsel for the Police and Fire Retirement System of the City of Detroit (the "PFRS") and the General Retirement System of the City of Detroit (the "GRS")	Clark Hill PLC	Evan J Feldman	efeldman@clarkhill.com
Counsel for the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit	Clark Hill PLC	Robert D Gordon	rgordon@clarkhill.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
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Counsel for International Union, UAW ("UAW")	Cohen Weiss and Simon LLP	Babette A Ceccotti Thomas N. Ciantra & Peter D. DeChiara and Joshua J. Ellison	bceccotti@cwsny.com; pdechiera@cwsny.com; tciantra@cwsny.com; jellison@cwsny.com
Counsel for HP Enterprise Services LLC	Cole Schotz Meisel Forman & Leonard PA	Michael D Warner	mwarn@coleschotz.com
Counsel for Catherine Phillips et al; Counsel for Thomas Stephens	Constitutional Litigation Associates, PC	Hugh M Davis	conlitpc@sbcglobal.net
Counsel for Waste Management Inc.	Couzens Lansky Fealk Ellis Roeder & Lazar PC	Attn Jerry M Ellis	jerry.ellis@couzens.com
Counsel for The Detroit Institute of Arts	Cravath Swaine & Moore LLP	Richard Levin	rlevin@cravath.com
Counsel for Southeastern Oakland County Water Authority	Davis Burket Savage Listman Brennan	William N Listman	rdavis@dsbattorneys.com
Counsel for Merrill Lynch Capital Services, Inc.	Davis Polk & Wardwell LLP	Marshall S Huebner	detroit.chapter9.service@davispolk.com
Counsel for T-Mobile USA, Inc	Dawda, Mann, Mulcahy & Sadler, PLC	Attn Jessica B Allmand	jallmand@dmms.com
Counsel to National Industrial Maintenance – Michigan, Inc	Dean & Fulkerson	Attn Kevin N Summers	Ksummers@dflaw.com
Counsel for Berkshire Hathaway Assurance Corporation	Debevoise & Plimpton LLP	My Chi To & M Natasha Labovitz	mcto@debevoise.com nlabovitz@debevoise.com
Attorneys for County of Macomb, Michigan, a Michigan Constitutional corporation, by and through its County Agency, the Macomb County Public Works Commissioner	Dechert LLP	Allan S Brilliant & Stephen M Wolpert	allan.brilliant@dechert.com; stephen.wolpert@dechert.com
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Counsel for John Denis, James Herbert, HRT Enterprises (a Michigan partnership), T&T Management, Inc. (a Florida corporation, successor to Merkur Steel Supply, Inc., a Michigan corporation); Counsel for John W and Vivian M Denis Trust	Demorest Law Firm, PLLC	Mark S Demorest & Melissa L Demorest	melissa@demolaw.com
Counsel for Dentons US LLP and Salans FMC SNR Dentons Europe LLP; and Counsel to the Official Retiree Committee	Dentons US LLP	Carole Neville	carole.neville@Dentons.com
Counsel for Official Retiree Committee	Dentons US LLP	Sam J Alberts	sam.alberts@Dentons.com
Union Representative	Detroit Fire Fighters Association Local 344	Attn: Daniel McNamara	dmcnamara344@aol.com
Union Representative	Detroit Income Tax Investigators Association	Attn: Marcella Campbell	marcicampbel@gmail.com
Union Representative	Detroit Police Command Officers Association	Attn: Steven Dolunt	DoluntS320@detroitmi.gov
Union Representative	Detroit Police Lieut. & Sergeants Association	Attn: Mark Young	youngM604@detroitmi.gov; Polo4491@aol.com
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Union Representative	Detroit Police Officers Association	Attn: Mark Diaz	DiazM3329@gmail.com
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Counsel for Chapter 7 Trustee, Charles Taunt	Dib and Fagan PC	Barry S Fagan	bfagan@dibandfagan.com
State of Michigan, Department of Attorney General	Dickinson Wright PLLC	Dawn R Copley	dcopley@dickinsonwright.com
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Counsel for Defendat MGM Grand Detroit, LLC	Dickinson Wright PLLC	Michael C Hammer	mhammer3@dickinsonwright.com
Counsel for Defendat MGM Grand Detroit, LLC	Dickinson Wright PLLC	Peter H Ellsworth	pellsworth@dickinsonwright.com
State of Michigan, Department of Attorney General	Dickinson Wright PLLC	Steven G Howell and Allison R Bach	showell@dickinsonwright.com; abach@dickinsonwright.com
Union Representative	DOT Foremen's Association of America Local 337	Attn: Nicholas Duncan	NicDun@detroitmi.gov
Union Representative	DOT Foreperson's Association of America	Attn: Pamela King	Pamkin@detroitmi.gov
Top 20 Creditor	Downtown Development Authority	Athanasios Papapanos Glen W Long Jr and Rebecca Navin	Artp1@degc.org; gwlorg@degc.org; navin@degc.org;
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Counsel for Wilmington Trust Company, National Association	Drinker Biddle & Reath LLP	Attn: Kristin K. Going, Esq.	Kristin.Going@dbr.com
Counsel to, DTE Electric Company and DTE Gas Company	DTE Energy Company	Leland Prince	prince@dteenergy.com
Counsel for Attorneys for Health Alliance Plan of Michigan	Dykema Gossett PLLC	Ronald L Rose	rrose@dykema.com
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Counsel for the City of Detroit	Dykema Gossett PLLC	Robert J. Franzinger and Jong-Ju Chang	jchang@dykema.com; rfranzinger@dykema.com
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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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Union Representative	Utility Workers Union of America Local #504	Attn: Curlisa Jones	mcqueen@dwsd.org
Union Representative	Utility Workers Union of America Local #531	Attn: Samuel Wilson	swilson@dwsd.org
Counsel for Center for Community Justice and Advocacy ("CCJA")	Vanessa G. Fluker, Esq., PLLC	Vanessa G Fluker	vgflawyer@sbcglobal.net
Interested Party	Vanguardians	Barry Allen	pra@vanguardians.org
Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Attn: David E. Lemke, Esq. & Courtney Rogers	david.lemke@wallerlaw.com; courtney.rogers@wallerlaw.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Waller Lansden Dortch & Davis LLP	Michael R Paslay Ryan K Cochran	Mike.Paslay@wallerlaw.com; Ryan.Cochran@wallerlaw.com
Counsel for UBS AG and Merrill Lynch Capital Services, Inc. (COP Swap Counterparties)	Warner Norcross & Judd LLP	Charles N Ash Jr	cash@wnj.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for UBS AG and Merrill Lynch Capital Services Inc (COP Swap Counterparties)	Warner Norcross & Judd LLP	Stephen B Grow Douglas A Dozeman & Charles N Ash Jr	sgrow@wnj.com; ddozeman@wnj.com; cash@wnj.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Alfredo R Perez	alfredo.perez@weil.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Attn: Gary T. Holtzer, Esq. & Alfredo R. Pérez, Esq.	gary.holtzer@weil.com; alfredo.perez@weil.com
Counsel for Financial Guaranty Insurance Company	Weil, Gotshal & Manges LLP	Kelly DiBlasi	kelly.dibiasi@weil.com
Counsel for Robbie Flowers, Michael Wells, Janet Whitson, Mary Washington and Bruce Goldman	William A. Wertheimer		billwertheimer@gmail.com
Counsel for Financial Guaranty Insurance Company	Williams Williams Rattner & Plunkett PC	Ernest J Essad Jr & Mark R James	ejessad@wwrplaw.com; mrjames@wwrplaw.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Attn: Lawrence A. Larose Samuel S. Kohn Carrie V. Hardman	llarose@winston.com; skohn@winston.com; chardman@winston.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Sarah T. Foss	sfoss@winston.com
Counsel for The Bank of New York Mellon	Wolfson Bolton PLLC	Scott A Wolfson & Anthony J Kochis	swolfson@wolfsonbolton.com; akochis@wolfsonbolton.com
Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	dls@wmlaborlaw.com
Counsel for Oakland County	Young & Associates	Jaye Quadrozzi and Sara K. MacWilliams	macwilliams@youngpc.com; quadrozzi@youngpc.com; efiling@youngpc.com

# **EXHIBIT B**

**Exhibit B**  
**Served via Overnight Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
Interested Party	Ricoh USA Inc	Recovery & Bankruptcy Group	3920 Arkwright Rd Ste 400		Macon	GA	31210
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

**ITEM 18**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

Chapter 9

City of Detroit, Michigan,

Case No. 13-53846

Debtor.

Hon. Steven W. Rhodes

**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On October 18, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via First Class mail on the service list attached hereto as **Exhibit A**:

- Reply to Response of Wilmington Trust, National Association, to Notice of Amended Executory Contracts and Unexpired Leases to be Rejected Filed by the City of Detroit [Docket No. 7997]

On October 18, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit B**; and via Overnight mail on the service list attached hereto as **Exhibit C** and **Exhibit D**:

- Reply in Support of Objection to Proof of Claim Number 2851 Filed by the Coalition of Detroit Unions [Docket No. 8002]

On October 18, 2014, at my direction and under my supervision, employees of KCC caused to be served the following documents via Email on the service list attached hereto as **Exhibit B**; and via Overnight mail on the service list attached hereto as **Exhibit C** and **Exhibit E**:

- Corrected Reply in Support of Objection to Proof of Claim Number 2958 Filed by Michigan AFSCME Council 25 and its Affiliated Detroit Locals [Docket No. 8003]

Dated: October 20, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245



# EXHIBIT A



**Exhibit A**  
**Served via First Class Mail**

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip
Detroit General Retirement System Service Corporation	Attention: President	c/o Lewis & Munday, P.C.	660 Woodward Avenue Suite 2490	Detroit	MI	48226-3502
Detroit Police and Fire Retirement System Service Corporation	Attention: President	c/o Lewis & Munday, P.C.	660 Woodward Avenue Suite 2490	Detroit	MI	48226-3502
Drinker Biddle & Reath LLP	Attn: Kristin K. Going, Esq.	1500 K Street, N.W., Suite 1100		Washington	DC	20005-1209
LEWIS & MUNDAY PC		660 Woodward Ave Ste #2490		Detroit	MI	48226
Wilmington Trust. National Association	Attention: Jay H . Smith IV	25 South Charles Street. 11th Floor		Baltimore	MD	21201

# **EXHIBIT B**

**Exhibit B**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for Martin O'Brien	A. Stephen Ramadan PLC	A Stephen Ramadan P41892	stevearamadan@gmail.com
Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Union Representative	AFSCME Council #25	Attn: Albert Garrett	agarrett@miafscme.org
Union Representative	AFSCME Council #25	Attn: Catherine Phillips	cphillips@miafscme.org
Union Representative	AFSCME Council #25	Attn: DeAngelo Malcolm	dmalcolm@miafscme.org
Union Representative	AFSCME Council #25	Attn: Ed McNeil	emcneil@miafscme.org
Union Representative	AFSCME Local # 6087	Attn: Clarence Sanders	clmcndrs@yahoo.com
Union Representative	AFSCME Local #0062	Attn: Lacydia Moore-Reese	Reesel@detroitmi.gov
Union Representative	AFSCME Local #0207	Attn: James Williams	afscme207@sbcglobal.net
Union Representative	AFSCME Local #0214	Attn: June Nickleberry	missnick64@hotmail.com
Union Representative	AFSCME Local #0229	Attn: Zachary Carr	afscmelocal229@ymail.com
Union Representative	AFSCME Local #0273	Attn: Scecella Hunt	anurses@att.net
Union Representative	AFSCME Local #0542	Attn: Phyllis McMillon	philphil48238@yahoo.com
Union Representative	AFSCME Local #0836	Attn: Robert Donald	union836@yahoo.com
Union Representative	AFSCME Local #1023	Attn: Delia Enright	afscmelocal1023@att.net;
Union Representative	AFSCME Local #1206	Attn: Arlene Kirby	deliaenright@hotmail.com
Union Representative	AFSCME Local #1220	Attn: Gerald Thompson	arlene.kirby@yahoo.com
			gvp1220@aol.com
Union Representative	AFSCME Local #1227	Attn: Joseph Walter	presidentlocal1227@hotmail.com
Union Representative	AFSCME Local #2394	Attn: Yalonda King	KingY687@detroitmi.gov
Union Representative	AFSCME Local #2799	Attn: Yvonne Ross	Yvonnerr2001@yahoo.com
Union Representative	AFSCME Local #2920	Attn: Thomas Johnson II	local2920@sbcglobal.net
Counsel for Airgas USA LLC	Airgas USA LLC	Mr David Boyle	david.boyle@airgas.com
Counsel for Dexia Cr�dit Local, Dexia Holdings, Inc., Norddeutsche Landesbank Luxembourg, S.A., on behalf of Norddeutsche Landesbank Covered Finance Bank S.A. (collectively "Dexia") and Ad Hoc COPs Holders; and Panning Capital Management, LP, Monarch Alternative Capital LP, Bronze Gable, L.L.C. Aurelius Capital Management, LP, Stone Lion Capital Partners L.P.,	Allard & Fish PC	Deborah L Fish and Timothy R. Graves	dfish@allardfishpc.com;
Union Representative	Amalgamated Transit Union, Division 26	Attn: Henry Gaffney	tgraves@allardfishpc.com
Counsel for Ian Mobley, Paul Kaiser, Angie Wong, James Washington, Nathaniel Price, Stephanie Hollander, Jason Leverette-Saunders, Darlene Hellenberg, Kimberly Mobley, Jerome Price, Wanda Leverette, and Laura Mahler.	American Civil Liberties Union Fund of Michigan	Daniel S. Korobkin	atulocal26pba@aol.com
Counsel for AFSCME and the Detroit, Michigan, Retiree Sub-Chapter 98 of the American Federation of State, County & Municipal Employees, AFL-CIO	American Federation of State, County & Municipal Employees, AFL-CIO	William Lurye Matthew Stark Blumin & Michael Artz	dkorobkin@aclumich.org
Counsel for Fidelity Management & Research Company and Eaton Vance Management	Andrew J Gerdes PLC	Andrew J Gerdes	BLurye@afscme.org;
			martz@afscme.org;
			mblumin@afscme.org
Counsel for Ambac Assurance Corporation	Arent Fox LLP	Carol Connor Cohen & Caroline Turner English & Ralph A Taylor Jr & Emily Bayer Leah C. Montesano	agerdes@gerdesplc.com
Counsel for Ambac Assurance Corporation	Arent Fox LLP	David L Dubrow	Carol.Cohen@arentfox.com;
			caroline.english@arentfox.com;
Counsel for Ambac Assurance Corporation	Arent Fox LLP	Attn: David Dubrow, Esq. & Mark A Angelov	caroline.english@arentfox.com;
Counsel for Ambac Assurance Corporation	Arent Fox LLP	Randall Brater	emily.bayer@arentfox.com;
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Co-Counsel for the General Retirement System of the City of Detroit and Police and Fire Retirement System of the City of Detroit	Arnold & Porter LLP	Lisa Hill Fenning	David.Dubrow@arentfox.com;
Counsel for Attorney General Bill Schuette	Assistant Attorney General Solicitor General and Deputy Solicitor General	Michael R Bell John J Bursch and B Eric Restuccia	david.dubrow@arentfox.com;
Union Representative	Assistant Supervisors of Street Maintenance & Construction Association	Attn: Herbert Jenkins	mark.angelov@arentfox.com;
Union Representative	Association of City of Detroit Supervisors	Attn: Richard King	carol.cohen@arentfox.com
Union Representative	Association of Detroit Engineers	Attn: Sanjay M. Patel	carol.cohen@arentfox.com
Union Representative	Association of Municipal Engineers	Attn: Partho Ghosh	carol.cohen@arentfox.com
Union Representative	Association of Municipal Inspectors	Attn: Michael Neil	carol.cohen@arentfox.com
Union Representative	Association of Professional & Technical Employees	Attn: Dempsey Addison	carol.cohen@arentfox.com
Union Representative	Association of Professional Construction Inspectors	Attn: Juanita Sanders	carol.cohen@arentfox.com
The Office of the Attorney General of the State of Michigan	Attorney General Bill Schuette		randall.brater@arentfox.com
Counsel for Detroit Branch NAACP, Michigan State Conference NAACP, Donnell White, individually and on behalf of Detroit Branch NAACP and Michigan State Conference NAACP, Thomas Stallworth III, individually, Rashida Tlaib, individually, and Maureen Taylor, individually, interested parties in this bankruptcy matter as it pertains to their civil suit in the Federal Eastern District Court of Michigan (Case Number 13-CV-12098)	Ayad Law PLLC	Nabih H Ayad	lisa.fenning@aporter.com
Counsel for Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A., Hypothekbank Frankfurt AG, Hypothekbank Frankfurt International S.A., and Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (collectively "EPEK").	Ballard Spahr LLP	Vincent J Marriott	lisa.fenning@aporter.com
Attorneys for Hypothekbank Frankfurt AG, Hypothekbank Frankfurt International S.A., Erste Europ�ische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A.	Ballard Spahr LLP	Vincent J. Marriott, III, Benjamin M. Schmidt, and Ma	miag@michigan.gov

**Exhibit B**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A., Hypothekenbank Frankfurt AG, Hypothekenbank Frankfurt International S.A., and Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (collectively "EPEK")	Ballard Spahr LLP	Matthew G Summers	summersm@ballardspahr.com
Counsel for Genuine Parts Company	Barack Ferrazzano Kirschbaum & Nagelberg LLP	Kimberly J Robinson	Kim.robinson@bfn.com
Counsel for the 36th District Court for the State of Michigan	Barnes & Thornburg LLP	Peter A Clark	pclark@btlaw.com
Counsel for the 36th District Court for the State of Michigan	Barnes & Thornburg LLP	Patrick E. Mears & Scott R Murphy	pmears@btlaw.com; smurphy@btlaw.com
Counsel to Hyde Park Cooperative and Plymouth Square Limited Housing Association	Becker & Wasvary PLLC	Carl G Becker	markwasvary@hotmail.com; mark@wasvarylaw.com
Counsel for Assured Guaranty Corporation and Assured Guaranty Municipal Corporation	Berkshire Hathaway Assurance Corporation	Attn: Kara Raiguel, Sunil Khanna and Thomas Scherer	skhanna@berkre.com
Counsel to UBS, AG (COP Swap Counterparties)	Bingham McCutchen LLP	Attn: Edwin E. Smith, Esq.	Edwin.smith@bingham.com
Counsel for UBS AG (COP Swap Counterparties)	Bingham McCutchen LLP	Edwin E Smith Jared Clark Steven Wilamowsky & E Marcus Marsh	edwin.smith@bingham.com; jared.clark@bingham.com; steven.wilamowsky@bingham.co m; marcus.marsh@bingham.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Bodman PLC	Attn: Barbara A. Bowman, Esq.	bbowman@bodmanlaw.com
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Local Counsel for U.S. Bank National Association	Bodman PLC	Robert J Diehl Jr	rdiehl@bodmanlaw.com
Counsel for Amalgamated Transit Union Local 26	Bredhoff & Kaiser PLLC	Andrew D Roth Jeffrey R Freund & Douglas L Greenfield	aroeth@bredhoff.com jfreund@bredhoff.com dgreenfield@bredhoff.com
Counsel for the Official Committee of Retirees	Brooks Wilkins Sharkey & Turco PLLC	Matthew E Wilkins & Paula A Hall	wilkins@bwst-law.com; hall@bwst-law.com
Attorneys for Creditors, Oracle America, Inc. and Oracle Credit Corporation	Buchalter Nemer, A Professional Corporation	Shawn M Christianson	schristianson@buchalter.com
Union Representative	Building & Construction Trades Council	Attn: John Wallace	express33@aol.com
Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Cynthia J Haffey	Haffey@butzel.com
Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Brian E McGinty	McGinty@butzel.com
Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Brian E McGinty	McGinty@butzel.com
Attorneys for Defendants, Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Bruce L Sendek Thomas B Radom Cynthia J Haffey	radom@butzel.com; Haffey@butzel.com; Sendek@butzel.com
Attorneys for Defendants, Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Bruce L Sendek Thomas B Radom Cynthia J Haffey	radom@butzel.com; Haffey@butzel.com; Sendek@butzel.com
Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Bruce L Sendek	Sendek@butzel.com
Attorneys for Defendants Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation	Butzel Long, PC	Bruce L Sendek	Sendek@butzel.com
Counsel for Merrill Lynch Capital Services Inc.	Cadwalader Wickersham & Taft LLP	Attn: Howard R. Hawkins, Jr., Esq. & Lary Stromfeld, Esq.	Howard.Hawkins@cwt.com; lary.stromfeld@cwt.com
Counsel for Merrill Lynch Capital Services Inc.	Cadwalader Wickersham & Taft LLP	Attn: Mark C. Ellenberg Esq.	mark.ellenberg@cwt.com
Counsel for Merrill Lynch Capital Services Inc	Cadwalader Wickersham & Taft LLP	Mark Ellenberg Howard Hawkins Lary Stromfeld & Jason Jurgens	Mark.Ellenberg@cwt.com; Lary.Stromfeld@cwt.com; Jason.Jurgens@cwt.com
Interested Party	Caralyce M Lassner JD PC	Caralyce M Lassner	ecf@lassnerlaw.com
Counsel for Oakland County	Carson Fischer PLC	Attn Joseph M Fischer Robert Weisberg & Christopher Grossman	jfischer@carsonfischer.com; rweisberg@carsonfischer.com; cgrosman@carsonfischer.com
Counsel for Assured Guaranty	Chadbourne & Parke LLP	Larry Larose Lisa Schapira Marc D. Ashley Marc B. Roitman and Sam Kohn	llarose@chadbourne.com ; skohn@chadbourne.com ; lschapira@chadbourne.com ; sbloomfield@chadbourne.com; edaucher@chadbourne.com; bflom@chadbourne.com; mashley@chadbourne.com; mroitman@chadbourne.com
Interested Party	Chase Paymentech LLC	Attn Lazonia Clark Business Analyst	lazonia.clark@chasepaymentech.com
Claims and Noticing Agent	City of Detroit Processing Center	c/o KCC	Detroitinfo@kccllc.com
Counsel for Treasurer, City of Detroit	City of Detroit, Law Department	Mary Beth Cobbs	cobbm@detroitmi.gov
Counsel for the Police and Fire Retirement System of the City of Detroit (the "PFRS") and the General Retirement System of the City of Detroit (the "GRS")	Clark Hill PLC	Evan J Feldman	efeldman@clarkhill.com
Counsel for the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit	Clark Hill PLC	Robert D Gordon	rgordon@clarkhill.com

**Exhibit B**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for the Police and Fire Retirement System of the City of Detroit (the "PFRS") and the General Retirement System of the City of Detroit (the "GRS")	Clark Hill PLC	Shannon L Deeby	sdeeby@clarkhill.com
Counsel for International Union, UAW ("UAW")	Cohen Weiss and Simon LLP	Babette A Ceccotti Thomas N. Ciantra & Peter D. DeChiara and Joshua J. Ellison	bceccotti@cwsny.com; pdechiara@cwsny.com; tciantra@cwsny.com; jellison@cwsny.com
Counsel for HP Enterprise Services LLC	Cole Schotz Meisel Forman & Leonard PA	Michael D Warner	mwarn@coleschotz.com
Counsel for Catherine Phillips et al; Counsel for Thomas Stephens	Constitutional Litigation Associates, PC	Hugh M Davis	conlitpc@sbcglobal.net
Counsel for Waste Management Inc.	Couzens Lansky Fealk Ellis Roeder & Lazar PC	Attn Jerry M Ellis	jerry.ellis@couzens.com
Counsel for The Detroit Institute of Arts	Cravath Swaine & Moore LLP	Richard Levin	rlevin@cravath.com
Counsel for Southeastern Oakland County Water Authority	Davis Burket Savage Listman Brennan	William N Listman	rdavis@dsbattorneys.com
Counsel for Merrill Lynch Capital Services, Inc.	Davis Polk & Wardwell LLP	Marshall S Huebner	detroit.chapter9.service@davispolk.com
Counsel for T-Mobile USA, Inc	Dawda, Mann, Mulcahy & Sadler, PLC	Attn Jessica B Allmand	jallmand@dmms.com
Counsel to National Industrial Maintenance – Michigan, Inc	Dean & Fulkerson	Attn Kevin N Summers	Ksummers@dflaw.com
Counsel for Berkshire Hathaway Assurance Corporation	Debevoise & Plimpton LLP	My Chi To & M Natasha Labovitz	mcto@debevoise.com nlabovitz@debevoise.com
Attorneys for County of Macomb, Michigan, a Michigan Constitutional corporation, by and through its County Agency, the Macomb County Public Works Commissioner	Dechert LLP	Allan S Brilliant & Stephen M Wolpert	allan.brilliant@dechert.com; stephen.wolpert@dechert.com
Counsel for HRT Enterprises	Demorest Law Firm PLLC	Lisa Okasinski	Lisa@demolaw.com
Counsel for John Denis, James Herbert, HRT Enterprises (a Michigan partnership), T&T Management, Inc. (a Florida corporation, successor to Merkur Steel Supply, Inc., a Michigan corporation); Counsel for John W and Vivian M Denis Trust	Demorest Law Firm, PLLC	Mark S Demorest & Melissa L Demorest	melissa@demolaw.com
Counsel for Dentons US LLP and Salans FMC SNR Dentons Europe LLP; and Counsel to the Official Retiree Committee	Dentons US LLP	Carole Neville	carole.neville@Dentons.com
Counsel for Official Retiree Committee	Dentons US LLP	Sam J Alberts	sam.alberts@Dentons.com
Union Representative	Detroit Fire Fighters Association Local 344	Attn: Daniel McNamara	dmcnamara344@aol.com
Union Representative	Detroit Income Tax Investigators Association	Attn: Marcella Campbell	marcicampbel@gmail.com
Union Representative	Detroit Police Command Officers Association	Attn: Steven Dolunt	DoluntS320@detroitmi.gov
Union Representative	Detroit Police Lieut. & Sergeants Association	Attn: Mark Young	youngM604@detroitmi.gov; Polo4491@aol.com
Counsel for Detroit Housing Commission	Detroit Housing Commission	Angela Williams	williamsa@dhcml.org
Union Representative	Detroit Police Officers Association	Attn: Mark Diaz	DiazM3329@gmail.com
Retiree Representative	Detroit Retired City Employees Association	Attn: Shirley V. Lightsey	info@drcea.org
Counsel for Chapter 7 Trustee, Charles Taunt	Dib and Fagan PC	Barry S Fagan	bfagan@dibandfagan.com
State of Michigan, Department of Attorney General	Dickinson Wright PLLC	Dawn R Copley	dcopley@dickinsonwright.com
Counsel for Defendat MGM Grand Detroit, LLC	Dickinson Wright PLLC	Jeffery V Stuckey	jstuckey@dickinsonwright.com
Counsel for Defendat MGM Grand Detroit, LLC	Dickinson Wright PLLC	Michael C Hammer	mhammer3@dickinsonwright.com
Counsel for Defendat MGM Grand Detroit, LLC	Dickinson Wright PLLC	Peter H Ellsworth	pellsworth@dickinsonwright.com
State of Michigan, Department of Attorney General	Dickinson Wright PLLC	Steven G Howell and Allison R Bach	showell@dickinsonwright.com; abach@dickinsonwright.com
Union Representative	DOT Foremen's Association of America Local 337	Attn: Nicholas Duncan	NicDun@detroitmi.gov
Union Representative	DOT Foreperson's Association of America	Attn: Pamela King	Pamkin@detroitmi.gov
Top 20 Creditor	Downtown Development Authority	Athanasios Papapanos Glen W Long Jr and Rebecca Navin	Artp1@degc.org; gwrong@degc.org; navin@degc.org;
Counsel for Wilmington Trust Company, National Association	Drinker Biddle & Reath LLP	Attn: Heath D. Rosenblat, Esq.	Heath.Rosenblat@dbr.com
Counsel for Wilmington Trust Company, National Association	Drinker Biddle & Reath LLP	Attn: Kristin K. Going, Esq.	Kristin.Going@dbr.com
Counsel to, DTE Electric Company and DTE Gas Company	DTE Energy Company	Leland Prince	prince@dteenergy.com
Counsel for Attorneys for Health Alliance Plan of Michigan	Dykema Gossett PLLC	Ronald L Rose	rrose@dykema.com
Counsel for Downtown Development Authority	Dykema Gossett PLLC	Sherrie L Farrell	sfarrell@dykema.com
Counsel for Downtown Development Authority	Dykema Gossett PLLC	Sheryl L Toby	stoby@dykema.com
Counsel for the City of Detroit	Dykema Gossett PLLC	Robert J. Franzinger and Jong-Ju Chang	jchang@dykema.com; rfranzinger@dykema.com
Union Representative	EMS Officers Association	Attn: James Gattenno	jgattenno@comcast.net
Counsel for Detroit Fire Fighters Association IAFF Local 344.; Detroit Police Officers Association; Detroit Police Lieutenants and Sergeants Association; and Detroit Police Command Officers Association	Erman Teicher Miller Zucker & Freedman PC	Barbara A Patek	bpatek@ermanteicher.com
Counsel for Detroit Fire Fighters Association IAFF Local 344; Detroit Police Officers Association; Detroit Police Lieutenants and Sergeants Association; and Detroit Police Command Officers Association	Erman Teicher Miller Zucker & Freedman PC	Craig E Zucker	czucker@ermanteicher.com
Counsel for Detroit Fire Fighters Association IAFF Local 344; Detroit Police Officers Association; Detroit Police Lieutenants and Sergeants Association; and Detroit Police Command Officers Association	Erman Teicher Miller Zucker & Freedman PC	David M Eisenberg	deisenberg@ermanteicher.com
Counsel for Detroit Fire Fighters Association IAFF Local 344; Detroit Police Officers Association; Detroit Police Lieutenants and Sergeants Association; and Detroit Police Command Officers Association	Erman Teicher Miller Zucker & Freedman PC	Earle I Erman & Julie Beth Teicher	eerman@ermanteicher.com; jteicher@ermanteicher.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Faegre Baker Daniels LLP	Attn: Abby E. Wilkinson, Esq.	Abby.wilkinson@FaegreBD.com
Counsel to City of Detroit, Michigan	Foley & Lardner LLP	John A Simon	jsimon@foley.com
Counsel for Johnathan Aaron Brown	Foley & Mansfield PLLP	Mercedes Varasteh Dordesi	mdordesi@foleymansfield.com

**Exhibit B**  
**Served via Email**

Party Description	Company	Contact	Email
Counsel for U.S. Bank NA	Foster Swift Collins & Smith PC	Dirk H Beckwith	dbeckwith@fosterswift.com
Counsel for US Bank National Association, as Custodian	Foster Swift Collins & Smith PC	Dirk H Beckwith	dbeckwith@fosterswift.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	Foster Swift Collins & Smith PC	Attn: John M. Kamins, Esq.	jkamins@fosterswift.com
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**Exhibit B**  
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**Exhibit B**  
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Counsel for Financial Guaranty Insurance Company	Williams Williams Rattner & Plunkett PC	Ernest J Essad Jr & Mark R James	ejessad@wwrplaw.com; mrjames@wwrplaw.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Attn: Lawrence A. Larose Samuel S. Kohn Carrie V. Hardman	llarose@winston.com; skohn@winston.com; chardman@winston.com
Counsel for Assured Guaranty Municipal Corporation	Winston & Strawn LLP	Sarah T. Foss	sfoss@winston.com
Counsel for The Bank of New York Mellon	Wolfson Bolton PLLC	Scott A Wolfson & Anthony J Kochis	swolfson@wolfsonbolton.com; akochis@wolfsonbolton.com
Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	dls@wmlaborlaw.com
Counsel for Oakland County	Young & Associates	Jaye Quadrozzi and Sara K. MacWilliams	macwilliams@youngpc.com; quadrozzi@youngpc.com; efiling@youngpc.com

# **EXHIBIT C**

**Exhibit C**  
**Served via Overnight Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
Union Representative	AFSCME Local #0023	Attn: Robert Stokes	600 W. Lafayette, Ste. 134		Detroit	MI	48226
Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
Interested Party	Ricoh USA Inc	Recovery & Bankruptcy Group	3920 Arkwright Rd Ste 400		Macon	GA	31210
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226

# **EXHIBIT D**

**Exhibit D**  
**Served via Overnight Mail**

COMPANY	CONTACT	ADDRESS1	ADDRESS2	CITY	STATE	ZIP
Coalition Of Detroit Unions et al	Mack Richard	Miller Cohen PLC	600 W Lafayette Blvd Fl 4	Detroit	MI	48226

# **EXHIBIT E**

**Exhibit E**  
**Served via Overnight Mail**

COMPANY	CONTACT	ADDRESS1	ADDRESS2	CITY	STATE	ZIP
Michigan AFSCME Council 25 Locals	Richard G Mack Jr	Miller Cohen PLC	600 W Lafayette Blvd 4th Fl	Detroit	MI	48226



**ITEM 19**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

-----X	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
-----X	:	

**ORDER CONFIRMING EIGHTH AMENDED PLAN FOR  
THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT**

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Appendix I	Plan of Adjustment
Appendix II	Confirmation Notice

The City of Detroit (the "City" or the "Debtor") having proposed its Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (October 22, 2014) (the "Plan" or the "Eighth Amended Plan"),<sup>1</sup> a true and correct copy of which (without exhibits) is attached hereto as Appendix I; the Court having conducted a 24-day evidentiary hearing to consider confirmation of the Plan on August 18, September 2-5, September 8-9, September 15-18, September 29 to October 3, October 6, October 14-16, October 20-22 and October 27, 2014 (the "Confirmation Hearing"); the Court having conducted a hearing on July 15, 2014, at which 46 individuals who (i) filed objections to Confirmation of the Plan with the Court and (ii) appeared in the Chapter 9 Case *pro se* made presentations with respect to such objections to the Court (the "Pro Se Hearing") and the Court having considered the arguments of such parties at the *Pro Se* Hearing;<sup>2</sup> the Court having conducted hearings on certain legal issues related to confirmation of the Plan on July 16, 2014 and August 19, 2014; the Court having considered: (i) the testimony of the 41 witnesses called at the

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<sup>1</sup> On May 5, 2014, the City filed its Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014) (the "Fourth Amended Plan"), which version of the Plan was included in the contents of the solicitation packages distributed to creditors entitled to vote thereon.

All capitalized terms used but not defined herein have the meanings given to them in the Plan.

<sup>2</sup> See Notice of Hearing to Individuals Who Filed Plan Objections (Docket No. 5264) (June 10, 2014).

Confirmation Hearing, as well as the affidavits and declarations included among the approximately 2,300 exhibits admitted into evidence at the Confirmation Hearing; (ii) the arguments of counsel presented at the Confirmation Hearing; (iii) the pleadings filed by the City in support of the Plan, including the following:

- Consolidated Reply to Certain Objections to Confirmation of Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 5034) (the "Consolidated Reply"), filed by the City on May 26, 2014;
- Debtor's Supplemental Brief on Legal Issues Relating to Confirmation of Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 5707), filed by the City on June 30, 2014;
- City's Supplemental Brief Regarding Standing of Syncora to Raise Certain Objections to Confirmation (Docket No. 6010), filed by the City on July 14, 2014;
- The City of Detroit's Brief Regarding the Court's Authority to Determine the Reasonableness of Fees Under 11 U.S.C. § 943(b)(3) (Docket No. 6842), filed by the City on August 18, 2014;
- Consolidated (A) Pretrial Brief in Support of Confirmation of Sixth Amended Plan for the Adjustment of Debts of the City of Detroit and (B) Response to (I) Certain Objections Filed by Individual Bondholders and Individual Retirees and (II) Supplemental Objections (Docket No. 7143), filed by the City on August 27, 2014 (the "Pretrial Brief"), including the summary of the City's compliance with the standards of section 943 of the Bankruptcy Code (inclusive of the standards of sections 1122, 1123(a)(1)-(a)(5), 1123(b), 1123(d), 1124, 1125, 1126(a)-1126(c), 1126(e)-1126(g), 1127(d), 1128, 1129(a)(2), 1129(a)(3), 1129(a)(6), 1129(a)(8), 1129(a)(10), 1129(b)(1), 1129(b)(2)(A) and 1129(b)(2)(B) of the Bankruptcy

Code) attached as Exhibit A thereto (the "Confirmation Standards Exhibit");

- Consolidated Response to Certain *Pro Se* Objections to Confirmation of the Sixth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 7303) (the "Response to *Pro Se* Objections"), filed by the City on September 5, 2014;
- Consolidated Reply to Supplemental Objections to Confirmation of the Seventh Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 7707), filed by the City on September 26, 2014, as well as all other pleadings filed in support of the Plan by parties in interest; and
- Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (October 22, 2014) (Docket No. 8045), including all Exhibits thereto.

(iv) all other papers filed in support of, and in opposition to, Confirmation of the Plan, including the objections filed with respect to Confirmation of the Plan;<sup>3</sup>

(v) the resolution, settlement or withdrawal of timely objections to Confirmation of the Plan filed by, among others, FGIC, Syncora, the FGIC COP Holders, the DWSD Settlement Parties, the LTGO Insurer, certain insurers of Unlimited Tax General Obligation Bonds, Michigan Council 25 of the American Federation of

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<sup>3</sup> See Summary of the City's Responses to Initial Plan Objections, attached as Exhibit A to the Consolidated Reply; Summary of the City's Responses to (I) Supplemental Objections and (II) Objections filed by (A) the UAW and (B) AFSCME, attached as Exhibit B to the Pretrial Brief; Summary of the City's Responses to (I) *Pro Se* Objections Specified in the Order Requiring City to Respond to Certain *Pro Se* Objections to Confirmation [Docket No. 6640] and (II) *Pro Se* Objections Not Addressed in the Consolidated Reply to Certain Objections to Confirmation of Fourth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 5034], attached as Exhibit A to the Response to *Pro Se* Objections.



State, County and Municipal Employees, AFL-CIO ("AFSCME"), the International Union, UAW, each of the Counties and the Macomb Interceptor Drain Drainage District; and the Court being familiar with the Plan and other relevant factors affecting this Chapter 9 Case; the Court having taken judicial notice of the entire docket of the City's Chapter 9 Case maintained by the Clerk of the Court and/or its duly appointed agent, pursuant to Federal Rule of Evidence 201(c) (made applicable to this case by Bankruptcy Rule 9017), including, but not limited to, those orders, pleadings and other documents set forth in the Confirmation Standards Exhibit; the Court having found that due and proper notice has been given with respect to the Confirmation Hearing and the deadlines and procedures for filing objections to the Plan; the appearance of all interested parties having been duly noted in the record of the Confirmation Hearing; and upon the record of the Confirmation Hearing, and after due deliberation thereon, and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND CONCLUDED, that:

**JURISDICTION AND VENUE**

A. The Court has jurisdiction over this matter and this Chapter 9 Case pursuant to 28 U.S.C. § 1334 and Rule 83.50(a) of the Local Rules of the United States District Court for the Eastern District of Michigan.

B. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L), and this Court has jurisdiction to enter a final order with respect thereto.

C. The City is a proper debtor under section 109 of the Bankruptcy Code<sup>4</sup> and the proper proponent of the Plan under section 941 of the Bankruptcy Code.

D. On the Effective Date of the Plan, or as soon thereafter as is practicable, all appeals of the Opinion Regarding Eligibility and the Order for Relief, in accordance with settlements by and among the appellants and the City, shall be withdrawn.

### **MODIFICATIONS OF THE PLAN**

E. The Plan does not materially and adversely affect or change the treatment of any Claim against the City under the Fourth Amended Plan. Pursuant to sections 942 and 1127(d) of the Bankruptcy Code and Bankruptcy Rule 3019, the Plan does not require additional disclosure under section 1125 of the Bankruptcy Code or the resolicitation of acceptances or rejections of the Fourth Amended Plan under section 1126 of the Bankruptcy Code, nor does it require that

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<sup>4</sup> See Opinion Regarding Eligibility (Docket No. 1945), entered on December 5, 2013 (the "Opinion Regarding Eligibility"); Order for Relief Under Chapter 9 of the Bankruptcy Code (Docket No. 1946), entered on December 5, 2013 (the "Order for Relief").

holders of Claims against the City be afforded an opportunity to change previously cast acceptances or rejections of the Fourth Amended Plan as filed with the Court. The filing of the Plan, and the disclosure of certain modifications and amendments to the Fourth Amended Plan contained therein on the record at the Confirmation Hearing, constitute due and sufficient notice thereof under the circumstances of the Chapter 9 Case. Accordingly, the Plan is properly before the Court, and, except as set forth in the Plan or later orders of the Court, all votes cast with respect to the Fourth Amended Plan prior to the filing of the Plan shall be binding and shall apply with respect to the Plan.

**STANDARDS FOR CONFIRMATION  
UNDER SECTION 943 OF THE BANKRUPTCY CODE**

F. The evidentiary record of the Confirmation Hearing and the Confirmation Standards Exhibit support the findings of fact and conclusions of law set forth in the following paragraphs.

G. The Court's supplemental opinion regarding confirmation of the Plan (the "Confirmation Opinion"), to be issued, is incorporated fully herein.

H. Section 943(b)(1). The Plan complies with the provisions of the Bankruptcy Code made applicable to this Chapter 9 Case by sections 103(e) and 901 of the Bankruptcy Code.<sup>5</sup> In particular:

1. *Section 1122*. In accordance with section 1122(a) of the Bankruptcy Code, Section II.B of the Plan classifies each Claim against the City into a Class containing only substantially similar Claims. The legal rights under applicable law of each holder of Claims within each Class under the Plan are substantially similar in nature and character to the legal rights of all other holders of Claims within such Class. No Claims were separately classified under the Plan to gerrymander favorable votes with respect to the Plan. In accordance with section 1122(b) of the Bankruptcy Code, Convenience Claims are separately classified in Class 15 under the Plan solely for the purpose of administrative convenience.

2. *Section 1123(a)(1)*. In accordance with section 1123(a)(1) of the Bankruptcy Code, Section II.B of the Plan properly classifies all Claims that require classification. Valid factual and legal reasons

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<sup>5</sup> Section 901 of the Bankruptcy Code incorporates into chapter 9 the following chapter 11 provisions relevant to plan confirmation: sections 1122, 1123(a)(1)-(5), 1123(b), 1123(d), 1125, 1126(a)-(c) and (e)-(g), 1127(d), 1128, 1129(a)(2), 1129(a)(3), 1129(a)(6), 1129(a)(8), 1129(a)(10), 1129(b)(1) and 1129(b)(2)(A)-(B) of the Bankruptcy Code. *See* 11 U.S.C. § 901(a).

exist for the separate classification of (a) certain secured Claims from Other Secured Claims and (b) certain unsecured Claims from Other Unsecured Claims.

3. *Section 1123(a)(2)*. In accordance with section 1123(a)(2) of the Bankruptcy Code, Section II.B of the Plan properly identifies and describes each Class of Claims that is not impaired under the Plan.<sup>6</sup>

4. *Section 1123(a)(3)*. In accordance with section 1123(a)(3) of the Bankruptcy Code, Section II.B of the Plan properly identifies and describes the treatment of each Class of Claims that is impaired under the Plan.

5. *Section 1123(a)(4)*. In accordance with section 1123(a)(4) of the Bankruptcy Code, the Plan provides the same treatment for each Claim of a particular Class unless the holder of such a Claim has agreed to less favorable treatment. Because ASF Recoupment is a settlement mechanism designed to (a) implement a critical component of the City's comprehensive settlement of pension-related issues and (b) enable the trustees of the GRS

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<sup>6</sup> See Order Pursuant to (I) 11 U.S.C. §§ 105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 7028), entered on August 25, 2014 (the "DWSD Tender Order"); Notice of Occurrence of Settlement Date and Unimpairment of Class 1A Claims and (B) Withdrawal of DWSD Plan Objections by Financial Creditors (Docket No. 7268), filed on September 4, 2014 (the "DWSD Settlement Notice").

(collectively, the "GRS Trustees") to recover a portion of excess interest allocated to members' Annuity Savings Fund accounts from the GRS's traditional defined benefit pension plan (the "GRS Traditional Pension Plan"), ASF Recoupment may be deemed (x) separate and distinct from the calculation of recoveries provided to holders of GRS Pension Claims and, thus, (y) disregarded for purposes of determining whether the Plan complies with section 1123(a)(4) of the Bankruptcy Code.

6. The consideration provided to Syncora in connection with the Syncora Settlement that is not provided on account of the Plan COP Settlement (a) is separate and distinct from the treatment of Class 9 COP Claims held or insured by Syncora under the Plan, (b) is provided on account of (i) Syncora's agreement to invest new funds (subject to the terms and conditions of the applicable agreements) pursuant to commercial relationships with the City that are distinct from COP Claims held or insured by Syncora and (ii) Syncora's agreement to resolve all of its pending litigation against the City and, thus, (c) has been disregarded for purposes of determining whether the Plan complies with section 1123(a)(4) of the Bankruptcy Code. The consideration provided to FGIC in connection with the FGIC/COP Settlement that is not provided on account of the Plan COP Settlement (a) is separate and distinct from the treatment of Class 9 COP Claims held or insured by FGIC under the Plan and reflects an agreement to invest

new funds in a commercial relationship with the City, (b) is provided on account of FGIC's agreement to resolve all of its pending litigation against the City and, thus, (c) has been disregarded for purposes of determining whether the Plan complies with section 1123(a)(4) of the Bankruptcy Code.

7. *Section 1123(a)(5).* In accordance with section 1123(a)(5) of the Bankruptcy Code, the Plan provides adequate means for its implementation, including, without limitation, (a) the issuance of the New Securities pursuant to the Plan, (b) the consummation of the Settlements (as such term is defined below) described in the Plan, (c) the consummation of the State Contribution Agreement, (d) the assumption or rejection of Executory Contracts and Unexpired Leases, (e) the establishment and funding of the Professional Fee Reserve, (f) the City's assumption of certain indemnification obligations, (g) the City's entry into the Exit Facility and any agreements and ancillary notes related thereto and (h) the provisions regarding Effective Date transactions and transfers in Article IV of the Plan.

8. *Section 1123(b)(1).* In accordance with section 1123(b)(1) of the Bankruptcy Code, Section II.B of the Plan impairs or leaves unimpaired, as the case may be, each Class of Claims.

9. *Section 1123(b)(2).* In accordance with section 1123(b)(2) of the Bankruptcy Code, Section II.D and other provisions of

the Plan provide for the assumption, assumption and assignment, or rejection of the Executory Contracts or Unexpired Leases of the City that have not been previously assumed, assumed and assigned, or rejected pursuant to section 365 of the Bankruptcy Code and orders of the Court.

10. *Section 1123(b)(3).* In accordance with section 1123(b)(3) of the Bankruptcy Code, Section III.D.2 of the Plan provides that, except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, the City will retain and may enforce any claims, demands, rights, defenses and Causes of Action that it may hold against any Entity (including but not limited to (a) any and all Causes of Action against any party relating to the past practices of the Retirement Systems, (b) the currently pending actions and claims brought by the City identified on Schedule A to Exhibit III.D.2 to the Plan and (c) potential recovery actions that may be brought by the City under the Bankruptcy Code (or similar federal or state law) against, among other parties, the Entities identified on Schedule B to Exhibit III.D.2 to the Plan), to the extent not expressly released under the Plan or by any Final Order of the Court.

11. *Section 1123(b)(5).* In accordance with section 1123(b)(5) of the Bankruptcy Code, Section II.B of the Plan modifies or leaves unaffected, as the case may be, the rights of holders of Claims in each Class.



12. *Section 1123(b)(6)*. In accordance with section 1123(b)(6) of the Bankruptcy Code, the Plan includes additional appropriate provisions that are not inconsistent with applicable provisions of the Bankruptcy Code, including, without limitation, the provisions of Article III, Article IV, Article V, Article VI, Article VII and Article VIII of the Plan.

13. *Section 1123(d)*. In accordance with section 1123(d) of the Bankruptcy Code, Section II.D.4 of the Plan provides for the satisfaction of Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code. All Cure Amount Claims will be determined in accordance with the underlying agreements and applicable law.

14. *Section 1127(d)*. All creditors entitled to vote on the Plan received proper notice of the Confirmation Hearing, and were provided an adequate opportunity to object to any amendments and modifications to the Fourth Amended Plan.<sup>7</sup>

15. *Section 1129(a)(2)*. The City has complied with all applicable provisions of the Bankruptcy Code with respect to the Plan and the solicitation of acceptances or rejections thereof. In particular, the Plan complies

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<sup>7</sup> See Certificate of Service (Docket No. 6177).

with the requirements of sections 1125 and 1126 of the Bankruptcy Code as follows:

- a) In compliance with the (i) Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment (Docket No. 2984) (the "Solicitation Procedures Order"), entered on March 11, 2014, and (ii) Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims (Docket No. 4400) (together with the Solicitation Procedures Order, the "Solicitation Orders"), entered on May 5, 2014, on or before May 12, 2014, the City, through its claims, noticing, balloting and solicitation agent, Kurtzman Carson Consultants LLC ("KCC"), caused copies of the following materials to be transmitted to all holders of Claims in Classes that were entitled to vote to accept or reject the Fourth Amended Plan (*i.e.*, Allowed Claims in impaired Classes within Class 1A<sup>8</sup> and Classes 5, 7, 8, 9, 10, 11, 12, 13, 14 and 15):
- the Disclosure Statement (together with the exhibits thereto, including the Fourth Amended Plan);
  - a notice of the Confirmation Hearing and other matters (the "Confirmation Hearing Notice");
  - an appropriate form of Ballot;

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<sup>8</sup> Subsequent to the City's solicitation of acceptances of the Fourth Amended Plan, the Plan was amended to unimPAIR all Classes in Class 1A, and such Classes are therefore deemed to have accepted the Plan. *See* DWSD Tender Order; DWSD Settlement Notice. As a result, all votes and elections previously delivered with respect to Class 1A Claims shall not be counted and shall be of no force and effect.

- a notice summarizing certain dispute resolution procedures to be employed with respect to voting;
  - for holders of Claims in Classes 10, 11 and 12, a "Plain Language Supplement," drafted in collaboration with, among others, the Retiree Committee and the Retirement Systems, describing the treatment of such Claims in non-technical terms;
  - the procedures for the solicitation and tabulation of votes to accept or reject the Plan, including approval of (i) the deadline for creditors' submission of Ballots, (ii) the rules for tabulating votes to accept or reject the Plan and (iii) the proposed record date for Plan voting (collectively with the materials described in the preceding bullets, the "Solicitation Package"); and
  - cover letters from the City, the DRCEA, the RDPFFA, the Detroit Police Lieutenants and Sergeants Association (the "DPLSA") and the Detroit Police Command Officers Association (the "DPCOA") recommending acceptance of the Plan.<sup>9</sup>
- b) In compliance with the Solicitation Procedures Order, on or before May 12, 2014, the City, through KCC, caused copies of the Solicitation Package (not including Ballots) to be transmitted to parties entitled to receive notice pursuant to Bankruptcy Rule 2002.<sup>10</sup>

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<sup>9</sup> See Certificate of Service (Docket No. 6177), at ¶¶ 1-41. A separate communication recommending acceptance of the Plan was mailed to holders of Class 10, Class 11 and Class 12 Claims by the Retiree Committee contemporaneously with the solicitation of votes undertaken by the City. In addition, the GRS and the PFRS sent letters recommending acceptance of the Plan to holders of Class 10 and Class 11 Claims.

<sup>10</sup> See Certificate of Service (Docket No. 6177), at ¶ 21.

- c) In compliance with the Solicitation Procedures Order, on or before May 12, 2014, the City, through KCC, transmitted (i) the Confirmation Hearing Notice and (ii) a "Notice of Non-Voting Status" to all holders of Claims in the Classes not entitled to vote on the Plan (*i.e.*, holders of Claims in unimpaired Classes within Class 1A and in Classes 1B, 1C, 2A, 2B, 2C, 2D, 2E, 2F, 3, 4, 6 and 16) that were not entitled to vote on the Plan.<sup>11</sup>
- d) In compliance with the Solicitation Procedures Order, on or before May 12, 2014, the City, through KCC, transmitted the Confirmation Hearing Notice to: (i) all other creditors of the City; and (ii) all parties in interest that had filed requests for notice in accordance with Bankruptcy Rule 2002 in the Chapter 9 Case.<sup>12</sup>
- e) In compliance with the Solicitation Procedures Order, on May 9, 2014, the City caused a copy of the Confirmation Hearing Notice to be published in the national editions of the *Wall Street Journal* and *USA Today* and the daily editions of the *Detroit Free Press* and the *Detroit News*.<sup>13</sup>
- f) Pursuant to the Order Approving the Stipulation Regarding Certain Class 11 and Class 10 Ballots (Docket No. 5209), entered on June 4, 2014, the City mailed replacement ballots to certain members of Classes 10 and 11.<sup>14</sup>

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<sup>11</sup> See *id.* at ¶ 20.

<sup>12</sup> See *id.* at ¶ 19.

<sup>13</sup> See Affidavit of Publication of Confirmation Hearing Notice in the *Detroit Free Press* and the *Detroit News*, dated July 22, 2014 (Docket No. 6209), at page 2; Affidavit of Publication of Confirmation Hearing Notice in *USA Today*, dated July 22, 2014 (Docket No. 6211), at page 2; Affidavit of Publication of Confirmation Hearing Notice in the *Wall Street Journal*, dated July 24, 2014 (Docket No. 6253), at page 2.

<sup>14</sup> See Certificate of Service (Docket No. 6177), at ¶¶ 11, 27, Exhibit P.

- g) On July 3, 2014, the City filed (and made available on the Document Website) the following Exhibits:
  - (i) Exhibit I.A.189.a (Form of New GRS Active Pension Plan) (renumbered as Exhibit I.A.250.a to the Eighth Amended Plan); (ii) Exhibit I.A.191.a (Form of New PFRS Active Pension Plan) (renumbered as Exhibit I.A.254.a to the Eighth Amended Plan);
  - (iii) Exhibit I.A.220 (Form of Prior GRS Pension Plan) (renumbered as Exhibit I.A.280 to the Eighth Amended Plan); and (iv) Exhibit I.A.221 (Form of Prior PFRS Pension Plan) (renumbered as Exhibit I.A.281 to the Eighth Amended Plan).<sup>15</sup>
- h) On July 3, 2014, the City filed (and made available on the Document Website) Exhibit II.D.6 (Executory Contracts and Unexpired Leases to be Rejected).<sup>16</sup>
- i) On August 7, 2014, the City filed (and made available on the Document Website) Exhibit I.A.103 (Form of DIA Settlement Documents) (renumbered as Exhibit I.A.127 to the Eighth Amended Plan).<sup>17</sup>
- j) On August 11, 2014, the City filed (and made available on the Document Website) the following Exhibits:
  - (i) Exhibit I.A.146 (Principal Terms of Exit Facility) (renumbered as Exhibit I.A.183 to the Eighth Amended Plan); (ii) Exhibit I.A.255 (Form of Restoration Trust Agreement) (renumbered as Exhibit I.A.292 to the Eighth Amended Plan); (iii) Exhibit II.D.5 (Schedule of Postpetition Collective Bargaining Agreements); and (iv) Exhibit III.D.2 (Retained Causes of Action).<sup>18</sup>
- k) The Confirmation Hearing Notice and the subsequent scheduling orders entered by the Court provided due and

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<sup>15</sup> See Notice of Filing of Plan Supplement (Docket No. 5755).

<sup>16</sup> See Notice of Filing of Plan Supplement (Docket No. 5756).

<sup>17</sup> See Notice of Filing of Plan Supplement (Docket No. 6576).

<sup>18</sup> See Notice of Filing of Plan Supplement (Docket No. 6647).

proper notice of the Confirmation Hearing and all relevant dates, deadlines, procedures and other information relating to the Plan and/or the solicitation of votes thereon, including, without limitation, the Voting Deadline, the Objection Deadline (as such term was defined in the Confirmation Hearing Notice), the time, date and place of the Confirmation Hearing and the release provisions in the Plan.<sup>19</sup>

- l) All persons entitled to receive notice of the Disclosure Statement, the Plan and the Confirmation Hearing received proper, timely and adequate notice in accordance with the Solicitation Orders, applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, and have had an opportunity to appear and be heard with respect thereto.<sup>20</sup>
- m) The City solicited votes with respect to the Plan in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules and the Solicitation Orders, including, without limitation, the inclusion of letters from the City, the DRCEA, the RDPFFA, the DPLSA and the DPCOA recommending acceptance of the Plan in the solicitation materials and the separate mailing of solicitation letters from the Retiree Committee, the GRS and the PFRS. Accordingly, the City, the Retiree Committee, the GRS, the PFRS, the DRCEA and the RDPFFA are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section III.D.6 of the Plan.

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<sup>19</sup> See Solicitation Procedures Order at ¶ 17; Motion of the City of Detroit for Entry of an Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment (Docket No. 2789), at Exhibit 6A.

<sup>20</sup> See Certificates of Service (Docket Nos. 6174, 6177).

- n) Claims in Classes 1A, 1B, 1C, 2A, 2B, 2C, 2D, 2E, 2F, 3 and 4 under the Plan are unimpaired, and such Classes are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.<sup>21</sup>
- o) KCC has made a final determination of the validity of, and tabulation with respect to, all acceptances and rejections of the Plan by holders of Claims entitled to vote on the Plan, including the amount and number of accepting and rejecting Claims in Classes 5, 7, 8, 9, 10, 11, 12, 13, 14 and 15 under the Plan.<sup>22</sup>
- p) Holders of Claims in Class 17 (Indirect 36th District Court Claims) were previously classified in Class 14 under the Fourth Amended Plan. The City solicited acceptances or rejections of the Plan from the holders of Indirect 36th District Court Claims in their previous capacity as holders of Class 14 Claims. Pursuant to the Order Authorizing Certain Holders of Indirect 36th District Court Claims to Change Their Votes on the City's Plan of Adjustment (Docket No. 6288), entered on July 28, 2014, by agreement of the parties, the votes of all known holders of Indirect 36th District Court Claims rejecting the Plan under Class 14 were deemed to be votes accepting the Plan under Class 17.
- q) Under the Plan, Class 16 (Subordinated Claims) is Impaired and holders of Claims in such Class will receive

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<sup>21</sup> See DWSD Settlement Notice. Subsequent to the filing of the Fourth Amended Plan, the Parking Bonds giving rise to Parking Bond Claims in Class 6 of the Plan were paid in full by the City, mooted the proposed treatment of such Parking Bond Claims in the Fourth Amended Plan (as reflected in the Plan).

<sup>22</sup> See Second Supplemental Declaration of Michael J. Paque Regarding the Solicitation and Tabulation of Votes On, and the Results of Voting with Respect to, Plan for the Adjustment of Debts of the City of Detroit (Docket No. 8072), filed on October 23, 2014 (the "Second Supplemental Voting Declaration"), at ¶¶ 8-9.

no distributions under the Plan.<sup>23</sup> Therefore, Class 16 is conclusively presumed to reject the Plan in accordance with section 1126(g) of the Bankruptcy Code, and no votes were solicited from holders of Class 16 Claims.<sup>24</sup>

- r) The Plan was voted on by each Class of impaired Claims that was entitled to vote pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Solicitation Orders.
- s) Each of Classes 5, 7, 8, 9, 10, 11, 12, 13 and 17 have accepted the Plan by at least two-thirds in amount and a majority in number of the Claims in such Classes actually voting.<sup>25</sup>
- t) The voting declarations admitted into evidence as City Exhibits 764 and 765, and the Second Supplemental Voting Declaration, set forth the tabulation of votes, as required by the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order.<sup>26</sup>

16. *Section 1129(a)(3)*. The Plan has been proposed (a) in good faith; (b) with honesty, sincerity and good intentions; (c) with a basis for expecting that an adjustment of the City's debts and an operational restructuring of the City can be effected in accordance with the purpose of chapter 9, and that the Plan is feasible; and (d) not by any means forbidden by law. The Plan and the treatment of Claims thereunder are, and the process pursuant to which the City has sought Confirmation thereof has been, fundamentally fair to the City's creditors.

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<sup>23</sup> See Plan, at § II.B.3.w.i.

<sup>24</sup> See *id.*.

<sup>25</sup> See Second Supplemental Voting Declaration, at ¶¶ 8-9.

<sup>26</sup> See *id.* at Exhibits A-C.



The purpose of the Plan is to adjust the City's debts to enable the City to reverse its decades-long financial decline, eliminate its service delivery insolvency, restore adequate municipal services to its residents and meet its future financial obligations, consistent with the overarching remedial purpose of chapter 9 and the objectives and purposes of the Bankruptcy Code. The City's good faith in proposing the Plan and its prior versions, and fundamental fairness in dealing with its creditors, is further evidenced by the fact that the Plan (a) incorporates multiple key settlements that are the result of extensive arm's length negotiations (often conducted within the context of Court-ordered mediation) between the City and representatives of a large proportion of its creditors, (b) has been proposed with the support of the City's largest creditor constituencies and (c) is feasible (see ¶¶ N.10-18 below). In so finding, the Court has considered the totality of the circumstances in this Chapter 9 Case.

17. *Section 1129(a)(6)*. Section III.A.7 of the Plan provides that the obtaining of any authorizations, consents and regulatory approvals necessary under applicable nonbankruptcy law is a specific condition to the effectiveness of the Plan, consistent with the language of section 1129(a)(6) of the Bankruptcy Code.<sup>27</sup> The Board of Water Commissioners will continue to have all authority to set and approve the water and sewerage rates charged by the DWSD,

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<sup>27</sup> See Plan, at § III.A.7.

provided that, if a DWSD Authority is approved and formed, such rates would be determined by the board of such DWSD Authority.<sup>28</sup>

18. *Section 1129(a)(8).* The Plan has not been accepted by all impaired Classes of Claims because (a) Classes 14 and 15 (collectively, the "Impaired Rejecting Classes") have voted to reject the Plan<sup>29</sup> and (b) consistent with section 1126(g) of the Bankruptcy Code, the holders of Claims in Class 16 (Subordinated Claims) (who receive no Distributions pursuant to Section II.B.3.w.i of the Plan) are deemed to have rejected the Plan.<sup>30</sup> Nevertheless, as more fully explained below, the Plan is confirmable because it satisfies section 1129(b) of the Bankruptcy Code with respect to such Impaired Rejecting Classes.

19. *Section 1129(a)(10).* The Plan has been accepted by the following impaired Classes of Claims that are entitled to vote on the Plan, determined without including any acceptance of the Plan by any insider: Classes 5, 7, 8, 9, 10, 11, 12, 13 and 17.<sup>31</sup>

20. *Section 1129(b)(1): Unfair Discrimination.* For the reasons set forth in the Confirmation Opinion, the Plan does not discriminate unfairly against the Impaired Rejecting Classes. The Plan provides greater

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<sup>28</sup> See Plan, at § IV.A.1.

<sup>29</sup> See Second Supplemental Voting Declaration, at ¶¶ 8-9.

<sup>30</sup> See Solicitation Procedures Order, at ¶ 10.

<sup>31</sup> See Second Supplemental Voting Declaration, at ¶¶ 8-9.

percentage recoveries to holders of (a) Pension Claims in Classes 10 and 11 (as high as approximately 59% and 60%, respectively, although the Court does not make any specific finding with respect to such percentage recoveries), (b) Class 8 Unlimited Tax General Obligation Bond Claims (approximately 74%), (c) Limited Tax General Obligation Bond Claims (approximately 44%) and (d) Indirect 36th District Court Claims (approximately 33%) than to holders of (x) Other Unsecured Claims (approximately 13%) and (y) Convenience Claims (25% recovery).

21. Despite the differences in the Classes' respective recoveries, the Court finds that such discrimination is fair in light of, among other things, (a) the circumstances of the City's Chapter 9 Case, (b) the purpose of chapter 9, which is to adjust an insolvent municipality's debt so that it can provide adequate municipal services and (c) the Court's conscience, as informed by the Court's experience, education and sense of morality.

22. Substantial mission-based considerations justify the differential treatment of Pension Claims. The City is a municipal service enterprise whose mission is to provide municipal services to its residents and visitors to promote their health, welfare and safety. The City, therefore, has a strong interest in preserving its relationships with its employees and in enhancing their motivation, consistent with the City's financial resources. In contrast, the City

has no similar mission-related investment in its relationships with holders of Claims in Classes 14 and 15.

23. The Plan's differential treatment of Pension Claims is further justified because the fulfillment of the City municipal service mission is informed by, and subject to, the provisions of the constitution and laws of the State of Michigan and the City's status as an agency of the State. Article IX, Section 24 of the Michigan Constitution (the "Pensions Clause") (a) singles out municipal pension claims for special protection and (b) in so doing, specifically expresses the considered judgment of the people of the State of Michigan, which is entitled to substantial deference in connection with determining the fairness of the Plan's discrimination against the Impaired Rejecting Classes.

24. The reasonable expectations of creditors further demonstrate that the Plan's treatment of Pension Claims is fair, because the Pensions Clause gives notice to all of the City's unsecured creditors that, outside of bankruptcy, the rights of pension creditors are distinct and entitled to special State-law protections that are unavailable to other unsecured creditors of the City. Such constitutional notice (a) reasonably justifies the enhanced expectations of Holders of Pension Claims in this Chapter 9 Case and (b) should lower the reasonable expectations of all other unsecured creditors.

25. Moreover, the Plan's treatment of Pension Claims is the result of a collection of interconnected settlements. The factors that inform the reasonableness of each individual settlement are the same factors that inform the Court's judgment regarding the fairness of discrimination under the Plan. Because each such settlement is fair and reasonable, the discrimination in claim treatment resulting from such settlements also is fair.

26. The treatment of Limited Tax General Obligation Bond Claims, Unlimited Tax General Obligation Bond Claims and Indirect 36th District Court Claims also is fair because, in each instance, such treatment is the result of arm's-length, intensely negotiated and reasonable settlements between the City and the respective creditors and their representatives and is based on the asserted differing legal rights of, and litigation brought by, such parties. Specifically, a reasonable basis exists for the differential treatment of Limited Tax General Obligation Bond Claims and Unlimited Tax General Obligation Bond Claims, because the treatment of such Claims reflects (a) the results of protracted and comprehensively negotiated settlements between the City and the holders of such Claims and (b) the claimants' arguments to relative priority and security under State law. In addition, the Plan's treatment of Indirect 36th District Court Claims is related to the City's mission, and therefore is fair, because of the City's continuing legal and funding relationship with the 36th District Court.

27. The plan would not be feasible without discriminating among unsecured creditors because, with respect to Pension Claims in particular, the City's recovery will turn in large part on its ability to marshal the support of its residents in general and its retirees, employees and their labor unions in particular. With respect to Pension Claims, Limited Tax General Obligation Bond Claims, Unlimited Tax General Obligation Bond Claims and Indirect 36th District Court Claims, the settlements achieved by the City removed the risk of ongoing litigation over their respective asserted priorities, which litigation posed a significant obstacle to the City's ability to confirm a workable plan. The City's proposal of the differential treatment between Classes of unsecured Claims under the Plan was made in good faith and was not motivated by personal animosity or antipathy. The Plan treats holders of Claims in the Impaired Rejecting Classes as well as possible under the circumstances.

28. The Plan does not discriminate unfairly against Class 16 (Subordinated Claims) because the Claims within such Class are subordinated to all other Claims classified under the Plan in accordance with section 510(b) of the Bankruptcy Code and are entitled to Distributions under the Plan only to the extent that Classes that are senior in priority are paid in full.

*Section 1129(b)(1), (b)(2): Fair and Equitable.* For the reasons to be set forth in the Confirmation Opinion, the Plan is "fair and equitable"

with respect to the Impaired Rejecting Classes. No evidence suggests that the City or any Class or group of creditors has committed any overreaching or misconduct that would require the Court to impose a remedy as a condition to Confirmation. Moreover, the circumstances of the City's Chapter 9 Case suggest to the Court's conscience that it is fair and equitable to impose the Plan upon the dissenting creditors against their stated will. A large number of Detroit residents are suffering hardship due to the City's service delivery insolvency. This condition is inhumane and intolerable, and can only be successfully addressed if the Plan is confirmed. No viable alternatives to the Plan exist that would resolve the City's service delivery insolvency and provide a greater recovery to Classes 14 and 15. Requiring creditors in the Impaired Rejecting Classes to share in the sacrifice that other creditors of the City have agreed to endure, and confirming the Plan, thus is fair and equitable under the circumstances.

I. Section 943(b)(2). The Plan complies with the provisions of chapter 9 of the Bankruptcy Code. The Plan complies with section 941 of the Bankruptcy Code because the City filed the Plan for the Adjustment of Debts of the City of Detroit (Docket No. 2708) on February 21, 2014, consistent with the First Order Establishing Dates and Deadlines (Docket No. 280), entered on August 2, 2013, which order established March 1, 2014 as the deadline for the City to file its plan of adjustment. The Plan complies with section 942 of the

Bankruptcy Code because the amendments and modifications made to the Fourth Amended Plan are either immaterial to, or do not adversely affect the treatment of, any Claim under the Plan.

J. Section 943(b)(3). The Court, with the assistance of counsel, will establish an expeditious mediation and Court-review process to determine the reasonableness and disclosure of all fees and expenses, paid and unpaid, for which the City is obligated in connection with this case through the Effective Date, as required by section 943(b)(3) of the Bankruptcy Code, including (1) the professional fees and expenses of the GRS and the PFRS, to the extent that the City reimburses them, (2) the fees and expenses of the Fee Examiner and his professionals, (3) the Court-appointed feasibility expert and her counsel and (4) the other Fee Review Professionals. The preceding sentence does not apply with respect to fees and expenses explicitly dealt with in settlements previously approved by orders of the Court. The review pursuant to such process will satisfy the requirements of section 943(b)(3) of the Bankruptcy Code.

1. In addition, pursuant to the Fee Review Order and the Fee Examiner Order, and with the City's consent, the Fee Examiner was appointed in the Chapter 9 Case as an officer of the Court and has reviewed, or will review, the fees and expenses of all Fee Review Professionals submitted to the Fee Examiner for review in accordance with the Fee Review Order for the period



beginning on the Petition Date. Unless the Court subsequently orders otherwise, the fee review process established by the Fee Review Order will continue for fees and expenses incurred through the Effective Date pursuant to Section IV.N.2 of the Plan. In accordance with the Fee Review Order, each quarterly report and supplemental quarterly report filed by the Fee Examiner to date has determined that all Fee Review Professional Fees incurred during the relevant reporting periods have been fully disclosed and are reasonable or otherwise are commensurate with the complexity and speed of the Chapter 9 Case and the quality of services provided.<sup>32</sup> Further, the fees and expenses of the Fee Examiner Parties are subject to Court review and approval under the terms of the Fee Review Order and the Plan.

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<sup>32</sup> See Fee Examiner's Quarterly Report for Months of July, August and September 2013 (Docket No. 2642), at ¶ 15; Fee Examiner's First Supplemental Quarterly Report for Months of July, August and September 2013 (Docket No. 3457), at ¶ 14; Fee Examiner's Second Supplemental Quarterly Report for Months of July, August and September 2013 (Docket No. 7574), at ¶ 14; Fee Examiner's Second Quarterly Report for Months of October, November and December 2013 (Docket No. 4498), at ¶ 16; Fee Examiner's First Supplemental Quarterly Report for Months of October, November and December 2013 (Docket No. 7575), at ¶ 17; Fee Examiner's Third Quarterly Report for Months of January, February and March 2014 (Docket No. 6528), at ¶ 18; Fee Examiner's First Supplemental Quarterly Report for Months of January, February and March 2014 (Docket No. 7332), at ¶ 19; Fee Examiner's Fourth Quarterly Report for Months of April, May and June 2014 (Docket No. 8186), at ¶ 18.

K. Section 943(b)(4).

1. All actions to be taken by the City to carry out the Plan are consistent with, do not violate and are not prohibited by applicable law, including, but not limited to, the following actions:

- the creation of the Detroit General VEBA and the Detroit Police and Fire VEBA;
- payments to be made by the DWSD during the period from the Effective Date through June 30, 2023 on account of (a) the DWSD's \$428.5 million currently-calculated allocable share of the unfunded actuarially accrued liabilities of the GRS (as modified by the Plan), (b) related administrative costs and (c) restructuring costs incurred by the City in connection with the Chapter 9 Case allocable to the DWSD (the "DWSD Pension Funding"), consistent with paragraph 24 of the DWSD Tender Order;
- all actions taken in connection with the UTGO Settlement Agreement and all provisions of the Plan addressing recoveries upon Unlimited Tax General Obligation Bond Claims, including Sections II.B.3.n, II.B.3.o, II.B.3.p and IV.C of the Plan (such provisions of the Plan as they relate to such recoveries, and, collectively with the UTGO Settlement Agreement, the "UTGO Settlement"), including, but not limited to, the City's designation of an entity or entities to receive the Assigned UTGO Bond Tax Proceeds;
- the transfer of the DIA Assets to DIA Corp. pursuant to the DIA Settlement;<sup>33</sup> and

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<sup>33</sup> See Attorney General's Approval of DIA Settlement (Docket No. 5338), filed on June 17, 2014.

- all actions taken in connection with the Syncora Development Agreement (including the garage option), the Tunnel Lease and the FGIC Development Agreement.

L. Section 943(b)(5). The Plan satisfies the requirements of section 943(b)(5) of the Bankruptcy Code. The Plan expressly provides for the cash payment, in full, of Allowed Administrative Claims, including administrative expenses allowed under section 503(b) of the Bankruptcy Code either (1) on the Effective Date or as soon as reasonably practicable thereafter or (2) if the Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which such Administrative Claim becomes an Allowed Claim.<sup>34</sup>

M. Section 943(b)(6). The Plan satisfies the requirements of section 943(b)(6) of the Bankruptcy Code. The effectiveness of the Plan is expressly conditioned upon the obtaining of any authorizations, consents and regulatory approvals necessary under applicable nonbankruptcy law.<sup>35</sup> Neither the DWSD Pension Funding nor the provisions of the Plan relating to the DWSD CVR constitute a tax upon any DWSD ratepayer subject to electoral approval.

The restructuring of the City's obligations pursuant to the Plan, and the consequent restructuring (and lowering) of DWSD's costs, will not necessitate an increase in the rates charged by DWSD in excess of normally scheduled rate increases.

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<sup>34</sup> See Plan, at § II.A.1.a.

<sup>35</sup> See Plan, at § III.A.7.

N. Section 943(b)(7).

1. *Best Interests of Creditors.* The Plan is in the best interests of creditors. The Plan provides the City's creditor body, as a whole, with a better alternative than dismissal of the Chapter 9 Case and all that creditors can reasonably expect under the circumstances. Outside of bankruptcy, the City would face several billion dollars in cumulative deficits over the next ten years, even if it attempted only to maintain the current level of inadequate public services. Although the automatic stay has allowed the City to enhance its cash position during the bankruptcy, the fundamentals of the City's financial forecasts have not changed materially since the City first created the baseline financial forecasts in June 2013. Moreover, if the City's Chapter 9 Case were dismissed, the City would lose the benefit of many of the settlements it has reached with its creditors. The City does not have sufficient excess revenues to continue paying its creditors outside of bankruptcy.

2. The legal limitations on the collection of judgments that apply outside of bankruptcy also constrain the best interests of creditors test in bankruptcy. Because Michigan Public Act 236 of 1961, the Revised Judicature Act, M.C.L. §§ 600.101, *et seq.* (the "Revised Judicature Act"), provides the sole remedy under State law for the City's creditors to recover on their claims, the City cannot be compelled under State law to liquidate City-owned assets to satisfy

creditors' claims.<sup>36</sup> The City also cannot be compelled to sell any City-owned assets under the Bankruptcy Code because, in chapter 9 cases, section 904 of the Bankruptcy Code prohibits the Court from interfering with "(1) any of the political or governmental powers of the debtor; (2) any of the property or revenues of the debtor; or (3) the debtor's use or enjoyment of any income-producing property."<sup>37</sup>

3. Maintaining the art collection housed at the DIA (the "DIA Collection") is critical to the feasibility of the Plan and to the City's future because the DIA Collection is an invaluable and irreplaceable resource, and because the DIA stands at the center of the City's cultural life. Selling the DIA Collection would impede the City's efforts to attract new residents, visitors and businesses and would only deepen the City's fiscal, economic and social problems. In addition, using the DIA Collection or some portion thereof as collateral for a loan to pay creditors would be imprudent because doing so would (a) merely substitute debt for debt and thus not benefit the City and (b) create a risk that the City would lose any art used as collateral in the event of a default.

4. Moreover, it would be impracticable for the City to liquidate the DIA Collection in an attempt to maximize creditor recoveries. Because (a) many works within the DIA Collection are subject to donor

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<sup>36</sup> See M.C.L. § 600.6093.

<sup>37</sup> 11 U.S.C. § 904.

restrictions and (b) the Michigan Attorney General and DIA Corp. contend that the entire DIA Collection is held in trust, any attempt to liquidate the DIA Collection or any material portion thereof to satisfy the claims of creditors most likely would result in costly, complex and time-consuming litigation regarding the City's precise ownership interests in the approximately 60,000 works of art that comprise the DIA Collection. A forced liquidation of the DIA Collection would generate only a fraction of its true economic value.

5. Nevertheless, the Plan provides for multiple new sources of revenue, cost saving initiatives and settlements that improve recoveries for creditors. The City has made reasonable efforts to monetize assets other than the DIA Collection, including the Detroit Windsor Tunnel, certain real estate properties, certain parking properties and the Joe Louis Arena property. The City also has entered into the Great Lakes Water Authority memorandum of understanding, which benefits all of the City's creditors.<sup>38</sup>

6. The transactions and settlements associated with the "Grand Bargain" – including the State Contribution Agreement, the DIA Settlement and the City's comprehensive settlement of pension-related and labor-related issues negotiated with the Retiree Committee, the Retirement

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<sup>38</sup> See Memorandum of Understanding Regarding the Formation of the Great Lakes Water Authority, filed as Exhibit A to the Notice of Execution of Framework for Creating a Water and Sewer Authority (Docket No. 7357).

Systems and certain unions and retiree associations – will generate at least an additional \$816 million in nominal revenue for the benefit of the holders of Pension Claims. In addition, the City has entered into favorable settlements with representatives of the holders of Pension Claims, OPEB Claims, COP Claims, Unlimited Tax General Obligation Bond Claims, Limited Tax General Obligation Bond Claims and Indirect 36th District Court Claims. The difference between the amounts asserted by such claimants and the amounts accepted in settlement of such Claims redounds to the benefit of all the City's stakeholders. The successful implementation of the reinvestment initiatives incorporated into the Plan (the "Reinvestment Initiatives") is indispensable to the City's efforts to provide its creditors with as significant a recovery as could be expected under the circumstances, and the maximization of such creditor recoveries influenced the design of the Reinvestment Initiatives. In addition, absent confirmation of the Plan, the City would not have the ability to access the capital markets on reasonable terms, meaning that the issuance of numerous and large judgments against the City would quickly deplete the City's limited resources and its tax base.

7. Raising taxes also is not a viable option for the City. The City is legally prohibited from raising property tax rates above their current levels, which rates are higher than those in neighboring communities and among the highest in Michigan. The likelihood of the people of Detroit or the State

legislature voting to raise taxes is remote. Even if the City could legally increase property tax rates, doing so would not increase the City's revenues because the City has reached its practical taxable limit, *i.e.*, tax saturation, meaning that any further tax increases on Detroit residents most likely would (a) exacerbate the City's already high tax collection delinquency rate, (b) continue the flight of residents and businesses from the City, (c) discourage inflow of prospective residents and businesses, (d) destabilize growth and (e) ultimately reduce the City's overall tax revenues. The loss of population in Detroit has compounded the City's financial difficulties and led to additional cutbacks in municipal services – which cutbacks, in turn, have led to continuing losses of population, industry and tax revenues. Increasing the tax burden on Detroit residents would only perpetuate this vicious cycle.

8. The effect of dismissal of the City's Chapter 9 Case would be the issuance of myriad judgment levies under State law.<sup>39</sup> In a dismissal scenario, the Revised Judicature Act would require the City to satisfy any judgments obtained by creditors either through bond issuances or property tax levies.<sup>40</sup> If the Chapter 9 Case were dismissed, the City's creditors would not realize greater recoveries than they would receive under the Plan because the City

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<sup>39</sup> See M.C.L. § 600.6093.

<sup>40</sup> See *id.*



would lack the resources and ability to satisfy such judgment levies. In such a scenario, the City's pension obligations alone likely would quickly eradicate any meaningful recoveries for other unsecured creditors outside of chapter 9.

9. Dismissal of the Chapter 9 Case would deprive the City of the benefit of the Reinvestment Initiatives. Without such reinvestment, the City's ability to provide basic services would continue to decline below even today's inadequate levels. Without the ability to provide adequate levels of basic services, the City would be unable to reverse the exodus of residents and businesses from the City that has depleted the City's tax base, reduced land values and led to widespread abandonment and blight. In addition, the Plan offers financial benefits that would be unavailable to the City in the event of dismissal, including the \$816 million that will be contributed to the Retirement Systems in connection with the Grand Bargain, the Exit Facility and the cost savings to be realized by the Reinvestment Initiatives and the Settlements under the Plan.

10. *Feasibility.* The Plan is feasible, within the meaning of section 943(b)(7) of the Bankruptcy Code. On and after the Effective Date, it is more likely than not that the City will be able to (a) make all payments contemplated by the Plan without a significant probability of default and

(b) sustainably provide adequate municipal services to its residents.<sup>41</sup> The City has demonstrated a reasonable prospect that the City will successfully implement the Plan and the Reinvestment Initiatives.<sup>42</sup>

11. The City's revenue and expense projections contained in (a) the ten-year summary of the Reinvestment Initiatives (the "10-Year Reinvestment Initiative Summary") introduced into evidence as City Exhibit 108 (July 2014); (b) the ten-year statement of projected cash flows (the "10-Year Forecast") introduced into evidence as City Exhibits 109 (July 2014), 733 (September 2014), 780 (October 2014), 781 (October 2014) and 782 (October 2014); (c) the forty-year statement of projected cash flows (the "40-Year Forecast") introduced into evidence as City Exhibits 111 (July 2014), 734 (September 2014), 779 (October 2014) and 793 (October 2014); and (d) the ten-year statement of projected cash flows of the City's water and sewage disposal funds introduced into evidence as part of City Exhibit 3 (collectively with the 10-Year Reinvestment Initiative Summary, the 10-Year Forecast and the 40-Year Forecast, the "Projections"), are reasonable, made in good faith, accurate,

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<sup>41</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 202-03; Court's Exhibit 12002 (Second Supplemental Expert Report of Martha E.M. Kopacz), at 5-6.

<sup>42</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 29, 164-65, 202-03; Court's Exhibit 12002 (Second Supplemental Expert Report of Martha E.M. Kopacz), at 5-6.

consistent with other financial projections made by the City and based upon assumptions that are reasonable when considered individually or collectively.<sup>43</sup>

12. The City will have employees that have the necessary skill and commitment to implement, and perform according to the terms of, the Plan. The City will also have adequate systems, controls and procedures (as modified, modernized and developed by the Reinvestment Initiatives) to (a) monitor the City's financial and operational performance and (b) minimize and eliminate fraud, abuse and waste (both in the City's day-to-day operations and in the implementation of the Reinvestment Initiatives).<sup>44</sup>

13. The City is beginning to implement appropriate controls to reasonably ensure the City's ongoing compliance with the terms of the Plan.<sup>45</sup> These controls include, but are not limited to: (a) the Michigan Financial Review Commission (the "Financial Review Commission") established pursuant to Public Act 181 of 2014, M.C.L. §§ 141.1631, *et seq.* ("PA 181" or the "Financial Review Commission Act"); (b) the requirements imposed by Public Act 182 of 2014,

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<sup>43</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 10, 200-01; Court's Exhibit 12001 (Supplemental Expert Report of Martha E.M. Kopacz), at 3-4; Court's Exhibit 12002 (Second Supplemental Expert Report of Martha E.M. Kopacz), at 5-6.

<sup>44</sup> See Court's Exhibit 12002 (Second Supplemental Expert Report of Martha E.M. Kopacz), at 29-30.

<sup>45</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 175, 202.

M.C.L. § 117.4s-t ("PA 182" and, together with PA 181, the "Grand Bargain Legislation"), that the City (i) adopt a sound, multi-year financial plan, (ii) appoint a Chief Financial Officer and (iii) post its financial forecasts and contracts to the City's official website; and (c) the adoption of governance and financial oversight mechanisms for the Retirement Systems in connection with the State Contribution Agreement. The Financial Review Commission will have broad authority, under the Grand Bargain Legislation, to obtain and review the City's financial records on an ongoing basis, and to conduct financial audits of the City.<sup>46</sup>

14. The Reinvestment Initiatives provide for the reinvestment of approximately \$1.7 billion in the City between the Effective Date and June 30, 2023. The Reinvestment Initiatives will allow the City to achieve approximately \$483 million in additional revenue and \$358 million in cost savings during that same period, resulting in net reinvestment in the City of approximately \$877 million. The Reinvestment Initiatives are reasonably designed to, and more likely than not will, ensure that the City will be able to (a) remedy its service delivery insolvency and provide adequate municipal services to its residents, (b) meet its financial obligations on a prospective basis, (c) promote the stability of

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<sup>46</sup> See M.C.L. § 141.1636.

the City's population and (d) provide a platform for the growth of both the City's resident and business populations.<sup>47</sup>

15. The costs associated with the Reinvestment Initiatives are reasonable. The goals of the Reinvestment Initiatives are achievable.<sup>48</sup> The City can arrest the reinforcing trends of population loss, declining property values and declining revenues if adequate services are restored, blight is remediated and the City becomes a more attractive place to live and work. The Reinvestment Initiatives will accelerate investment in the City by business, community and philanthropic organizations.

16. Absent the Reinvestment Initiatives, the City cannot provide a sustainable level of services to its residents. The Reinvestment Initiatives are necessary to (a) remedy the City's service delivery insolvency, (b) reduce blight and strengthen neighborhoods, (c) improve the efficiency of, and adequately fund, the City's operations (including, but not limited to, its administrative and support departments and the operations of the 36th District Court), (d) allow elected officials to more effectively manage the City, (e) enhance the City's revenues, (f) reduce the City's costs and (g) ensure the provision of

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<sup>47</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 202.

<sup>48</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 201-02.

adequate and significantly improved municipal and public safety services to City residents and businesses.<sup>49</sup> The Mayor's office and the City Council have been consulted in connection with the City's restructuring and are committed to working in concert to implement the Plan and the Reinvestment Initiatives.<sup>50</sup>

17. It is more likely than not that the Plan is sustainable over the long term.<sup>51</sup> Based on the Projections, the City will have sufficient liquidity to sustain normal municipal operations, issue and perform under the New Securities, satisfy the Settlements and otherwise meet its financial obligations after the Effective Date. The amount and terms of the Exit Facility are reasonable. The City will have sufficient resources to service the Exit Facility. The Plan and the Exit Facility will enable the City to resolve onerous debts related to the City's excessive prepetition borrowing. The City's commitment, under the Plan, to use its best efforts to prepay the New LTGO Bonds on the Effective Date, or as soon as reasonably practicable thereafter, is both reasonable and feasible. Credit markets

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<sup>49</sup> See Court's Exhibit 12000 (Expert Report of Martha E.M. Kopacz), at 201-02.

<sup>50</sup> See Joint Notice of Transition Plan (Docket No. 7681), Exhibit A (Detroit City Council Resolution adopted Sept. 25, 2014), at 2-3 ("The City Council supports the confirmation and implementation of a Plan of Adjustment.... After, and assuming, confirmation of the Plan of Adjustment, the City Council will support the City's implementation of the confirmed Plan of Adjustment.").

<sup>51</sup> See Court's Exhibit 12001 (Supplemental Expert Report of Martha E.M. Kopacz), at 3-4.

likely (a) will be receptive to the newly de-leveraged City and (b) would be closed to the City absent the restructuring to be implemented pursuant to the Plan and the Reinvestment Initiatives. Although future economic risks cannot be predicted with certainty, and some economic risk factors are outside of the City's control, under the Plan, the City more likely than not will be able to adapt to unforeseen circumstances as necessary to preserve its revitalization.

18. Under the Plan, the DWSD will have sufficient resources to make the capital improvements necessary to enable the DWSD to continue to provide an adequate level of water and sewer service to its customers, and the DWSD's current capital improvement plans are reasonable for this purpose. There is no material risk of a system-wide failure that would prevent the DWSD from providing adequate levels of service. In addition, the DWSD Pension Funding does not negatively impact the feasibility of the Plan with respect to other creditors or the reinvestment initiatives.

### **EXECUTORY CONTRACTS**

O. Pursuant to sections 365 and 1123(b)(2) of the Bankruptcy Code (incorporated into this Chapter 9 Case by section 901 of the Bankruptcy Code), upon the occurrence of the Effective Date, Section II.D of the Plan provides for the assumption, assumption and assignment or rejection of certain Executory Contracts and Unexpired Leases. The City's determinations regarding the

assumption, assumption and assignment or rejection of Executory Contracts and Unexpired Leases are based on and within the sound business judgment of the City, are necessary to the implementation of the Plan and are in the best interests of the City, holders of Claims and other parties in interest in the Chapter 9 Case.

The City has filed Exhibit II.D.6 to the Plan (as it may have been amended or supplemented) and either has provided or will provide notice of the City's determinations regarding the assumption, assumption and assignment or rejection of Executory Contracts or Unexpired Leases and any related Cure Amount Claims consistent with the procedures (collectively, the "Contract Procedures") set forth in the Order, Pursuant to Sections 365, 901 and 1123 of the Bankruptcy Code, (A) Establishing Procedures with Respect to the Proposed Assumption and Rejection of Executory Contracts and Unexpired Leases and (B) Approving the Form and Manner of Notice Thereof (Docket No. 6512), entered on August 4, 2014 (the "Contract Procedures Order").

### **SETTLEMENTS AND RELEASES**

P. Pursuant to Bankruptcy Rule 9019(a) or otherwise, and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan.



Q. Based upon the representations and arguments of counsel to the City, the Retiree Committee, the Retirement Systems, Syncora, FGIC, the State, DIA Corp., the RDPFFA and the DRCEA, and all other testimony either actually given or proffered and other evidence introduced at the Confirmation Hearing and the full record of this Chapter 9 Case, the findings and conclusions of which are hereby incorporated by reference as if fully set forth herein, this Order constitutes the Court's approval of all Settlements provided for herein or in the Plan because, among other things, all aspects of such Settlements have been fully disclosed and such Settlements (and, as applicable, the agreements underlying such Settlements): (1) were negotiated and entered into in good faith and at arm's length; (2) comport with the policies and purposes of chapter 9 of the Bankruptcy Code; (3) reflect a reasonable balance between certainty and the risks and expenses of both future litigation and the continuation of the Chapter 9 Case; (4) fall well within the range of reasonableness for the resolution of complex litigation; (5) are fair, equitable and reasonable and in the best interests of the City, its creditors and other parties in interest; (6) represent appropriate exercises of the City's business judgment; (7) are essential to the successful implementation of the Plan; and (8) meet the standards for approval under sections 105(a) and 1123(b) of the Bankruptcy Code, Bankruptcy Rule 9019(a) and other applicable law.

R.     The DIA Settlement. The DIA Settlement resolves a substantial dispute surrounding the extent of the City's property rights with respect to the DIA Assets. Under the DIA Settlement, as reflected in Section IV.E.2 of the Plan, the City will irrevocably transfer all of its right, title and interest in and to the DIA Assets to DIA Corp., as trustee, to hold in perpetual charitable trust, and within the City limits, for the primary benefit of the residents of the City and the Counties and the citizens of the State.<sup>52</sup>

1.     The City cannot be compelled to liquidate the DIA Collection.<sup>53</sup> Even if such a liquidation could be compelled, however, many works in the DIA Collection are subject to donor restrictions and, contrary to the City's position, the Michigan Attorney General and DIA Corp. assert that the entire DIA Collection is held in trust.<sup>54</sup> The City's likelihood of success in potential litigation over whether the City has sufficient interest in the DIA Assets (or in any of them) to permit it to sell any such assets and use the proceeds of sale for its own purposes, including payment of operating expenses or debt, is uncertain. Any such litigation would likely take substantial time and cause the City to incur substantial expense.

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<sup>52</sup>     *See* Plan, at Exhibit I.A.127 (DIA Settlement Documents).

<sup>53</sup>     *See supra*, ¶ N.2; 11 U.S.C. § 904.

<sup>54</sup>     *See* Michigan Attorney General Opinion No. 7272 (June 13, 2013).

2. For the reasons set forth in the Confirmation Opinion, even if the City were to prevail in whole or in part in such litigation over the City's ability to sell the DIA Assets, it would not be in the City's best interests to liquidate the DIA Assets because (a) the City's ability to realize, on a timely basis, the full value of each of the DIA Assets it would be permitted to sell is uncertain and (b) a forced liquidation of the DIA Collection likely would yield only a fraction of the DIA Collection's true economic value. A proposed sale or other deaccession of the DIA Assets would have been resisted, and likely would have provoked adverse action, including litigation, by (a) DIA Corp. and donors to DIA Corp. and to the DIA and (b) the international art community. Preservation of the DIA Assets and the DIA is strongly in the interest of the City and its residents, is an important element in the revitalization of the City, critical to the feasibility of the Plan and to the City's future and therefore is in the interest of its creditors, who are receiving under the Plan payments over a period of time.

3. The compromises and settlements embodied in the DIA Settlement (a) accurately reflect and effectively resolve a substantial dispute surrounding the extent of the property rights the City possesses with respect to the DIA Assets, (b) avoid objections to confirmation of the Plan regarding the Plan's treatment of Pension Claims, (c) resolve pending appeals regarding the Court's ability to impair pensions under chapter 9 of the Bankruptcy Code, and (d) are,

collectively, a key compromise upon which several provisions of the Plan rest.

In the absence of the DIA Settlement, the City's emergence from chapter 9 would likely have been delayed by litigation and burdened with additional expenses.

4. The DIA Settlement has not been entered into fraudulently, nor with the intent to hinder, delay or defraud any entity to which the City is, or may become, indebted on or after the Effective Date. The DIA Settlement is not a fraudulent transfer under state or federal law.

5. The transfer of the DIA Assets to the DIA Corp. serves the public purpose of providing civic, artistic and cultural activities to the general public. Such transfer is authorized by law, including by Section 4k of the Michigan Home Rule City Act, M.C.L. § 117.4k, and Section 1-102 of the Detroit City Charter.

6. The DIA Settlement (a) eliminates the risk and expense of litigation regarding the DIA Assets and the Plan's treatment of Pension Claims and (b) leverages the DIA Assets for the benefit of the City's pensioners while also protecting the DIA Assets from the threat of liquidation and preserving the DIA Assets for the benefit of the City, its residents and surrounding communities. Based on the evidence of (a) the amount of the consideration to be provided under the DIA Settlement directly to the Retirement Systems, (b) DIA Corp.'s commitments to the City under the DIA Settlement, including the obligation to

maintain for the benefit of the public an encyclopedic art museum the permanent primary situs of which will be in the City, and (c) the settlement of litigation over the extent of the City's right, title or interest in the DIA Assets, the DIA Settlement and the transfer of the DIA Assets as provided in the DIA Settlement are for fair value and fair consideration and are fair, equitable, reasonable and in the best interests of the City and its creditors and residents.

S. The UTGO Settlement. After sufficient notice and opportunity for all parties to be heard, and after due deliberation, based on the Court's thorough review and full consideration of the UTGO Settlement Agreement and good and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law with respect to the UTGO Settlement:

1. The UTGO Settlement described in the Plan and the UTGO Settlement Agreement are fair, equitable, reasonable and in the best interests of the City and its creditors and residents. The UTGO Settlement Agreement is the result of extensive arm's length negotiations among the City and the Settling UTGO Bond Insurers – all of whom were represented by sophisticated counsel. The compromises and settlements embodied in the UTGO Settlement (a) resolve all disputes with respect to claims classified in Class 8 under the Plan and the issues raised by the Settling UTGO Bond Insurers in the UTGO Litigation and (b) are, collectively, a key compromise upon which several provisions of the

Plan rest. In the absence of such compromises and settlements, the City's emergence from chapter 9 would likely have been delayed by litigation and burdened with additional expenses.

2. The UTGO Settlement and the UTGO Settlement

Agreement: (a) were negotiated and entered into in good faith; (b) comport with the policies and purposes of chapter 9; (c) are fair, equitable and reasonable; (d) are in the best interests of the City and its creditors and residents as they not only fully resolve the UTGO Litigation but also permit the City's assignees to receive value from the Assigned UTGO Bond Tax Proceeds as set forth in the Plan, which receipt fulfills a requirement of the State Contribution Agreement; (e) are within the range of reasonable results if the disputes resolved by the UTGO Settlement, including the UTGO Litigation, were instead litigated to a conclusion; (f) fall above the lowest point in the range of reasonableness; and (g) meet the standards for approval under sections 105(a) and 1123(b) of the Bankruptcy Code, Bankruptcy Rule 9019(a) and other applicable law.

3. Without limiting any of the foregoing, the Court hereby

finds that:

- The Plan incorporates the UTGO Settlement Agreement, and the effectiveness of the Plan is expressly conditioned upon: (a) the MFA board having approved the issuance of the Restructured UTGO Bonds and such bonds having been issued;

and (b) the City having obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of the UTGO Settlement Agreement.<sup>55</sup>

- As of the Effective Date, the Plan represents a full, final and complete compromise, settlement, release and resolution of, among other matters, all disputes and pending or potential litigation (including any appeals), including, without limitation, the UTGO Litigation, regarding the allowability, amount, priority and treatment of the Unlimited Tax General Obligation Bond Claims. The treatment of Class 8 Unlimited Tax General Obligation Bond Claims under the Plan is a component of a settlement and compromise of the UTGO Litigation.<sup>56</sup>
- Good and valuable consideration has been provided for all releases and exculpations granted pursuant to the UTGO Settlement Agreement, including, without limitation, the releases and exculpations granted pursuant to Sections 6.1 and 6.2 of the UTGO Settlement Agreement. Such provisions are fair, equitable, reasonable and integral elements of the UTGO Settlement Agreement.<sup>57</sup>
- The Court confirms that, as of the Effective Date and pursuant to Emergency Manager Bond Order No. 4, the Municipal Obligation shall be secured, to the extent permitted by law, including, without limitation, Section 12(1)(x) of PA 436, by a lien granted by the City on the UTGO Bond Tax Levy

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<sup>55</sup> See Plan, at §§ III.A.9, III.A.10.

<sup>56</sup> See Plan, at § II.B.3.o.ii, Exhibit I.A.360.

<sup>57</sup> See Plan, at Exhibit I.A.360.

for so long as either the Municipal Obligation or the Stub UTGO Bonds are outstanding.<sup>58</sup>

- As of the Effective Date, the UTGO Bond Tax Levy shall constitute "special revenues," as defined in section 902 of the Bankruptcy Code, and "pledged special revenues," as that term is used in section 922(d) of the Bankruptcy Code.<sup>59</sup>
- As of the Effective Date, the MFA shall possess a valid and enforceable statutory fourth lien and trust on the shared revenue payments that the City is entitled to receive from the State under the Michigan Constitution and Michigan Public Act 140 of 1971, the Glenn Steil State Revenue Sharing Act, M.C.L. §§ 141.901, *et seq.*, as amended ("Distributable State Aid"), as provided in Section 15(2) of Michigan Public Act 227 of 1985, the Shared Credit Rating Act, M.C.L. §§ 141.1051, *et seq.*, or as otherwise provided under applicable law.<sup>60</sup>
- As of the Effective Date, Holders of the Restructured UTGO Bonds shall possess all of the MFA's rights and interest in the Municipal Obligation including all the rights and interest provided herein and under the UTGO Settlement Agreement, subject to the reservation by the MFA of rights to indemnification and to make all determinations and approvals and receive all notices accorded to it under the Municipal Obligation and related documents. Accordingly, the Restructured UTGO Bonds will be payable from and secured by (a) payments made by the City on the Municipal Obligation and to the extent

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<sup>58</sup> *See id.*

<sup>59</sup> *See id.*; 11 U.S.C. §§ 902, 922(d).

<sup>60</sup> *See Plan*, at Exhibit I.A.360.



permitted by law, including, without limitation, Section 12(1)(x) of PA 436, a lien on the portion of the UTGO Bond Tax Levy allocable to the Municipal Obligation, pledged by the City to secure the Municipal Obligation; and (b) a lien, made a statutory lien as provided by the Shared Credit Rating Act, on moneys in the funds and accounts established for the Restructured UTGO Bonds under the authorizing resolution for such bonds, including payments pledged by the City and received and held by the MFA or its trustee for the Restructured UTGO Bonds, which include, without limitation, all payments of (i) the proceeds of the UTGO Bond Tax Levy and (ii) Distributable State Aid.<sup>61</sup>

T. The LTGO Settlement. The LTGO Settlement Agreement and all Sections of the Plan pertaining to recoveries upon Limited Tax General Obligation Bond Claims, including Sections II.B.3.n and II.B.3.p.i.A of the Plan (such sections of the Plan, collectively with the LTGO Settlement Agreement, the "LTGO Settlement") are fair, equitable, reasonable and in the best interests of the City and its creditors and residents. The LTGO Settlement is the result of extensive arm's length negotiations among the City, the LTGO Insurer and BlackRock Financial Management (on behalf of certain managed funds and accounts) ("BlackRock"). The compromises and settlements embodied in the LTGO Settlement (1) resolve all disputes with respect to (a) the Plan and any objections filed by the LTGO Insurer or BlackRock related to the Plan, (b) the

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<sup>61</sup> *See id.*

Claims classified in Class 7 under the Plan and (c) all issues relating to Limited Tax General Obligation Bonds raised in the adversary proceeding brought before the Bankruptcy Court, captioned as *Ambac Assurance Corp. v. City of Detroit, Michigan*, No. 13-5310 (Bankr. E.D. Mich.) (the "Ambac Action"); and (2) are, collectively, a key compromise upon which several provisions of the Plan rest.<sup>62</sup> In the absence of such compromises and settlements, the City's emergence from chapter 9 likely would have been delayed by litigation and burdened with additional expenses, with no assurance of a better result for the City. The treatment of Limited Tax General Obligation Bonds and related Limited Tax General Obligation Bond Claims under the Plan is part of the settlement of the Ambac Action, as such proceeding relates to such Bonds and Claims.

U. The OPEB Settlement. The OPEB Settlement is the result of extensive arm's length negotiations between the City and the Retiree Committee, which was represented by sophisticated counsel, and is an integral component of the City's global settlement of pension-related and other labor-related issues negotiated with, among others, the Retiree Committee. The compromises and settlements embodied in the OPEB Settlement (1) resolve all disputes with respect to the aggregate valuation of Claims classified in Class 12 under the Plan and the issues raised by the Retiree Committee in the Retiree Health Care Litigation; and

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<sup>62</sup> See Plan, at Exhibit I.A.237 (LTGO Settlement Agreement).

(2) are, collectively, a key compromise upon which several provisions of the Plan rest. In the absence of such compromises and settlements, the City's emergence from chapter 9 likely would have been delayed by litigation and burdened with additional expenses, with no assurance of a better result for the City.

1. The OPEB Settlement is in the best interests of the City and its creditors and residents as it fully resolves (a) the dispute between the City and the Retiree Committee regarding the aggregate valuation of OPEB Claims and the treatment of OPEB Claims under the Plan and (b) the Retiree Health Care Litigation. The OPEB Settlement is within the range of reasonable results if the disputes resolved by the OPEB Settlement, including the Retiree Health Care Litigation, were instead litigated to a conclusion.

V. The 36th District Court Settlement. The 36th District Court Settlement is the result of extensive arm's length negotiations among the City, the 36th District Court and the Settling 36th District Court Claimants. The compromises and settlements embodied in the 36th District Court Settlement resolve all disputes with respect to (1) the Plan and any objections filed by Settling 36th District Court Claimants related to the Plan and (2) the treatment of Indirect 36th District Court Claims under the Plan. In the absence of such compromises and settlements, the City's emergence from chapter 9 likely would have been

delayed by litigation and burdened with additional expenses, with no assurance of a better result for the City.

1. The 36th District Court Settlement is in the best interests of the City and its creditors and residents as it not only resolves the treatment of Indirect 36th District Court Claims under the Plan, but also provides for the payment of the Settling 36th District Court Claimants' Claims at a significant discount while enabling the City to avoid further litigation with the Settling 36th District Court Claimants regarding the City's power to impair Indirect 36th District Court Claims under the Plan. The 36th District Court Settlement is within the range of reasonable results if the disputes resolved by the 36th District Court Settlement were instead litigated to a conclusion.

W. The Syncora Settlement. The Syncora Settlement is the result of extensive arm's length negotiations among the City, Syncora and other interested parties impacted by the Syncora Settlement, including the Retiree Committee and the LTGO Insurer. The Syncora Settlement includes a long term commitment by Syncora to the revitalization of core areas of the City and a partnership between Syncora and the City focused on the City's growth. Without limiting the foregoing, the Court hereby finds as follows with respect to the Syncora Settlement:

1. The compromises and settlements embodied in the Syncora Settlement resolve all disputes between the City and Syncora with respect to (a) any Class 9 Claim or Class 14 Claim held by Syncora, (b) the Plan and all objections filed by Syncora related to the Plan (including any objection related to the UTGO Settlement) and (c) all issues arising in connection with the Dismissed Syncora Litigation, including, but not limited to, issues arising in connection with the COP Swap Settlement and the Tunnel Lease. In the absence of the Syncora Settlement, the City's emergence from chapter 9 likely would have been delayed by additional litigation and burdened with additional expenses, with no assurance of a better result for the City. The Syncora Settlement is (a) a reasonable exercise of the City's business judgment and (b) within the range of reasonable results if the disputes resolved by the Syncora Settlement were instead litigated to a conclusion.

2. As part of the Syncora Settlement and to resolve all pending litigation involving the City and Syncora, the parties have agreed to enter into certain transactions (collectively, the "Syncora Redevelopment Transactions"), which include: (a) the amendment, assumption and extension of the Tunnel Lease;<sup>63</sup> (b) the Syncora Development Agreement;<sup>64</sup> and (c) the agreement between the City and Pike Pointe Holdings, LLC (the "Developer"), a subsidiary of

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<sup>63</sup> See Plan, at Exhibit I.A.344.

<sup>64</sup> See Plan, at Exhibit I.A.340.

Syncora, that provides the Developer, for a period of one year following the Effective Date, with the option to enter into a 30-year concession agreement to operate and maintain the Grand Circus Parking Garage. The Syncora Redevelopment Transactions will provide the City with benefits that the City otherwise would be unable to realize, including by laying the groundwork for a decades-long partnership between the City and Syncora that promises to provide substantial investment in, and rehabilitation of, City assets on a mutually beneficial basis. In addition, pursuant to the Syncora Settlement, the City will pay Syncora the sum of \$5 million (the "Swap-Related Consideration") in consideration for Syncora's (a) dismissal of Syncora's appeals of the COP Swap Settlement Approval Order (Docket No. 4094) and the Order Regarding Casino Revenues and Automatic Stay (Docket No. 670) and (b) withdrawal of Syncora's other litigation claims arising from the COP Swap Documents.<sup>65</sup> The Swap-Related Consideration, and any consideration provided by the City to Syncora in connection with the Syncora Redevelopment Transactions, is separate and distinct from, and constitutes no part of, the treatment under the Plan of Class 9 COP Claims. The Syncora Development Agreement is solely for the benefit of Syncora (subject to any provision set forth in the Plan for payment of COP Agent Fees). The Syncora

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<sup>65</sup> See Plan, at § IV.I.

Settlement provides benefits to Classes 7, 12 and 14 under the Plan that would otherwise have been unavailable thereto.

X. The FGIC/COP Settlement. The FGIC/COP Settlement is the result of extensive good faith, arm's length negotiations among the City, FGIC, the FGIC COP Holders and the State. The FGIC/COP Settlement is founded on a long term commitment by FGIC to the revitalization of core areas of the City and a partnership among FGIC, the City and the State focused on the City's growth. Without limiting the foregoing, the Court hereby finds as follows with respect to the FGIC/COP Settlement:

1. The compromises and settlements embodied in the FGIC/COP Settlement resolve all disputes between the City, FGIC and the FGIC COP Holders with respect to (a) all Class 9 or Class 14 Claims held by FGIC and all Class 9 Claims held by the FGIC COP Holders, (b) the Plan and any objection filed by FGIC or the FGIC COP Holders related to the Plan and (c) all issues arising in connection with the Dismissed FGIC/COP Litigation. In the absence of the FGIC/COP Settlement, the City's emergence from chapter 9 likely would have been delayed by litigation and burdened with additional expenses, with no assurance of a better result for the City. The FGIC/COP Settlement is (a) a reasonable exercise of the City's business judgment and (b) within the range of

reasonable results if the disputes resolved by the FGIC/COP Settlement were instead litigated to a conclusion.

2. As part of the FGIC/COP Settlement and to resolve all pending litigation involving the City and FGIC, the City and FGIC have agreed to enter into the FGIC Development Agreement. The FGIC Development Agreement will provide the City with various benefits that the City otherwise would be unable to realize, including by laying the groundwork for a decades-long partnership among the City, FGIC and the State that promises to provide substantial investment in, and rehabilitation of, City assets. Any consideration provided by the City to FGIC in connection with the FGIC Development Agreement is separate and distinct from, and constitutes no part of, the treatment under the Plan of Class 9 COP Claims. The FGIC Settlement Consideration and the FGIC Development Agreement are solely for the benefit of FGIC and the FGIC COP Holders (subject to any provision set forth in the Plan for payment of COP Agent Fees).<sup>66</sup>

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<sup>66</sup> In addition, pursuant to the FGIC/COP Settlement, in full satisfaction and discharge of FGIC's Claims against the City related to the COP Swap Documents, FGIC will receive an Allowed Class 14 Claim in the amount of \$6.13 million and the Downtown Development Authority shall assign to FGIC all of the Downtown Development Authority's right, title and interest to its distribution of New B Notes under the Plan on account of its \$33.6 million Class 13 Claim. This consideration is solely for FGIC's benefit.



The FGIC/COP Settlement provides benefits to Classes 7, 12 and 14 under the Plan that would otherwise have been unavailable thereto.

3. The consideration to be paid by the City pursuant to the Syncora Settlement and the FGIC/COP Settlement is expected to be offset by certain newly-identified sources of revenue not incorporated into the City's July and September 2014 Projections (the "Prior Projections"), meaning that (a) the City's overall cash position set forth in the Prior Projections remains materially unchanged in the City's October 2014 Projections (incorporating the costs of the Syncora Settlement and the FGIC/COP Settlement) and (b) the City will have sufficient cash and revenues to satisfy its obligations under the Settlements and meet its operating expenses going forward.

Y. ASF Recoupment. ASF Recoupment, as set forth at Section II.B.3.r.ii.D of the Plan, is: (1) an integral component of the City's global settlement of pension-related and other labor-related issues negotiated with, among others, the Retirement Systems and the Retiree Committee; and (2) is well within the range of possible reasonable settlements.

1. During the period beginning in the mid-1980s until fiscal year 2012, Annuity Savings Fund accounts maintained on behalf of certain participants (who voluntarily contributed after tax dollars into the Annuity Savings Fund maintained by the GRS) often were credited with interest in excess of the

actual or market rate of return for assets in the GRS Traditional Pension Plan (such interest, the "ASF Excess Interest"). Because the assets credited to such Annuity Savings Fund accounts were coinvested with the assets of the GRS Traditional Pension Plan, assets of the GRS Traditional Pension Plan were allocated to the applicable Annuity Savings Fund accounts to fund such ASF Excess Interest. The City asserts that the aggregate total of such ASF Excess Interest credited during the period from 2003 through 2013 was approximately \$387 million. The ASF Recoupment contemplated by the Plan would recover approximately \$190 million in total ASF Excess Interest credited to Annuity Savings Fund accounts through reductions to retiree pension benefits and asset transfers from active GRS participants.

2. The City has argued that the crediting of ASF Excess Interest to Annuity Savings Fund accounts constitutes a violation under Michigan Public Act 314 of 1965, the Public Employee Retirement System Investment Act, as well as the common law of trusts of the fiduciary duties owed to the GRS Traditional Pension Plan by the GRS Trustees and was an *ultra vires* act under the Detroit City Charter. Several GRS participants object, and assert a number of defenses to, the ASF Recoupment proposed by the City.

3. The Court does not rule on the merits of the City's claim to recover ASF Recoupment or the merits of the GRS participants' defenses.

The Court reviews the parties' respective positions solely to determine whether the ASF Recoupment component of the City's broader pension-related settlement is reasonable. The Court finds substantial merit in the City's claim to recover ASF Excess Interest. The legal authority of the GRS Trustees to credit ASF Savings Fund Accounts with ASF Excess Interest was doubtful, and the prudence of the practice even more so. The Court further finds that the defenses to ASF Recoupment asserted by the objecting GRS participants likely have little merit. Accordingly, the Court finds that the City would have a reasonable likelihood of success (between 60% and 70%) on any claim to recover ASF Excess Interest. Nevertheless, the length, complexity and expense of any such litigation, and related issues of collectability, would be substantial.

4. ASF participants received due process of law with respect to ASF Recoupment. In particular, ASF participants received (a) the Plain Language Supplement as part of their Solicitation Packages describing in detail the effect of ASF Recoupment (as well as subsequent communications from the City, the Retiree Committee, the Retirement Systems and certain retiree associations) and (b) sufficient opportunity to object to the Plan and ASF Recoupment, an opportunity exercised by many ASF participants.<sup>67</sup>

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<sup>67</sup> See Certificate of Service (Docket No. 6177), at ¶¶ 10, 14.

5. ASF Recoupment will not cause the amounts recovered from ASF Distribution Recipients to exceed the ASF Recoupment Cap or the Current GRS Retiree Adjustment Cap as such amounts are amortized over time using a 6.75% interest rate. Subject to Section II.B.3.r of the Plan, GRS participants subject to ASF Recoupment have the option to pay the ASF Recoupment Amount in a lump sum. The caps and other limitations on ASF Recoupment limit the hardship resulting to GRS participants therefrom.

Z. Plan Releases. Each non-Debtor party that will benefit from the releases, exculpations and related injunctions set forth in, among others, Sections III.D.5, III.D.6 and III.D.7 of the Plan (collectively, the "Plan Releases") either shares an identity of interest with the City, was instrumental to the successful prosecution of the Chapter 9 Case or provided substantial consideration, which value will allow for distributions that would not otherwise be available but for the contributions made by such non-Debtor parties. The Plan Releases are, individually and collectively, integral to, and necessary for the successful implementation of, the Plan, essential to the City's restructuring and supported by reasonable consideration. The City and all creditors that voted to accept the Plan have expressly consented to the Plan Releases. Releases of non-Debtor parties pursuant to Section III.D.7 of the Plan were appropriately disclosed by the City in the Disclosure Statement, on each Ballot mailed to creditors and in the Plain

Language Supplement.<sup>68</sup> Accordingly, in light of all of the circumstances, the Plan Releases are consonant with the prevailing law in this District and are fair to the releasing parties. Without limiting the foregoing, the Court hereby finds as follows with respect to the Plan Releases:

1. The releases set forth in Section III.D.7.a of the Plan are consensual releases that apply only to holders of Claims that voted to accept the Plan. The Plan's consensual release provisions are lawful and appropriate.

2. The exculpation provision contained in Section III.D.6 of the Plan complies with applicable law and is appropriate. Such provision contains a carve-out for gross negligence and willful misconduct and is limited to claims arising out of the City's restructuring efforts and the Chapter 9 Case. In addition, the Plan's exculpation provision extends only to certain parties who either have settled with the City or have actively participated in the City's restructuring activities.

3. The non-consensual third party releases and related injunctions contained in the Plan (as such releases and injunctions may have been modified herein with respect to claims asserted against officers and employees of the City in their individual capacity pursuant to 42 U.S.C. § 1983 (*see* ¶¶ 22, 32 below)) are lawful and appropriate because unusual circumstances exist in the

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<sup>68</sup> *See, e.g.*, Disclosure Statement, at 16, 28-29, 37, 39, 50, 52, 60.

City's Chapter 9 Case that justify their application. As far as this Court is aware, this is the first chapter 9 case wherein (a) the debtor has sought to compromise pension benefits for a municipality's active and retired workforce *and* (b) third parties under no obligation to contribute funds to creditors of a municipal debtor have volunteered to provide funding in addition to proposed recoveries under the debtor's plan of adjustment.

4. As part of the Grand Bargain, the State has agreed to contribute \$194.8 million to reduce the Retirement Systems' underfunding.<sup>69</sup> The settlements the City reached with representatives of its retirees and employees are conditioned upon the receipt of the State funding.<sup>70</sup> The contributions to be made by the State pursuant to the State Contribution Agreement are made in exchange for the release of, among other things, (a) the constitutionally-based claims asserted by the Retirement Systems and holders of Pension Claims that such Claims may not be impaired and (b) certain litigation identified in the State Contribution Agreement. The funding obligation of the State under the State Contribution Agreement is expressly conditioned upon the State and the State Related Entities obtaining the release set forth in Section III.D.7.b of the Plan.<sup>71</sup>

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<sup>69</sup> See Plan, at Exhibit I.A.332 (State Contribution Agreement).

<sup>70</sup> See Plan, at Exhibits I.A.127, I.A.332.

<sup>71</sup> See Plan, Exhibit I.A.332, at 5.

The funding obligation of the DIA Funders under the DIA Settlement Documents is expressly conditioned upon the State's provision of funding pursuant to the State Contribution Agreement.<sup>72</sup> Because (a) the consummation of both the State Contribution Agreement and the DIA Settlement – and, thus, the State's and DIA Funders' respective contributions pursuant thereto – depends upon the approval of the releases set forth at Section III.D.7.b of the Plan; (b) the releases set forth at Section III.D.7.b of the Plan apply only with respect to holders of Class 10 and Class 11 Claims, *i.e.*, direct beneficiaries of both the State Contribution Agreement and the DIA Settlement; and (c) such provisions otherwise comply with applicable law, the Court hereby finds that the releases set forth at Section III.D.7.b of the Plan and any related injunctions are lawful and appropriate under the unusual circumstances of the City's Chapter 9 Case.

### **MISCELLANEOUS**

AA. Exit Facility. The terms and conditions of the Exit Facility and all of the transaction documents governing the Exit Facility, including, but not limited to, bond purchase agreements, indentures, bond forms, account control agreements and all other related documents and agreements (collectively, the "Exit Facility Documents") and the fees to be paid thereunder (1) are fair and reasonable, (2) reflect the City's exercise of prudent judgment, (3) are supported by reasonably

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<sup>72</sup> See Plan, Exhibit I.A.127, at 3.

equivalent value and fair consideration, (4) are proposed in good faith, (5) are critical to the success and feasibility of the Plan and (6) are in the best interests of the City. The Exit Facility and the fees to be paid thereunder are the result of a full and fair marketing process conducted by the City and its agents and advisors.

The Exit Facility and the Exit Facility Documents and the fees to be paid thereunder were negotiated in good faith, without fraud or collusion and at arm's length among the parties, without the intent to hinder, delay or defraud any creditor of the City, and are supported by reasonably equivalent value and fair consideration. Credit extended under the Exit Facility and the Exit Facility Documents is extended in good faith for purposes and uses that are permitted by law, and not in violation of the Bankruptcy Code or of applicable nonbankruptcy law, and the Exit Facility (including the transactions contemplated by the Exit Facility Documents) is not prohibited by applicable bankruptcy or nonbankruptcy law. Each of (1) the MFA, (2) Barclays Capital Inc. (or such other qualifying affiliate as transferee), (3) the indenture trustee to be named under the Exit Facility Documents and (4) the holders of the bonds to be issued in connection with the Exit Facility (collectively, the "Exit Bonds"), therefore, shall not be affected by any reversal, modification, vacatur, amendment, reargument or reconsideration of this Order, any order finding jurisdiction, the Order for Relief or any other order.



BB. Waiver of Stay of Confirmation Order. To enable the City to (1) consummate the DIA Settlement and the State Contribution Agreement expeditiously, both of which settlements are conditioned upon the occurrence of the Effective Date; (2) begin implementing, and making distributions to the City's creditors pursuant to, the Plan; and (3) emerge from bankruptcy as expeditiously as possible to minimize costs to all parties and remedy its service delivery insolvency, good cause exists to support a waiver of the stay imposed by Bankruptcy Rule 3020(e).

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, AS FOLLOWS:

**A. Confirmation of Plan**

1. The Plan and each of its provisions (whether or not specifically approved herein) are CONFIRMED in each and every respect, pursuant to section 943 of the Bankruptcy Code. Failure specifically to include or reference particular sections or provisions of the Plan or any related agreement in this Order shall not diminish or impair the effectiveness of such sections or provisions, it being the intent of the Court that the Plan be confirmed and such related agreements be approved in their entirety.

2. The Effective Date of the Plan shall occur on the date determined by the City when the conditions set forth in Section III.A of the Plan

have been satisfied or, if applicable, have been waived in accordance with Section III.B of the Plan.

3. Any objections or responses to Confirmation of the Plan and the reservation of rights contained therein that (a) have not been withdrawn, waived or settled prior to the entry of this Order or (b) are not cured by the relief granted herein are hereby OVERRULED in their entirety and on their merits, and all withdrawn objections or responses are hereby deemed withdrawn with prejudice.

**B. Findings of Fact and Conclusions of Law**

4. Any finding of fact set forth in this Order constitutes a finding of fact even if it is stated as a conclusion of law, and any conclusion of law set forth in this Order constitutes a conclusion of law even if it is stated as a finding of fact. All findings of fact and conclusions of law announced by the Court on the record in connection with confirmation of the Plan or otherwise at the Confirmation Hearing or in the Confirmation Opinion are incorporated herein by reference.<sup>73</sup> The findings of fact and conclusions of law set forth herein, in the

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<sup>73</sup> The findings of fact and conclusions of law that are (a) set forth herein, (b) announced on the record during the Confirmation Hearing and (c) in the Confirmation Opinion shall be construed in a manner consistent with each other so as to effect the purpose of each; *provided, however*, that if there is any direct conflict that cannot be reconciled, then, solely to the extent of such conflict, the provisions of the Confirmation Opinion shall govern and

Confirmation Opinion and in the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014.

### **C. Approval of Settlements**

5. Consistent with the findings herein, the DIA Settlement, the State Contribution Agreement, the UTGO Settlement, the LTGO Settlement, the 36th District Court Settlement, the OPEB Settlement, the Syncora Settlement and the FGIC/COP Settlement (collectively, the "Settlements"), including, without limitation, any and all of the transactions contemplated, liens granted and protections created therein, are approved in all respects as good faith, fair, reasonable and equitable compromises and settlements of all disputes with respect to the subject matter thereof that are in the best interests of the City and its creditors and residents.

6. The entry of this Order constitutes: (a) approval of the each of the Settlements pursuant to, as applicable, (i) the Bankruptcy Rules, including Bankruptcy Rule 9019, (ii) the Bankruptcy Code, including section 1123 thereof

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(continued...)

shall control and take precedence over any findings of fact or conclusions of law announced on the record at the Confirmation Hearing or in the Confirmation Opinion.

and (iii) any and all applicable State law, including, but not limited to, (A) Act 279, Public Acts of Michigan, 1909, as amended, (B) PA 436, (C) Act 34, Public Acts of Michigan, 2001, as amended, and (D) Act 80, Public Acts of Michigan, 1981, as amended; and (b) authorization for the City to enter into each Settlement and take any and all actions necessary or appropriate to perform under or implement the terms of the applicable agreements.

7. The transfer under the Plan and the DIA Settlement of the DIA Assets, including without limitation (a) the real property located at 5200 Woodward Avenue, Detroit, Michigan, (b) the underground parking garage commonly known as the "Cultural Center Garage," located at 41 Farnsworth Street, Detroit, Michigan, (c) the parking lot located at 5200 Woodward Avenue, Detroit, Michigan, (d) the parking lot, commonly known as the "Frederick Lot," located at 318 Frederick Street, Detroit, Michigan and (e) the art collection located in the DIA, shall be free and clear of all liens, claims and interests (as such terms are defined in the Bankruptcy Code) of the City and its creditors.

8. As provided in the Plan, on the Effective Date, the UTGO Settlement Agreement shall be binding on the City, Ambac, Assured and NPMG. All exculpations and releases granted pursuant to the UTGO Settlement, including, without limitation, the releases and exculpations granted pursuant to Sections 6.1 and 6.2 of the UTGO Settlement Agreement, are hereby approved in their entirety.

The Court approves such settlements and releases on the grounds that good and valuable consideration has been provided therefor, and that such provisions are fair, equitable, reasonable and integral elements of the UTGO Settlement Agreement.

9. The proceeds of the UTGO Bond Tax Levy collected by the City shall be segregated and transmitted to the Debt Millage Escrow Trustee (as such term is defined at Section 2.4(a) of the UTGO Settlement Agreement) under the Debt Millage Escrow Agreement (as such term is defined at Section 1.2 of the UTGO Settlement Agreement), and the Debt Millage Escrow Trustee shall segregate and transmit the proceeds allocable to the Municipal Obligation to the Master Trustee (as such term is defined at Section 1.2 of the UTGO Settlement Agreement) in accordance with Section 2.4(a) of the UTGO Settlement Agreement.

10. Pursuant to the Section 2.7(b) of the UTGO Settlement Agreement, the City shall certify annually, not later than June 30 of each year, that it has imposed the debt millage levy as required by and in accordance with the terms of the UTGO Settlement Agreement.

11. All exculpations and releases granted pursuant to the LTGO Settlement, including, without limitation, the releases and exculpations granted pursuant to Sections 6.1 and 6.2 of the LTGO Settlement Agreement, are hereby approved in their entirety. The Court hereby approves such settlements and releases on the grounds that good and valuable consideration has been provided

therefor, and that such provisions are fair, equitable, reasonable and integral elements of the LTGO Settlement.

12. All consent rights granted by the City to the LTGO Settlement Parties, on behalf of the holders of Allowed Limited Tax General Obligation Bond Claims, as reflected in the LTGO Settlement and specifically in Section II.B.3.p.i.A of the Plan, with respect to pre-Effective Date and post-Effective Date settlements of the COP Litigation are integral elements of the LTGO Settlement and supported by good and valuable consideration.

13. In accordance with the LTGO Settlement, each month, the City shall segregate and deposit into a debt service fund monies for the payment of one-sixth of the next semi-annual debt service payable on the New LTGO Bonds, which monies shall not be used for any purpose other than paying debt service on the New LTGO Bonds so long as any New LTGO Bonds remain outstanding.

14. The Syncora Settlement Documents, including, but not limited to, (a) the Settlement Agreement between the City and Syncora, (b) the Syncora Development Agreement (including the garage option) and (c) the Tunnel Lease, and all transactions contemplated thereby, are hereby approved in all respects. The Syncora Development Agreement shall be administered by, and consideration related thereto shall be distributed to, Syncora in a manner consistent with this Order and the Plan.

15. Notwithstanding anything to the contrary in this Order or the Plan (including, without limitation, Sections II.B.3.p.i.A, III.D.6 or IV.L of the Plan, the FGIC/COP Settlement or the Syncora Settlement): (a) none of the form, method, mechanics or allocation of distributions in Section II.B.3.p.i.A of the Plan, nor any findings or orders of the Bankruptcy Court related thereto, shall, or shall be asserted or construed to, affect or prejudice any rights, claims or defenses between the COP Swap Counterparties, on the one hand, and any Settling COP Claimant (including Syncora, FGIC and the FGIC COP Holders) or COP Insurer, on the other hand. Subject to the proviso at the end of this paragraph, the preceding sentence hereby amends and replaces in its entirety the fourth paragraph of Section II.B.3.p.i.A of the Plan; (b) neither (i) any determinations, adjudications, findings or rulings in the Plan or by the Bankruptcy Court regarding the distributions or consideration provided to the COP Insurers or the Settling COP Claimants under the Plan, including whether such distributions or consideration are solely for the benefit of any particular parties nor (ii) any acceleration or deemed acceleration of any COPs provided for in the Plan or by the Bankruptcy Court shall in any way affect or prejudice any rights, claims or defenses of the COP Swap Counterparties, including with respect to such distributions or consideration; and (c) no release or agreement by any COP Agent provided for in the Plan (including, without limitation any agreement not to sue any COP Holder or any COP Insurer

in Section II.B.3.p.i.A of the Plan) or by the Bankruptcy Court, shall in any way affect any liability of such COP Holder, COP Insurer or COP Agent to any COP Swap Counterparty (or to any COP Agent on behalf of such COP Swap Counterparty) or impair in any way the rights or obligations of any COP Swap Counterparty or COP Agent (on behalf of any COP Swap Counterparty) to sue any COP Holder, COP Insurer or COP Agent; *provided, however* that, notwithstanding anything in this paragraph to the contrary, the COP Swap Counterparties have agreed not to, and shall not, seek to enjoin, block, prevent, subject to any lien (other than a judgment lien) or otherwise interfere with (a) the distribution by the Debtor of the Class 9 Settlement Asset Pool and New B Notes to, as applicable, FGIC, the FGIC COP Holders, Syncora and the Settling COP Claimants under and as provided for in Section II.B.3.p.i.A of the Plan, (b) any performance, operation, administration of, sale of, transfer of, assignment of or other action with respect to the FGIC Development Agreement, the Syncora Development Agreement or the Tunnel Lease (it being understood that this clause (b) shall not impair any rights or claims of the COP Swap Counterparties to monetary damages related to such agreements or the value thereof), or (c) except as a defense, counterclaim or claim against and in response to a party asserting a counterclaim, in each case asserted by either of the COP Swap Counterparties, distributions to FGIC, the FGIC COP



Holders, Syncora and the Settling COP Claimants (as applicable) of the proceeds of any of the foregoing.

16. The FGIC/COP Settlement Documents, including, but not limited to, (a) the Settlement Agreement between the City and FGIC, (b) the Stipulation Regarding FGIC Plan COP Settlement and FGIC COP Swap Settlement and (c) the FGIC Development Agreement, and all transactions contemplated thereby are hereby approved in all respects. The FGIC Settlement Consideration and the FGIC Development Agreement shall be administered and distributed to FGIC and the FGIC COP Holders in a manner consistent with this Order and the Plan. The allocation of Plan distributions among FGIC and the FGIC COP Holders shall be determined in accordance with agreements among FGIC and the FGIC COP Holders disclosed in a term sheet filed with the Court on October 22, 2014, as the same was amended on October 27, 2014 and may be subsequently amended (with the written consent of the parties thereto) and more fully documented (the "FGIC/FGIC COP Holders Term Sheet"). Pursuant to the FGIC/COP Settlement, the Downtown Development Authority shall, as of the Effective Date, irrevocably assign to FGIC all of the New B Notes that the Downtown Development Authority is entitled to receive pursuant to its Class 13 Allowed Claim.

17. The COP Service Corporations shall enter into such Supplemental Trust Agreements as FGIC and Syncora may reasonably request with respect to their respective insured COPs as long as such Supplemental Trust Agreements (a) do not impose any additional obligations or liability on the COP Service Corporations and (b) are consistent with the allocation of Plan distributions among FGIC and the FGIC COP Holders agreed to by and among FGIC and the FGIC COP Holders pursuant to the FGIC/FGIC COP Holders Term Sheet.

18. Pursuant to and in accordance with the New C Notes Documents, revenues collected by the City related to (a) tickets issued for parking violations (including, but not limited to, meter collections, towing, storage fees and booting fees), other than revenues that would otherwise be paid to the 36th District Court, and (b) if the New C Notes are issued in a principal amount greater than \$21,271,804, garage operations at the Parking Garages (collectively, the "City Parking Revenues") shall be directly remitted to a bank or banks or other financial institution which the Emergency Manager designates as a depository of the City (such institution, the "Depository Bank"). The Depository Bank shall deposit City Parking Revenues received by it into a special, separate and segregated fund (the "City Parking Revenue Fund") established at the Depository Bank. Beginning on the date of delivery of the New C Notes and commencing on the first day of each fiscal year thereafter, each day, City Parking Revenues deposited into the City

Parking Revenue Fund shall be remitted by the Depository Bank to a special, separate and segregated account held for and on behalf of the City (the "Debt Retirement Fund") by the bond registrar, transfer agent and paying agent for the New C Notes until sufficient funds are on deposit in the Debt Retirement Fund to pay the principal and interest payable on the New C Notes on the last day of that Fiscal Year (such amount, the "Annual Deposit Requirement"). Once the Annual Deposit Requirement is satisfied for that fiscal year, any additional City Parking Revenues deposited in the City Parking Revenue Fund during that fiscal year may be remitted to the City for deposit into the General Fund and may be used by the City for any other purposes permitted by law.

**D. Approval of Releases and Exculpation**

19. The Plan Releases set forth in Section III.D.7 of the Plan are approved in all respects, are incorporated herein in their entirety, are so ordered and shall be immediately effective on the Effective Date of the Plan without further order or action on the part of the Court, any of the parties to such releases or any other party.

20. Without limiting any other applicable provisions of, or releases contained in, the Plan, this Order or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under

the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement), each holder of a Claim that voted in favor of the Plan, to the fullest extent permissible under law, is hereby deemed to forever release, waive and discharge all Liabilities in any way relating to: (a) the City, the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), the Plan, the Exhibits or the Disclosure Statement, in each case that such holder has, had or may have against the City or its current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity (and, in addition to and without limiting the foregoing, in the case of any Emergency Manager, in such Emergency Manager's capacity as an appointee under PA 436), *provided that*, for the avoidance of doubt, any person or entity designated to manage the Chapter 9 Case for the City after the Emergency Manager's term is terminated, whether such person or entity acts as an employee, advisor or contractor to the City or acts as an employee, agent, contractor or appointee of the State under any applicable state law, shall be treated the same as an employee of the City hereunder; and (b) (i) Claims that are compromised, settled or discharged under or in connection with the Plan, (ii) the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), (iii) the Plan, (iv) the Exhibits, (v) the Disclosure Statement or

(vi) the DIA Settlement, in each case that such holder has, had or may have against the City's Related Entities, the State, the State Related Entities and the Released Parties; *provided, however*, that any such Liability of the Foundations, the DIA Funders and the CFSEM Supporting Organization and their Related Entities shall be released only to the extent that such Liability, if any, arises from any such entity's participation in the DIA Settlement.

21. Nothing in paragraph 20 hereof shall (a) affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; or (b) release (i) the City's obligations under the Plan or (ii) any defenses that any party may have against the City, its Related Entities, the State, the State Related Entities or the Released Parties.

22. For the avoidance of doubt, notwithstanding anything in the Plan or this Order (including paragraph 20) to the contrary, claims against officers or employees of the City in their individual capacity under 42 U.S.C. § 1983 shall not be released.

23. If the State Contribution Agreement is consummated, each holder of a Pension Claim will be deemed forever to release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the

authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the foregoing sentence does not provide for a release, waiver or discharge of obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (a) pensions as modified by the Plan or (b) labor-related obligations, which post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law or the Plan, or, with respect to pensions only, the GRS or the PFRS.

24. As a condition to the State funding, the State and certain parties, including Michigan Council 25, Sub-Chapter 98, Local 3308 and Local 917 of AFSCME, entered into certain Support and Release Agreements and, for the avoidance of doubt, in the event of an express conflict between any such Support and Release Agreement, on the one hand, and the Plan, Plan Supplements or this Order, on the other hand, as to the parties to these Support and Release Agreements, their respective Support and Release Agreement shall govern.

25. Notwithstanding Sections III.D.5 through III.D.7 and IV.L of the Plan, paragraph Z of the above findings (titled "Plan Releases") and paragraphs 19 through 21 and 29 through 33 hereof, except as set forth in the COP Swap Settlement, nothing in the Plan or this Order shall or shall be deemed to provide a release by the COP Swap Counterparties of any Liabilities related to the COPs, the COP Service Corporations, the Transaction Documents (as defined in the COP Swap Settlement), the COP Swap Settlement or the COP Swap Settlement Approval Order.

26. Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, each Settling COP Claimant shall be, and hereby is, to the fullest extent permitted under law, deemed to forever release, waive and discharge all Liabilities relating to COP Documents such Settling COP Claimant has, had or may have against the (a) the GRS, (b) the PFRS or (c) Related Entities of either the GRS or the PFRS. At the direction of FGIC, which shall be, and hereby is, deemed given on the Effective Date, the COP Contract Administrator shall have irrevocably agreed (on behalf of

itself, any successors and each FGIC COP Holder) to release and not to sue any COP Holder or any COP Insurer on behalf of any FGIC COP Holder, COP Insurer, the Detroit Retirement Systems Funding Trust 2005 or the Detroit Retirement Systems Funding Trust 2006 in connection with any liability arising in connection with or related to (a) Sections 6.5 and 9.1 of the Contract Administration Agreements, (b) Section 8.03 of the COP Service Contracts, (c) distributions made pursuant to or in connection with Section II.B.3.p.i.A of the Plan, (d) the FGIC/COP Settlement or (e) the Syncora Settlement. On the Effective Date, Syncora and FGIC shall be, and hereby are, to the fullest extent permitted under law, deemed to forever mutually release, waive and discharge all liabilities against each other relating to distributions made pursuant to or in connection with Section II.B.3.p.i.A of the Plan, Sections 6.5 and 9.1 of the Contract Administration Agreements or Section 8.03 of the COP Service Contracts.

27. The exculpation provision set forth in Section III.D.6 of the Plan is approved in all respects, is incorporated herein in its entirety, is so ordered and shall be immediately effective on the Effective Date of the Plan without further order or action on the part of the Court, any of the parties to such exculpation or any other party. From and after the Effective Date, to the fullest extent permitted under applicable law and except as expressly set forth in this paragraph, neither the City; its Related Entities (including the members of the City Council, the Mayor



and the Emergency Manager), to the extent a claim arises from actions taken by such Related Entity in its capacity as a Related Entity of the City; the State; the State Related Entities; the Exculpated Parties; nor the Released Parties shall have or incur any liability to any person or Entity for any act or omission in connection with, relating to or arising out of the City's restructuring efforts and the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the formulation, preparation, negotiation, dissemination, consummation, implementation, confirmation or approval (as applicable) of the Plan, the property to be distributed under the Plan, the settlements implemented under the Plan, the Exhibits, the Disclosure Statement, any contract, instrument, release or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan or the management or operation of the City; *provided that* the foregoing provisions shall, and hereby do, apply to (a) the LTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the LTGO Settlement Agreement or the Plan (as it relates to the LTGO Settlement Agreement), (b) the UTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the UTGO Settlement Agreement or the Plan (as it relates to the UTGO Settlement Agreement), (c) the DWSD Exculpated Parties solely in connection with acts or omissions taken in connection with the DWSD Tender, DWSD Tender Motion or DWSD Tender Order, (d) the

Syncora Exculpated Parties solely in connection with acts or omissions taken in connection with the Syncora Settlement Documents and any actions or litigation positions taken by the Syncora Exculpated Parties in the Chapter 9 Case, (e) the FGIC/COP Exculpated Parties solely in connection with acts or omissions taken in connection with the FGIC/COP Settlement Documents and any actions or litigation positions taken by the FGIC/COP Exculpated Parties in the Chapter 9 Case, (f) the RDPMA Exculpated Parties and (g) the COP Agent, solely in its capacity as such and solely in connection with any Distributions made pursuant to the terms of the Plan; *provided, further*, that the foregoing provisions of this paragraph shall not affect the liability of the City, its Related Entities, the State, the State Related Entities, the Released Parties and the Exculpated Parties that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct or any act or omission occurring before the Petition Date. The City, its Related Entities (with respect to actions taken by such Related Entities in their capacities as Related Entities of the City), the State, the State Related Entities, the Released Parties and the Exculpated Parties shall be entitled to rely upon the advice of counsel and financial advisors with respect to their duties and responsibilities under, or in connection with, the Chapter 9 Case, the administration thereof and the Plan. This paragraph shall not affect any liability of

(a) any of the COP Swap Exculpated Parties to the Syncora Exculpated Parties or FGIC or (b) the Syncora Exculpated Parties or the FGIC/COP Exculpated Parties to any of the COP Swap Exculpated Parties. For the avoidance of doubt, notwithstanding anything in the Plan or this paragraph to the contrary, officers or employees of the City acting in their individual capacity shall not be exculpated from liability for claims asserted pursuant to 42 U.S.C. § 1983.

#### **E. Order Binding on All Parties**

28. Subject to the provisions of Section III.A of the Plan, in accordance with section 944(a) of the Bankruptcy Code and notwithstanding any otherwise applicable law, upon the occurrence of the Effective Date, the terms of the Plan and this Order shall be binding upon, and inure to the benefit of: (a) the City; (b) any and all holders of Claims (irrespective of whether (i) any such Claim is impaired under the Plan, (ii) proof of any such Claim has been filed or deemed filed under section 501 of the Bankruptcy Code, (iii) any such Claim is allowed under section 502 of the Bankruptcy Code or (iv) whether the holders of such Claims accepted, rejected or are deemed to have accepted or rejected the Plan); (c) the registered and beneficial holders of COPs; (d) any other person giving, acquiring or receiving property under the Plan; (e) any and all non-Debtor parties to Executory Contracts or Unexpired Leases with the City; (f) any party to any Settlement; and (g) the respective heirs, executors, administrators, trustees,

affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, guardians, successors or assigns, if any, of any of the foregoing. All settlements (including, without limitation, the Settlements), compromises, releases (including, without limitation, the Plan Releases), waivers, discharges, exculpations and injunctions set forth in the Plan shall be, and hereby are, operative, effective and binding on all Persons who may have had standing to assert any settled, released, discharged, exculpated or enjoined causes of action, and no other Person or entity shall possess such standing to assert such causes of action after the Effective Date. The compromises and settlements (including, without limitation, the Settlements) embodied in the Plan, along with the treatment of any associated Allowed Claims, shall not be subject to any collateral attack or other challenge by any Entity in any court or other forum.

#### **F. Discharge of Claims**

29. The Plan discharge provisions set forth in Section III.D.4 of the Plan are approved in all respects, are incorporated herein in their entirety, are so ordered and shall be immediately effective on the Effective Date of the Plan without further order or action on the part of the Court or any other party.

30. In accordance with Section III.D.4 of the Plan, except as specifically provided otherwise in the Plan or this Order, as of the Effective Date, pursuant to sections 524(a)(1), 524(a)(2) and 944(b) of the Bankruptcy Code, all

debts of the City shall be, and hereby are, discharged, and such discharge will void any judgment obtained against the City at any time, to the extent that such judgment relates to a discharged debt; *provided that*, in accordance with section 944(c)(1) of the Bankruptcy Code, such discharge shall not apply to (a) debts specifically exempted from discharge under the Plan, (b) debts held by an Entity that, before the Confirmation Date, had neither notice nor actual knowledge of the Chapter 9 Case, (c) claims against officers or employees of the City in their individual capacity under 42 U.S.C. § 1983 or (d) Claims of (i) T&T Management, Inc., (ii) HRT Enterprises and (iii) the John W. and Vivian M. Denis Trust related to condemnation or inverse condemnation actions against the City alleging that the City has taken private property without just compensation in violation of the Takings Clause of the Fifth Amendment to the United States Constitution.

#### **G. Release of Liens**

31. The release and discharge of all Liens against the City's property set forth in Section IV.M of the Plan are approved in all respects, are incorporated herein in their entirety, are so ordered and shall be immediately effective on the Effective Date of the Plan without further order or action on the part of the Court. As of the Effective Date, (a) the holders of such Liens are hereby authorized and directed to release any collateral or other property of the City (including any cash collateral) held by such holder and to take such actions as

may be requested by the City to evidence the release of such Lien, including (i) the execution, delivery, filing or recording of appropriate releases and (ii) the taking of any action necessary to implement, consummate and otherwise effect the Plan in accordance with its terms, and (b) the City shall be authorized to execute and file on behalf of creditors such forms as may be necessary or appropriate to implement the provisions of Section IV.M of the Plan and this paragraph. All entities holding Claims against the City shall be, and hereby are, bound by the terms and provisions of all documents executed and delivered by them in connection with the Plan.

Upon the entry of this Order, all entities holding Claims against the City that are treated under the Plan, and other parties in interest, along with their respective present or former employees, agents, officers, directors or principals, shall be, and hereby are, enjoined from taking any actions to interfere with the implementation and consummation of the Plan.

## **H. Injunction**

32. On the Effective Date, except as otherwise provided in the Plan or in this Order, all Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims asserted against officers or employees of the City in their official capacity, along with their Related Entities, shall be, and hereby are, permanently enjoined from taking any of the following actions against or affecting the City or its

property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such Claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from this Order): (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (i) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (ii) Indirect 36th District Court Claims and (iii) Indirect Employee Indemnity Claims asserted against officers or employees of the City in their official capacity); (b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the City or its property; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property; (e) proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of this Order, the Plan or the Settlements (to the extent such Settlements have been approved by the Court herein); and (f) taking any actions to interfere with the implementation or consummation of the Plan. For the avoidance of doubt, notwithstanding anything

in the Plan or this Order (including this paragraph) to the contrary, claims against officers or employees of the City in their individual capacity under 42 U.S.C.

§ 1983 shall not be enjoined. In addition, all individuals affected by the AFS Recoupment are enjoined from commencing any proceeding against the GRS and its trustees, officers, employees or professionals arising from GRS's compliance with the Plan or this Order.

33. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan shall be, and hereby are, permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the



DRCEA, or a Released Party; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan or this Order. Notwithstanding the provisions of this paragraph and without limiting the injunctions in Section III.D.5.a of the Plan or paragraph 32 hereof, the holders of Indirect 36th District Court Claims shall not be enjoined from taking any of the foregoing actions against the State or the State Related Entities with respect to Indirect 36th District Court Claims to the extent such Claims are not satisfied pursuant to the Plan.

34. During the period that begins on the Effective Date and ends on June 30, 2023, the trustees of the PFRS, the trustees of the GRS or the trustees of any successor trust or pension plan to either the PFRS or the GRS shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the PFRS or the GRS (as applicable) that shall be 6.75%. Except as may be required to maintain the tax-qualified status of the PFRS or the GRS, or to comply with the terms of the Plan or this Order, the City, the trustees of the PFRS, the trustees of the GRS and all other persons or entities shall be, and hereby are, enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of either the PFRS, the GRS or any successor plan or trust to either the PFRS or the GRS, that govern the calculation of pension benefits (including, as applicable, the PFRS Adjusted

Pension Amount, the GRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior PFRS Pension Plan, the Prior GRS Pension Plan, the PFRS Restoration Payment, the GRS Restoration Payment, the New PFRS Active Pension Plan Formula, the New GRS Active Pension Plan Formula, the terms of the New PFRS Active Pension Plan and the terms of the New GRS Active Pension Plan) or against any action that governs the selection of the investment return assumptions described in Section II.B.3.q.ii.B of the Plan (with respect to the PFRS) or Section II.B.3.r.ii.B of the Plan (with respect to the GRS), the contributions to the PFRS or the GRS, or the calculation or amount of PFRS pension benefits or GRS pension benefits (as the case may be), for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.

## **I. State Contribution Agreement**

35. The State Contribution Agreement is approved in all respects, and the City is hereby authorized to enter into, and take any action necessary to perform under or implement, the terms thereof. The State shall file and serve via the Court's electronic case filing and noticing system a notice that the conditions precedent to the State's payment of the State Contribution (as set forth at

Section IV.D.3 of the Plan) have been satisfied or otherwise addressed pursuant to the procedures outlined in the State Contribution Agreement no later than ten days after all such conditions have been satisfied or otherwise addressed.

36. In accordance with Section IV.D.2 of the Plan, the Income Stabilization Funds of the GRS and the PFRS shall receive not less than an aggregate amount of \$20 million over 14 years of the Assigned UTGO Bond Tax Proceeds in the form of annual installment payments pursuant to a payment schedule approved by the State.

37. In accordance with Section 4.f.ii of the State Contribution Agreement, filed as Exhibit I.A.332 to the Plan, the governing documents of the GRS and the governing documents of the PFRS shall be amended to include (a) the governance terms and conditions set forth in Paragraph 2, Exhibit A and Exhibit B of the State Contribution Agreement and (b) the Income Stabilization Payments and Income Stabilization Fund described in Paragraph 3 of the State Contribution Agreement.

#### **J. DWSD Authority Transaction**

38. The Memorandum of Understanding Regarding the Formation of the Great Lakes Water Authority (the "Memorandum of Understanding"), filed as Exhibit A to the Notice of Execution of Framework for Creating a Water and Sewer Authority (Docket No. 7357), is approved in all respects. The City is

hereby authorized to enter into, and take any action necessary to perform under or implement, the terms of the Memorandum of Understanding and any final agreement resulting therefrom creating a regional water and sewer/stormwater authority to be called the Great Lakes Water Authority (the "GLWA") in accordance with, and subject to all approvals and consents required under, State law, the DWSD Tender Order, all documents related to the 2014 DWSD Refinancing Obligations, all documents related to the 2014 Revenue Refinancing Bonds, all documents related to the 2014 Revenue and Revenue Refinancing Bonds and the DWSD Bond Documents. The GLWA transaction contemplated in the Memorandum of Understanding, if consummated, would constitute a Qualifying DWSD Transaction as such term is defined in the Plan.

**K. ASF Recoupment**

39. ASF Recoupment is (a) an integral component of the City's global settlement of pension-related and other labor-related issues negotiated with, among others, the Retiree Committee, (b) is well within the range of possible reasonable settlements and (3) is approved in all respects. The City is hereby authorized to, and shall, on or as soon as reasonably practicable after the Effective Date, calculate the Annuity Savings Fund Excess Amount for each ASF Current Participant, and the GRS, at the direction of the City, and solely as agent of the City and without any liability accruing to the GRS, shall deduct the Annuity

Savings Fund Excess Amount from each such participant's Annuity Savings Fund account, which deducted amounts shall be used to fund the accrued pension benefits of all GRS participants; *provided, however*, that in no event shall the amount deducted from an ASF Current Participant's Annuity Savings Fund account exceed the ASF Recoupment Cap and the Current GRS Retiree Adjustment Cap. In the event that the amount credited to an ASF Current Participant's Annuity Savings Fund account as of the Effective Date is less than such participant's Annuity Savings Fund Excess Amount, the ASF Current Participant will be treated as an ASF Distribution Recipient to the extent of the shortfall.

40. For each ASF Distribution Recipient who, after receipt of notice as required by the Plan and this Order, does not elect the ASF Recoupment Cash Option described in Section II.B.3.r.ii.D.2.ii of the Plan and in the case of any ASF Distribution Recipient that elected the ASF Recoupment Cash Option but does not timely deliver the ASF Recoupment Cash Payment to the GRS, the City is hereby authorized to, and shall, on or as soon as reasonably practicable after the Effective Date: (a) calculate the Annuity Savings Fund Excess Amount; and (b) convert such amount into monthly annuity amounts based on common actuarial assumptions (such as the ASF Distribution Recipient's life expectancy, and, if not already retired, expected date of retirement) and amortized using a 6.75% interest rate, and the GRS, pursuant to the Plan and at the direction of the Court, and

without any liability accruing to the GRS, shall deduct such monthly annuity amounts from the ASF Distribution Recipient's monthly pension check; *provided, however,* that in no event shall the total amount deducted from an ASF Distribution Recipient's monthly pension check exceed the ASF Recoupment Cap or the Current GRS Retiree Adjustment Cap, if applicable. The total ASF Recoupment from the ASF Distribution Recipient's monthly pension checks over time shall not exceed the amount necessary to amortize the applicable Annuity Savings Fund Excess Amount at 6.75% interest.

41. Each ASF Distribution Recipient shall be afforded the ASF Recoupment Cash Option. No later than seven days following the Effective Date, the City, through its Claims and Balloting Agent, shall send the ASF Election Notice and the ASF Election Form by first-class U.S. mail to each ASF Distribution Recipient. The ASF Election Form shall explain that the amount of the ASF Recoupment Cash Payment shall be equal to the total amount of ASF Recoupment shown on the ASF Distribution Recipient's Ballot, unless the aggregate amount of ASF Recoupment for all ASF Distribution Recipients electing the ASF Recoupment Cash Option exceeds \$30,000,000, in which case (a) the ASF Recoupment Cash Payment will be the ASF Distribution Recipient's Pro Rata portion of \$30,000,000, and (b) the remaining portion of the ASF Distribution Recipient's ASF Recoupment will be annuitized and deducted from the ASF

Distribution Recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i of the Plan. An ASF Distribution Recipient must return his or her ASF Election Form to the Claims and Balloting Agent so that it is actually received by the Claims and Balloting Agent by the ASF Election Date.

42. The GRS shall mail the ASF Final Cash Payment Notice no later than 14 days after the ASF Election Date. ASF Distribution Recipients shall have until the ASF Final Cash Payment Date to make the ASF Recoupment Cash Payment, which payment must be made by cashier's check or wire transfer and may not be made by personal check. If an ASF Distribution Recipient's ASF Recoupment Cash Payment is not received by the ASF Final Cash Payment Date, the GRS will notify the ASF Distribution Recipient of the failure to timely pay, and ASF Recoupment will be effected through diminution of such recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i of the Plan and paragraph 40 hereof. The calculation of each electing ASF Distribution Recipient's ASF Recoupment Cash Payment shall not be adjusted under any circumstances, including as a result of default by any other electing ASF Distribution Recipient to remit his or her ASF Recoupment Cash Payment by the ASF Final Cash Payment Date.

## **L. Survival of Indemnities**

43. Notwithstanding anything to the contrary in this Order or the Plan, nothing in this Order or the Plan shall discharge or impair the obligations of the City as provided in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements as of the Petition Date to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of officers and employees of the City (consistent with the provisions hereof and including the members of the City Council, the Mayor and the Emergency Manager) and their Related Entities, in each case to the extent such Entities were acting in such capacity, against any claims or causes of action whether direct or derivative, liquidated or unliquidated, foreseen or unforeseen, asserted or unasserted. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan or this Order and shall be, and hereby are, discharged. For the avoidance of doubt, no indemnification provision in any loan document, bond document, Bond Insurance Policy or other agreement with a Bond Insurer is exempted from discharge by reason of this paragraph.

## **M. Issuance of New Securities and Exemption From Securities Laws**

44. The issuance of the New Securities by the City on the Effective Date or on a subsequent Distribution Date (as applicable) is hereby approved and



authorized. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the issuance of New Securities pursuant to the Plan is, and shall be, exempt from Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of securities. Except as set forth in the Plan with respect to the Syncora Excess New B Notes, the New Securities (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are, and shall be, freely tradable and transferable by any initial recipient (including the Detroit General VEBA and the Detroit Police and Fire VEBA) thereof that (i) is not an "affiliate" of the City or applicable issuer as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 days of such transfer and (iii) is not an entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code. It is hereby expressly found and determined that the Detroit General VEBA and the Detroit Police and Fire VEBA are not affiliates of the City within the meaning of Rule 144(a)(1) under the Securities Act.

#### **N. Executory Contracts and Unexpired Leases**

45. The Executory Contract and Unexpired Lease provisions of Section II.D of the Plan are specifically approved in all respects, are incorporated herein in their entirety and are so ordered. The City is authorized to assume,

assume and assign, or reject Executory Contracts or Unexpired Leases in accordance with Section II.D of the Plan and the Contract Procedures Order.

46. The assumption of Executory Contracts and Unexpired Leases pursuant to Sections II.D.1 and II.D.2 of the Plan (and any related assignment) as of the Effective Date is hereby approved, except for Executory Contracts or Unexpired Leases that: (a) have been rejected pursuant to a Final Order of the Court, (b) are subject to a pending motion for reconsideration or appeal of an order authorizing the rejection of such Executory Contract or Unexpired Lease, (c) are subject to a motion to reject such Executory Contract or Unexpired Lease filed on or prior to the Effective Date, (d) are rejected pursuant to Section II.D.6 of the Plan or (e) are designated for rejection in accordance with the last sentence of this paragraph. If an objection to a proposed assumption, assumption and assignment or Cure Amount Claim filed in accordance with the Contract Procedures is not resolved in favor of the City, the applicable Executory Contract or Unexpired Lease may be designated by the City for rejection, which shall be, and hereby is, deemed effective as of the Effective Date.

47. Contracts, leases and other agreements entered into after the Petition Date by the City, including (a) any Executory Contracts or Unexpired Leases assumed by the City and (b) the collective bargaining agreements identified on Exhibit II.D.5 to the Plan, will be performed by the City in the ordinary course

of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of this Order.

48. The rejection of each Executory Contract and Unexpired Lease that is listed on Exhibit II.D.6 to the Plan is hereby approved pursuant to section 365 of the Bankruptcy Code as of the later of (a) the Effective Date or (b) the resolution of any objection to the proposed rejection of an Executory Contract or Unexpired Lease. Each contract or lease listed on Exhibit II.D.6 to the Plan shall be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. The City may, at any time on or prior to the Effective Date, amend Exhibit II.D.6 to the Plan to delete any Executory Contract or Unexpired Lease therefrom, thus providing for its assumption pursuant to Section II.D.1 of the Plan, or add any Executory Contract or Unexpired Lease thereto, thus providing for its rejection pursuant to Section II.D.6 of the Plan. The City will provide notice of any such amendments to Exhibit II.D.6 to the Plan in accordance with the terms of the Contract Procedures Order. Listing a contract or lease on Exhibit II.D.6 to the Plan shall not constitute an admission by the City that such contract or lease is an Executory Contract or Unexpired Lease or that the City has any liability thereunder. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan shall be treated as

Class 14 Claims (Other Unsecured Claims), subject to the provisions of section 502 of the Bankruptcy Code.

**O. Plan Distributions**

49. On and after the Effective Date, Distributions on account of Allowed Claims and the resolution and treatment of Disputed Claims shall be effectuated pursuant to Section II.B and Article V of the Plan. The Distribution Record Date shall be 5:00 p.m., Eastern Time, on the date of entry of this Order.

**P. Retained Causes of Action**

50. Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b)(3)(B) of the Bankruptcy Code, the City shall retain and may enforce any claims, demands, rights, defenses and Causes of Action that it may hold against any Entity, including but not limited to, (a) any and all Causes of Action against any party relating to the past practices of the Retirement Systems (including any investment decisions related to, and the management of, the Retirement Systems' respective pension plans or assets) and (b) the currently pending actions and claims brought by the City and identified on Exhibit III.D.2 to the Plan, to the extent not expressly released under the Plan or pursuant to any Final Order of the Court. The City's inclusion of, or failure to include, any right of action or claim on Exhibit III.D.2 to the Plan shall not be

deemed an admission, denial or waiver of any claims, demands, rights or Causes of Action that the City may hold against any Entity.

**Q. Claims Bar Dates and Other Claims Matters**

51. General Administrative Claim Bar Date Provisions. Except as otherwise provided in Section II.A.2.b or Section II.A.2.c of the Plan or in a Bar Date Order or other order of the Court, unless previously filed, requests for payment of Administrative Claims must be filed and served on the City no later than 45 days after the Effective Date. Holders of Administrative Claims that are required to file and serve a request for payment of such Administrative Claims and that do not file and serve such a request by the applicable Bar Date will be forever barred from asserting such Administrative Claims against the City or its property, and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be filed and served on the City and the requesting party by the later of (a) 150 days after the Effective Date, (b) 60 days after the filing of the applicable request for payment of Administrative Claims or (c) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Administrative Claims. The foregoing procedures shall be specified in the notice of entry of this Order and served on all parties in interest.

52. Holders of Claims based on Liabilities incurred by the City after the Petition Date in the ordinary course of its operations will not be required

to file or serve any request for payment or application for allowance of such Claims. Such Claims will be paid by the City, pursuant to the terms and conditions of the particular transaction giving rise to such Claims, without further action by the holders of such Claims or further action or approval of the Court.

53. Holders of Administrative Claims that are Postpetition Financing Claims will not be required to file or serve any request for payment or application for allowance of such Claims. Such Administrative Claims will be satisfied pursuant to Section II.A.1.b of the Plan.

54. Professional Fee Reserve. On the Effective Date, the City shall establish and fund the Professional Fee Reserve from the General Fund or, where applicable, the DWSD's funds, in an amount sufficient to pay the Fee Review Professional Fees that remain unpaid as of the Effective Date, solely to the extent that such amounts are payable from the General Fund or the DWSD's funds. The initial amount of the Professional Fee Reserve shall be equal to the sum of (a) all invoices received from Fee Review Professionals and the Fee Examiner Parties as of the establishment and funding of the Professional Fee Reserve to the extent not yet paid (including holdbacks); (b) an estimate of the Fee Review Professionals' unbilled fees through the Effective Date as determined by the City in consultation with the Fee Review Professionals, which estimate shall be no lower than 125% of the aggregate amount of the highest monthly invoices respectively

submitted by each Fee Review Professional pursuant to the Fee Review Order prior to the establishment and funding of the Professional Fee Reserve; and (c) an estimate of the Fee Examiner Parties' unbilled fees and expenses through the projected date of dismissal of the Fee Examiner under Section IV.N.3 of the Plan, as determined by the City in consultation with the Fee Examiner. The funds held in the Professional Fee Reserve may not be used for any purpose other than the payment of Fee Review Professional Fees until any and all disputes regarding the Fee Review Professional Fees, including any disputes arising under the Fee Review Order or the process established under paragraph 87 hereof, have been fully and finally resolved pursuant to a Final Order or a stipulation between the disputing parties. Any amounts remaining in the Professional Fee Reserve after final resolution of all such disputes and the payment of all Fee Review Professional Fees determined to be reasonable by the Court shall be released to the General Fund or the DWSD's funds, as applicable. If the Professional Fee Reserve is insufficient to pay all Fee Review Professional Fees that are determined to be reasonable by the Court and that are payable from the General Fund or the DWSD's funds, the City shall pay such additional amounts from the General Fund or the DWSD's funds, as applicable.

55. Bar Date for Rejection Damage Claims. Except as otherwise provided in a Final Order of the Court approving the rejection of an Executory

Contract or Unexpired Lease, Claims arising out of the rejection of an Executory Contract or Unexpired Lease must be filed with the Court and served upon counsel to the City on or before the later of: (a) 45 days after the Effective Date; or (b) 45 days after such Executory Contract or Unexpired Lease is rejected pursuant to a Final Order or designated for rejection in accordance with Section II.D.3 of the Plan. Any Claims not filed within such applicable time periods will be forever barred from receiving a Distribution from, and shall not be enforceable against, the City.

56. Notwithstanding anything to the contrary in the Plan or this Order, neither FGIC nor the COP Trustee shall be required to file any Claims arising out of the rejection of the COP Service Contracts pursuant to the Plan, which Claims are resolved and treated pursuant to the terms of the FGIC/COP Settlement Documents and the Plan.

57. Workers' Compensation Claims. From and after the Effective Date, (a) the City shall continue to administer (either directly or through a third party administrator) and pay all valid claims for benefits and liabilities for which the City is responsible under applicable State workers' compensation law, regardless of when the applicable injuries were incurred, in accordance with the City's prepetition practices and procedures and governing State workers' compensation law, and (b) nothing in the Plan or this Order shall discharge, release



or relieve the City from any current or future liability under applicable State workers' compensation law; *provided that* the City shall retain the right to challenge the validity of any claim for benefits or liabilities arising under applicable State workers' compensation law.

58. Claims Related to Operation of City Motor Vehicles. From and after the Effective Date, the City shall continue to administer (either directly or through a third party administrator) and pay valid prepetition Claims for liabilities with respect to which the City is required to maintain insurance coverage pursuant to M.C.L. § 500.3101 in connection with the operation of the City's motor vehicles consistent with the terms of Section IV.S of the Plan. Nothing in the Plan or this Order shall discharge, release or relieve the City from any current or future liability with respect to Claims subject to insurance coverage pursuant to M.C.L. § 500.3101 or Claims within the minimum coverage limits in M.C.L. § 500.3009(1); *provided that* the City shall retain the right to challenge the validity of any Claim subject to Section IV.S of the Plan or this paragraph, and nothing therein or herein shall be deemed to expand the City's obligations or any claimant's rights with respect to such Claims under State law.

59. Payment of Tax Refund Claims. From and after the Effective Date, the City shall continue to administer (either directly or through a third party administrator) and pay all valid claims for income tax refunds and property tax

refunds for which the City is responsible under applicable law, regardless of when the applicable right to a refund arose, in accordance with the City's prepetition practices and procedures; *provided that* the City shall retain the right to challenge the validity of any claim for an income tax refund or property tax refund.

60. Utility Deposits. From and after the Effective Date, the City will continue to administer utility deposits in accordance with the City's prepetition practices and procedures, including the payment of any undisputed, non-contingent, liquidated claims against the City for the refund of a utility deposit.

61. Pass-Through Obligations. The City has certain Pass-Through Obligations to the Pass-Through Recipients with respect to which the City acts, or may in the future act, as tax-collecting agent for tax increment revenues derived from property taxes of the City and certain other jurisdictions and required to be transmitted by the Treasurer of the City to the Pass-Through Recipients under the respective tax increment financing enabling statutes. The City shall continue to honor its Pass-Through Obligations to the Pass-Through Recipients.

## **R. Plan Implementation**

62. In accordance with section 1142 of the Bankruptcy Code, without further action by the Court, the City is authorized to: (a) take any and all actions necessary or appropriate to implement, effectuate and consummate the Plan, this Order or the transactions contemplated thereby or hereby, including the

transactions contemplated by the Plan and the implementation and consummation of the contracts, instruments, settlements (including the Settlements), releases (including the Plan Releases) and other agreements or documents entered into or delivered in connection with the Plan; and (b) execute and deliver, adopt or amend, as the case may be, any contracts, instruments, releases, agreements and documents necessary to implement, effectuate and consummate the Plan, including, without limitation, those contracts, instruments, releases, agreements and documents identified in Article IV of the Plan. All transactions effected by the City during the pendency of the Chapter 9 Case from the Petition Date through the Confirmation Date are approved and ratified.

63. Each federal, state, commonwealth, county, municipal, local, foreign or other governmental agency is hereby directed and authorized to accept any and all documents, mortgages and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan and this Order.

**S. Cancellation of Existing Bonds,  
Bond Documents, COPs and COP Documents**

64. Except (a) as provided in any contract, instrument or other agreement or document entered into or delivered in connection with the Plan, (b) for purposes of evidencing a right to Distribution under the Plan or (c) as

specifically provided otherwise in the Plan or this Order (including any rejection of Executory Contracts pursuant to Section II.D of the Plan or paragraph 48 hereof), on the Effective Date, the Bonds, the Bond Documents, the COPs and the COP Documents will be deemed automatically cancelled, terminated and of no further force or effect against the City without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the parties to the City, as applicable, under the Bonds, the Bond Documents, the COPs and the COP Documents shall be discharged; *provided, however*, that the Bonds, the Bond Documents, the COPs and the COP Documents shall continue in effect solely (a) to allow the Disbursing Agent to make any Distributions as set forth in the Plan and to perform such other necessary administrative or other functions with respect thereto; (b) for any trustee, agent, contract administrator or similar entity under the Bond Documents or COP Documents to have the benefit of all the rights and protections and other provisions of the Bond Documents or COP Documents, as applicable, and all other related agreements with respect to priority in payment and lien rights with respect to any Distribution; (c) to set forth the terms and conditions applicable to parties to the Bond Documents and COP Documents other than the City; (d) as may be necessary to preserve any claim by (i) a Bondholder or Bond Agent under a Bond Insurance Policy or against any Bond Insurer, (ii) a COPs Holder or COP Agent under a COP Insurance Policy or against any

COP Insurer or (iii) a COP Swap Counterparty under a Swap Insurance Policy or against any insurer thereunder; and (e) with respect to any obligation of any party (other than the City, except to the extent provided in the COP Swap Settlement or the COP Swap Settlement Approval Order) under any COP Document related to such party's obligations owed in respect of the COP Swap Documents or the COP Swap Claims. Notwithstanding the foregoing, and except as otherwise expressly provided in the Plan (or the COP Swap Settlement or the COP Swap Settlement Approval Order), such Bonds, Bond Documents, COPs or COP Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City. For the avoidance of doubt, this paragraph shall not apply to any Bonds that are Reinstated pursuant to Section II.B.3.a.ii of the Plan.

65. As of the Effective Date, the principal amounts of the COPs originally insured by FGIC shall be, and hereby are, deemed accelerated and due and payable, and no interest on the COPs originally insured by FGIC shall accrue thereafter, solely for the purposes of determining distributions from the COP Trustee to FGIC and the FGIC COP Holders. The foregoing acceleration of principal and cessation of interest shall affect only the rights of each FGIC COP Holder to the receipt of proceeds of distributions under the Plan and not the rights of each such FGIC COP Holder against FGIC and shall not in any way modify payments currently required of FGIC under its existing insurance policies or the

First Amended Plan of Rehabilitation for Financial Guaranty Insurance Company, dated June 4, 2013 (the "FGIC Rehabilitation Plan").

66. FGIC (irrespective of the terms of FGIC's COP Insurance Policies including, without limitation, the definition of "Due for Payment") may elect on or prior to the earlier to occur of (a) the Effective Date and (b) December 15, 2014, by filing a notice with the Court on or prior to such date, to treat all (but not less than all) of the outstanding principal owing on all (but not less than all) series of the FGIC-insured COPs as having been accelerated and currently "Due for Payment" (as such term is defined in the applicable FGIC COP Insurance Policy for purposes of such policy) as of the Effective Date, in which case, with respect to each FGIC COP Insurance Policy there shall be deemed a Permitted Policy Claim (as defined in the FGIC Rehabilitation Plan) in the amount of (a) the outstanding principal amount of the FGIC-Insured COPs in each CUSIP, as of the Effective Date, insured by such policy and (b) interest accrued and unpaid on such principal amount of such FGIC-Insured COPs through the Effective Date, in which case no interest shall accrue on or after the Effective Date. If FGIC does not elect to accelerate its COP Insurance Policies pursuant to the preceding sentence, FGIC's and the FGIC COP Holders' respective rights and obligations with respect to FGIC's COP Insurance Policies shall be governed by the FGIC/FGIC COP Holders Term Sheet.

67. Nothing in the Plan impairs, modifies, affects or otherwise alters the rights of (a) Bondholders or Bond Agents with respect to claims under applicable Bond Insurance Policies or against the Bond Insurers, (b) COPs Holders or the COP Agent with respect to claims under COP Insurance Policies and obligations related thereto or (c) COP Swap Counterparties with respect to claims under Swap Insurance Policies and obligations related thereto.

68. No provision of this Order or the Plan shall (a) enjoin any holder of a COP from enforcing its rights against any COP Insurer or (b) exculpate, release or affect any rights any holder of a COP may have with respect to any COP Insurance Policy.

**T. Binding Effect of Prior Orders**

69. Effective as of the Confirmation Date, but subject to the occurrence of the Effective Date and subject to the terms of the Plan and this Order, all prior orders entered in the Chapter 9 Case, all documents and agreements executed by the City as authorized and directed thereunder and all motions or requests for relief by the City pending before the Court as of the Effective Date shall be binding upon and shall inure to the benefit of the City and any other parties expressly subject thereto. Nothing in the Plan or this Order shall in any respect modify the DWSD Tender Order, the rulings made and the rights granted

therein or any of the documents approved, authorized or entered into pursuant thereto.

**U. Final Order; Waiver of Stay**

70. This Order is a final order, and the period in which an appeal must be filed shall commence immediately upon the entry hereof. The stay of this Order otherwise imposed by Bankruptcy Rule 3020(e) is hereby waived as of the date hereof.

**V. Reversal**

71. If any or all of the provisions of this Order are hereafter reversed, modified or vacated by subsequent order of this Court or any other federal appellate court with appropriate jurisdiction, such reversal, modification or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the City's receipt of written notice of such order. Notwithstanding any such reversal, modification or vacatur of this Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Order and the Plan and all related documents or any amendments or modifications thereto.



## **W. Notice of Confirmation of the Plan**

72. Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c)(2), on or before ten Business Days after occurrence of the Effective Date, the City shall mail or cause to be mailed to all creditors a notice (the "Confirmation Notice"), substantially in the form of Appendix II hereto, that informs such creditors of: (a) entry of this Order; (b) the occurrence of the Effective Date; (c) the assumption and rejection of Executory Contracts and Unexpired Leases pursuant to the Plan, as well as the deadline and procedures for the filing of Claims arising from any such rejection; (d) the deadline and procedures for the filing of Administrative Claims; and (e) such other matters as the City deems to be appropriate; *provided, however*, that the City shall be obligated to serve the Confirmation Notice only on the record holders of Claims as of the Confirmation Date. The City is directed to publish the Confirmation Notice once in the national editions of *The Wall Street Journal* and *USA Today* and the daily edition of the *Detroit Free Press* no later than ten Business Days after the Effective Date. As soon as practicable after the entry of this Order, the City shall make copies of this Order and the form Confirmation Notice available on (a) the City's official website at [www.detroitmi.gov](http://www.detroitmi.gov) and (b) the Document Website at [www.kccllc.net/Detroit](http://www.kccllc.net/Detroit).

## **X. Miscellaneous Provisions**

73. The City is hereby authorized to make non-material modifications or amendments to the Plan at any time prior to the substantial consummation of the Plan, without further order of the Court. In addition, without the need for a further order or authorization of this Court, but subject to the express provisions of this Order, the City shall be, and hereby is, authorized and empowered to make non-material modifications to the documents filed with the Court, including Exhibits or documents forming part of the evidentiary record at the Confirmation Hearing, in its reasonable business judgment as may be necessary or appropriate.

74. The City shall not, without FGIC's prior written consent, amend the Plan in a manner that (a) would have a materially adverse effect on Class 9 or (b) adversely affect FGIC; *provided, however*, that, notwithstanding anything to the contrary in this Order or the Plan, nothing in this Order or the Plan is intended to or shall be deemed to limit any rights of the FGIC COP Holders to object to any such Plan amendment.

75. On the Effective Date, the Retiree Committee, to the extent not previously dissolved or disbanded, will dissolve and disband, and the members of the Retiree Committee and their respective professionals will cease to have any role arising from or related to the Chapter 9 Case. Notwithstanding the foregoing,

the Retiree Committee's professionals will have standing to participate in the post-Effective Date determination by the Court of the reasonableness of the fees and expenses incurred by the Retiree Committee and its professionals in connection with the City's Chapter 9 Case.

76. Pursuant to the Order Resolving Corrected Motion of the Official Committee of Retirees for Entry of An Order Allowing an Administrative Expense Claim, entered on March 31, 2014 (Docket No. 3334), approving a stipulation and settlement agreement that requires the City to include a provision under the Barton doctrine first developed in Barton v. Barbour, 104 U.S. 126 (1881), and this Court having previously held that the Barton doctrine is applicable to members of the Retiree Committee, each and every member of the Retiree Committee is not only subject to protections under the release and injunction provisions of the Plan but is further protected by the provisions of the Barton doctrine and thus no action may be taken against any member of the Retiree Committee without separate relief granted by this Court.

77. On the Effective Date or as soon thereafter as is practicable, all appeals of the Opinion Regarding Eligibility and the Order for Relief, subject to settlements by and among the appellants and the City, shall be withdrawn.

78. The terms and conditions of the Exit Facility are fair and reasonable, and the Exit Facility has been negotiated in good faith and at arm's

length. The City is hereby authorized to enter into, execute, deliver, file, record and issue the Exit Facility Documents and to incur the obligations under the Exit Facility, including the granting of liens thereunder, the payment of all fees, expenses, indemnities and other amounts provided for in each of the Exit Facility and the other instruments, agreements, guaranties and documents entered into in connection therewith, all of which are hereby approved. The City is authorized and empowered to incur and to perform its obligations in accordance with, and subject to, the Exit Facility Documents and to perform all acts, and make, execute and deliver all instruments and documents which may be required for the performance by the City under the Exit Facility Documents and the creation and perfection of the liens described in and provided for by the Exit Facility Documents. Subject to (a) the terms and conditions set forth in the Exit Facility Documents and (b) the City's compliance with the procedures for authorizing the borrowing of money under Sections 12(1) and 19 of PA 436 and the State Local Emergency Financial Assistance Loan Board's approval of the Exit Facility under Section 36a of Michigan Public Act 279 of 1909, the Home Rule City Act, M.C.L. §§ 117.1, *et seq.* (as amended), the City is hereby authorized to issue the Exit Bonds for purchase by the MFA in accordance with the terms and conditions set forth in the Exit Facility Documents.

79. The Exit Facility Documents and the obligations of the City thereunder, including all related pledges and security agreements, shall, upon execution, constitute legal, valid, binding and authorized obligations of the City, enforceable in accordance with their terms. The loans, advances and financial accommodations to be extended under the Exit Facility are being extended, and shall be, and hereby are, deemed to have been extended, in good faith, for legitimate purposes, are reasonable, shall not be subject to avoidance, recharacterization or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent transfers or conveyances or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law.

80. Notwithstanding any other provision of this Order or the Plan, as to the United States, its agencies, departments or agents, nothing in the Plan or this Order shall discharge, release or otherwise preclude: (a) any liability of the City arising on or after the Effective Date; (b) any liability that is not a "claim" within the meaning of section 101(5) of the Bankruptcy Code; (c) any valid defense of setoff or recoupment with respect to a Claim; or (d) any liability of any entity under environmental laws arising, continuing or springing anew after the Effective Date that any entity would be subject to as a post-Effective Date owner or operator of property, *provided that*, for the avoidance of doubt and without

limiting the liabilities previously described in sub-paragraph (d), any liability that is a dischargeable "claim" within the meaning of section 101(5) of the Bankruptcy Code and arose before the Effective Date, including any liabilities for costs expended or paid by the United States under environmental laws before the Effective Date or any penalties or fines owed to the United States for days of violation of environmental laws before the Effective Date, shall be treated as otherwise provided in the Plan.

81. The Plan does not, and shall not be deemed to, modify, limit, release, discharge or enjoin any claims (a) related to the Retirement Systems that Bank of New York Mellon in its capacity as custodian under (i) the Global Custody Agreement with the Policemen and Firemen Retirement System of the City of Detroit, (ii) the Global Custody Agreement with the General Retirement System of the City of Detroit and (iii) the Global Custody Agreement with The Board of Trustees of The City of Detroit Employees' Benefit Plan (in such capacity, "BNY Mellon") may have against persons or entities other than the City or (b) against property of the Retirement Systems held by BNY Mellon in its capacity as custodian.

82. Any document related to the Plan that refers to a plan of adjustment of the City other than the Plan confirmed by this Order shall be, and it hereby is, deemed to be modified such that the reference to a plan of adjustment of

the City in such document shall mean the Plan confirmed by this Order, as appropriate.

83. Without intending to modify any prior Order of this Court (or any agreement, instrument or document addressed by any prior Order), in the event of a direct conflict between the Plan, on the one hand, and any other agreement, instrument, or document intended to implement the provisions of the Plan, on the other, the provisions of the Plan shall govern (except as provided in paragraph 24 above, and unless otherwise expressly provided for in such agreement, instrument, or document). In the event of a direct conflict between the Plan or any agreement, instrument, or document intended to implement the Plan, on the one hand, and this Order, on the other, the provisions of this Order shall govern.

84. In accordance with Section III.C of the Plan, if the Effective Date does not occur, then upon motion by the City, the Court may declare that:

(a) the Plan is null and void in all respects, including with respect to (i) the discharge of Claims pursuant to section 944 of the Bankruptcy Code, (ii) the assumptions, assignments or rejections of Executory Contracts or Unexpired Leases pursuant to Section II.D of the Plan and (iii) the releases described in Section III.D.7 of the Plan; and (b) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against the City or (ii) prejudice in any manner the rights of the City or any other party in interest.

85. To the extent that (a) the Court has held that any term or provision of the Plan is invalid, void or unenforceable and (b) with the consent of the City, the Court altered and interpreted such term or provision, consistent with Section VIII.D of the Plan, to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable: (a) such term or provision, as altered or interpreted, shall be (i) valid and enforceable pursuant to its terms, (ii) considered integral to the Plan and shall not be deleted or modified without the City's consent and (iii) non-severable and mutually dependent; and (b) notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

86. Pursuant to Section IV.N of the Plan and in accordance with the Fee Review Order, the Fee Examiner shall continue to review and assess all Fee Review Professional Fees for the period through, but not including, the Effective Date pursuant to the standard of section 943(b)(3) of the Bankruptcy Code. The Fee Review Order shall not apply to any fees or expenses of the Fee Review Professionals for the period on and after the Effective Date, and the Fee Examiner shall not review any such fees or expenses. All fees and expenses of the Fee Examiner Parties, whether incurred before, on or after the Effective Date, shall



remain subject to review and approval of the Court pursuant to the terms of the Fee Review Order. Upon completing his review of all Fee Review Professional Fees and submitting all reports related thereto (as required by the Fee Review Order), the Fee Examiner shall have no further duties or obligations under the Fee Review Order other than obligations of confidentiality thereunder (which obligations, including, but not limited to, the confidentiality obligations set forth at paragraph 22 of the Fee Review Order, shall remain binding from and after the Effective Date). Nothing in this paragraph prohibits the mediator from requesting or requiring the Fee Examiner to participate in mediation regarding Professional Fees at any time.

87. The Court, with the assistance of counsel, will establish an expeditious mediation and Court-review process to determine the reasonableness and disclosure of all fees and expenses, paid and unpaid, for which the City is obligated in connection with this case through the Effective Date, as required by 11 U.S.C. § 943(b)(3). The preceding sentence does not apply with respect to fees and expenses explicitly dealt with in settlements previously approved by orders of the Court.

88. The provisions in the Plan and in this Order regarding fees and expenses shall include the professional fees and expenses of (a) the GRS and the PFRS, to the extent that the City reimburses them; (b) the Fee Examiner and his

professionals, and the Court-appointed feasibility expert and her counsel; and  
(c) the other Fee Review Professionals.

89. Notwithstanding Section II.B.3.s.ii.A of the Plan, Charles Gayney shall serve as an initial member of the Detroit General VEBA board of trustees in place of Suzanne Daniels Paranjpe.

**Y. No Diminution of State Power**

90. No provision of the Plan or this Order shall be construed: (a) to limit or diminish the power of the State to control, by legislation or otherwise, the City in the exercise of the political or governmental powers of the City, including expenditures for such exercise; or (b) as a waiver by the State of its rights as a sovereign or rights granted to it pursuant to the Tenth Amendment to the United States Constitution, or limit or diminish the State's exercise of such rights.

**Z. Post-Effective Date Governance**

91. The City shall promptly provide to the Court copies of any reports given to, or received from, the Financial Review Commission. Nothing in the Plan or this Order shall expand, limit or otherwise modify the role or powers of the Financial Review Commission.

**AA. Retention of Jurisdiction**

92. The Court shall, and hereby does, retain such jurisdiction over the City and the Chapter 9 Case as is consistent with section 1334 of title 28 and

title 11 of the United States Code until the Effective Date. Notwithstanding the entry of this Order, from and after the Effective Date, the Court shall retain such jurisdiction over the Chapter 9 Case to the fullest extent permitted by law, including, among other things, jurisdiction over those matters and issues described in Article VII of the Plan, *provided, however*, that notwithstanding Article VII of the Plan, the Court shall not have jurisdiction over any dispute between or among FGIC and the FGIC COP Holders with respect to agreements between or among them that do not involve the City, the State or any Released Party (other than FGIC and the FGIC COP Holders) as a party.

93. Pursuant to section 945(a) of the Bankruptcy Code, the Court shall, and hereby does, retain jurisdiction over the UTGO Settlement and the UTGO Settlement Agreement and any dispute arising from or related to the UTGO Settlement Agreement. For the avoidance of doubt and as the City has consented, the Court shall retain exclusive post-Confirmation authority and power to implement, interpret and enforce the UTGO Settlement Agreement and all Settlement-Related Documents (as such term is defined at Section 1.2 of the UTGO Settlement Agreement), including, without limitation, all exhibits to the UTGO Settlement Agreement, the Restructured UTGO Bonds and the Municipal Obligation. As the City has consented, the Court reserves all powers as are necessary or appropriate to enforce or to give effect to the Court's retained

jurisdiction under the Plan and this Order, including by way of injunction, as long as any of the Municipal Obligation, Stub UTGO Bonds or Restructured UTGO Bonds are outstanding.

94. Pursuant to section 945(a) of the Bankruptcy Code, the Court shall, and hereby does, retain jurisdiction over the settlement of Limited Tax General Obligation Bond Claims and the LTGO Settlement and any dispute arising from or related to the LTGO Settlement. For the avoidance of doubt and as the City has consented, the Court shall retain exclusive post-Confirmation authority and power to implement, interpret and enforce the LTGO Settlement and all Settlement-Related Documents, including, without limitation, all exhibits to the LTGO Settlement Agreement and the New LTGO Bonds. As the City has consented, the Court reserves all powers as are necessary or appropriate to enforce or to give effect to the Court's retained jurisdiction under the Plan and this Order, including by way of injunction, as long as any of the New LTGO Bonds are outstanding.

95. Pursuant to section 945(a) of the Bankruptcy Code, the Court shall, and hereby does, retain jurisdiction over any matters, cases, controversies, suits or disputes that may arise in connection with the FGIC Development Agreement or the Syncora Development Agreement.

Signed on November 12, 2014

/s/ Steven Rhodes

Steven Rhodes  
United States Bankruptcy Judge

## **APPENDIX I**

### **PLAN OF ADJUSTMENT**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN**

-----	X	
	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
-----	X	

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**EIGHTH AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT  
(October 22, 2014)**

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Exhibit I.A.126	Principal Terms of DIA Settlement
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Exhibit I.A.132	Dismissed FGIC/COP Litigation
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Exhibit I.A.249	Form of New C Notes Documents
Exhibit I.A.250.a	Form of New GRS Active Pension Plan
Exhibit I.A.250.b	Principal Terms of New GRS Active Pension Plan
Exhibit I.A.254.a	Form of New PFRS Active Pension Plan

Exhibit I.A.254.b	Principal Terms of New PFRS Active Pension Plan
Exhibit I.A.280	Prior GRS Pension Plan
Exhibit I.A.281	Prior PFRS Pension Plan
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## INTRODUCTION

The City of Detroit proposes the following plan for the adjustment of its debts pursuant to and in accordance with chapter 9 of the Bankruptcy Code.

A discussion of the City's organizational structure, operations, capital structure and events leading to the commencement of the City's Chapter 9 Case, as well as a summary and description of the Plan, risk factors and other related matters, is included in the Disclosure Statement. Retirees of the City will receive a supplement summarizing important information relevant to their entitlement to benefits (the "Retiree Supplement"). Other agreements and documents, which have been or will be Filed with the Bankruptcy Court, are referenced in the Plan or the Disclosure Statement and are available for review.

The City encourages all of its creditors to read the Plan, the Disclosure Statement and the other material that has been approved for use in soliciting votes on the Plan and encourages holders of claims for pensions and other post-employment benefits to read the Retiree Supplement and to consider the information included on the Ballot before casting a vote to accept or reject the Plan and before choosing among available treatment options.

## ARTICLE I

### DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

#### A. Defined Terms.

Capitalized terms used in the Plan have the meanings set forth in this Section I.A. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules.

1. "2005 COPs" means, collectively, the Detroit Retirement Systems Funding Trust 2005 Certificates of Participation Series 2005-A, issued by the Detroit Retirement Systems Funding Trust 2005 pursuant to the 2005 COPs Agreement, in an initial principal amount of \$640 million, bearing interest at 4.0% to 4.948%.

2. "2005 COPs Agreement" means the Trust Agreement by and between the COP Service Corporations and U.S. Bank National Association, as trustee, dated June 2, 2005, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

3. "2006 COPs" means, collectively, the (a) Detroit Retirement Systems Funding Trust 2006 Certificates of Participation Series 2006-A, issued by the Detroit Retirement Systems Funding Trust 2006 pursuant to the 2006 COPs Agreement, in an initial principal amount of \$148.5 million, bearing interest at 5.989%; and (b) Detroit Retirement Systems Funding Trust 2006 Certificates of Participation Series 2006-B, issued by the Detroit Retirement Systems Funding Trust 2006 pursuant to the 2006 COPs Agreement, in an initial principal amount of \$800 million, bearing interest at a floating rate.

4. "2006 COPs Agreement" means the Trust Agreement by and between the COP Service Corporations and U.S. Bank National Association, as trustee, dated June 12, 2006, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

5. "2014 DWSD Refinancing Obligations" means, collectively, the (i) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014D, (ii) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014E, (iii) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014F, (iv) City of Detroit, Michigan, Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014G, (v) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014A, (vi) City of Detroit, Michigan, Detroit Water and Sewerage

Department Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014B, (vii) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Bonds, Series 2014C, and (viii) City of Detroit, Michigan, Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Bonds, Series 2014D.

6. "2014 Revenue and Revenue Refinancing Bonds" means, collectively, one or more series of Sewage Disposal System Revenue and Revenue Refunding Bonds and Water Supply System Revenue Refunding Bonds.

7. "2014 Revenue Refinancing Bonds" means, collectively, the Michigan Finance Authority's (i) Local Government Loan Program Revenue Bonds, Series 2014C-4 (Insured) (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (ii) Local Government Loan Program Revenue Bonds, Series 2014C-5 (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (iii) Local Government Loan Program Revenue Bonds, Series 2014C-6 (Insured) (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (iv) Local Government Loan Program Revenue Bonds, Series 2014C-7 (Detroit Water and Sewerage Department Sewage Disposal System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (v) Local Government Loan Program Revenue Bonds, Series 2014D-1 (Insured) (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (vi) Local Government Loan Program Revenue Bonds, Series 2014D-2 (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Senior Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, (vii) Local Government Loan Program Revenue Bonds, Series 2014D-3 (Insured) (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds, and (viii) Local Government Loan Program Revenue Bonds, Series 2014D-4 (Detroit Water and Sewerage Department Water Supply System Revenue Refunding Second Lien Local Project Bonds), issued as the Type: Detroit Water and Sewerage Department Local Project Bonds.

8. "36th District Court" means the district court for the thirty-sixth judicial district of the State.

9. "36th District Court Settlement" means the settlement between the City and the Settling 36th District Court Claimants, substantially on the terms set forth on Exhibit I.A.9.

10. "Active Employee" means an active employee of the City on and after the Confirmation Date.

11. "Actual Return" means, for each Fiscal Year during the period beginning July 1, 2003 and ending June 30, 2013, the actual net return percentage on invested GRS assets for that Fiscal Year; provided that, if the actual net return percentage on invested GRS assets for any given Fiscal Year is greater than 7.9%, the Actual Return for that Fiscal Year shall be 7.9%, and if the actual net return percentage on invested GRS assets for any given Fiscal Year is less than 0.0%, the Actual Return for that Fiscal Year shall be 0.0%.

12. "Ad Hoc Committee of DWSD Bondholders" means, collectively, Blackrock Financial Management, Inc., Eaton Vance Management, Fidelity Management & Research Company, Franklin Advisers, Inc. and Nuveen Asset Management.

13. "Adjusted Pension Amount" means the GRS Adjusted Pension Amount or the PFRS Adjusted Pension Amount, as applicable.

14. "Administrative Claim" means a Claim against the City arising on or after the Petition Date and prior to the Effective Date for a cost or expense of administration related to the Chapter 9 Case that is entitled to priority or superpriority under sections 364(c)(1), 503(b) or 507(b)(2) of the Bankruptcy Code, including (a) Claims, pursuant to section 503(b)(9) of the Bankruptcy Code, for the value of goods received by the City in the 20 days

immediately prior to the Petition Date and sold to the City in the ordinary course of the City's operations and (b) any Allowed Claims for reclamation under section 546(c)(1) of the Bankruptcy Code or section 2-702 of the Uniform Commercial Code; provided that no claim for professional fees or any other costs or expenses incurred by any official or unofficial creditors' committee or any member thereof shall be considered an Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order.

15. "ADR Injunction" means the injunction set forth at Section I.B of the ADR Procedures.

16. "ADR Procedures" means the alternative dispute resolution procedures approved by the ADR Procedures Order, as such procedures may be modified by further order of the Bankruptcy Court.

17. "ADR Procedures Order" means the Order, Pursuant to Sections 105 and 502 of the Bankruptcy Code, Approving Alternative Dispute Resolution Procedures to Promote the Liquidation of Certain Prepetition Claims (Docket No. 2302), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on December 24, 2013, as it may be subsequently amended, supplemented or otherwise modified.

18. "Affiliate" shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

19. "Allowed Claim(s)" means: (a) a Claim, proof of which has been timely Filed by the applicable Bar Date (or for which Claim under express terms of the Plan, the Bankruptcy Code or a Final Order of the Bankruptcy Court, a proof of Claim is not required to be Filed); (b) a Claim (i) that is listed in the List of Creditors, (ii) that is not identified on the List of Creditors as contingent, unliquidated or disputed and (iii) for which no proof of Claim has been timely Filed; (c) a Claim allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; (d) a Claim designated as allowed in a stipulation or agreement between the City and the Holder of the Claim that is Filed; or (e) a Claim designated as allowed in a pleading entitled "Designation of Allowed Claims" (or a similar title of the same import) that is Filed; provided that with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered allowed only if and to the extent that (x) no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (y) if an objection is so interposed, the Claim shall have been allowed by a Final Order. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed to be an Allowed Claim unless and until such Entity pays in full the amount that it owes the City. "Allow" and "Allowing" shall have correlative meanings.

20. "Ambac" means Ambac Assurance Corporation.

21. "Annuity Savings Fund" means that sub-account and pension benefit arrangement that is part of the GRS and operated by the trustees of the GRS.

22. "Annuity Savings Fund Excess Amount" means the following: (a) for an ASF Current Participant who has not received any distributions from the Annuity Savings Fund, the difference between (i) the value of such participant's Annuity Savings Fund account as of June 30, 2013 and (ii) the value of such participant's Annuity Savings Fund account as of June 30, 2013 calculated using the Actual Return; (b) for an ASF Current Participant who has received any distribution from the Annuity Savings Fund other than a total distribution, the difference between (i) the sum of (A) the value of such participant's Annuity Savings Fund account as of June 30, 2013 and (B) all distributions received by such participant from the Annuity Savings Fund during the ASF Recoupment Period and (ii) the sum of (A) the value of such participant's Annuity Savings Fund account as of June 30, 2013 calculated using the Actual Return and (B) the value of the participant's distribution calculated as of the date of distribution using the Actual Return through such date; and (c) for an ASF Distribution Recipient, the difference between (i) the value of such ASF Distribution Recipient's Annuity Savings Fund account as of the date of distribution from the Annuity Savings Fund, provided such date falls within the ASF Recoupment Period, and (ii) the value of such participant's Annuity Savings Fund account as of such date, calculated using the Actual Return. For purposes of this definition, the value of a participant's Annuity Savings Fund account as of any date will include the principal amount of any loans to the participant from his Annuity Savings Fund account that are outstanding as of such date or that were defaulted during the ASF Recoupment Period.



23. "ASF/GRS Reduction" means, with respect to a Holder of a GRS Pension Claim who is a retiree who is receiving a monthly pension as of June 30, 2014 or such retiree's later-surviving beneficiary, the 4.5% reduction in the Current Accrued Annual Pension amount described in Section I.A.211, plus the ASF Recoupment.

24. "ASF Current Participant" means a person who (a) participates in the GRS, (b) participated in the Annuity Savings Fund at any time during the ASF Recoupment Period and (c) is not an ASF Distribution Recipient.

25. "ASF Distribution Recipient" means a person who (a) participates in the GRS, (b) participated in the Annuity Savings Fund at any time during the ASF Recoupment Period and (c) has received a total distribution from the Annuity Savings Fund.

26. "ASF Election Date" means the date that is 35 days after the date on which the ASF Election Form is mailed.

27. "ASF Election Form" means a form to be mailed to each ASF Distribution Recipient with the ASF Election Notice to allow such ASF Distribution Recipient to elect the ASF Recoupment Cash Option.

28. "ASF Election Notice" means a notice to be mailed to each ASF Distribution Recipient notifying such ASF Distribution Recipient of the ASF Recoupment Cash Option and providing such recipient with an ASF Election Form.

29. "ASF Final Cash Payment Date" means the later of (a) 90 days after the Effective Date or (b) 50 days after the date of mailing of an ASF Final Cash Payment Notice.

30. "ASF Final Cash Payment Notice" means a notice to be provided by GRS to each ASF Distribution Recipient who timely elects the ASF Recoupment Cash Option indicating the amount of such ASF Distribution Recipient's ASF Recoupment Cash Payment.

31. "ASF Recoupment" means the amount to be deducted from an ASF Current Participant's Annuity Savings Fund account or an ASF Distribution Recipient's monthly pension check, as applicable, pursuant to the formulae set forth in Section II.B.3.r.ii.D.

32. "ASF Recoupment Cap" means, for both ASF Current Participants and ASF Distribution Recipients, 20% of the highest value of such participant's Annuity Savings Fund account during the ASF Recoupment Period plus an interest component of 6.75% if the amount recouped is amortized over time. For purposes of this definition, the value of a participant's Annuity Savings Fund account as of any date will include the principal amount of any loans to the participant from such participant's Annuity Savings Fund account that are outstanding as of such date or that were defaulted during the ASF Recoupment Period.

33. "ASF Recoupment Cash Option" means an election that may be exercised by an ASF Distribution Recipient to pay the total amount of such ASF Distribution Recipient's ASF Recoupment in a single lump sum.

34. "ASF Recoupment Cash Payment" means the amount of the cash payment that an ASF Distribution Recipient who elects the ASF Recoupment Cash Option will be required to pay on account of such ASF Distribution Recipient's ASF Recoupment.

35. "ASF Recoupment Period" means the period beginning July 1, 2003 and ending June 30, 2013.

36. "Assigned UTGO Bond Tax Proceeds" means the rights to the proceeds of the UTGO Bond Tax Levy in an amount equal to the principal and interest payable on the Stub UTGO Bonds (but subject to the prior rights of the holders of the Municipal Obligation), which rights shall be assigned to a designee or designees of the City pursuant to the UTGO Settlement Agreement, substantially on the terms set forth on Exhibit I.A.360.

37. "Assured" means, together, Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc., and Assured Guaranty Corp.

38. "Ballot" means the ballot upon which a Holder of an Impaired Claim entitled to vote shall cast its vote to accept or reject the Plan and make certain elections provided for in the Plan.

39. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as now in effect or hereafter amended.

40. "Bankruptcy Court" means the United States Bankruptcy Court for the Eastern District of Michigan having jurisdiction over the Chapter 9 Case, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 or the General Order of the District Court pursuant to § 151 of title 28 of the United States Code, the District Court.

41. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the general, local and chambers rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to the Chapter 9 Case.

42. "Bar Date" means the applicable bar date by which a proof of Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including a Bar Date Order and the Confirmation Order.

43. "Bar Date Order" means any order of the Bankruptcy Court establishing Bar Dates for Filing proofs of Claim in the Chapter 9 Case, including the Order, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (Docket No. 1782), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on November 21, 2013, as it may be amended, supplemented or otherwise modified.

44. "Bond Agent" means a trustee, paying agent or similar Entity, as applicable, under the Bond Documents.

45. "Bond Claims" means, collectively, the DWSD Bond Claims, the DWSD Revolving Bond Claims, the General Obligation Bond Claims, the HUD Installment Note Claims and the Secured GO Bond Claims.

46. "Bond Documents" means, collectively, the DWSD Bond Documents, the DWSD Revolving Bond Documents, the General Obligation Bond Documents, the HUD Installment Note Documents and the Secured GO Bond Documents.

47. "Bond(s)" means, individually or collectively, the DWSD Bonds, the DWSD Revolving Bonds, the General Obligation Bonds, the HUD Installment Notes or the Secured GO Bonds.

48. "Bondholder" means any beneficial or record holder of a Bond.

49. "Bond Insurance Policies" means those policies, surety policies or other instruments insuring any Bond and obligations related thereto, including all ancillary and related documents that may obligate the City to pay any amount to a Bond Insurer for any reason.

50. "Bond Insurance Policy Claim" means a Claim held by a Bond Insurer arising under or in connection with a Bond Insurance Policy.

51. "Bond Insurer" means any party, other than the City, that has issued a Bond Insurance Policy.

52. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

53. "Cash" means legal tender of the United States of America and equivalents thereof.

54. "Causes of Action" means, without limitation, any and all actions, causes of action, controversies, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether known or

unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Effective Date, including without limitation (a) claims and causes of action under sections 502(d), 510, 544, 545, 547, 548, 549(a), 549(c), 549(d), 550, 551 and 553 of the Bankruptcy Code and (b) any other avoidance or similar claims or actions under the Bankruptcy Code or under similar or related state or federal statutes or common law, and, in the case of each Cause of Action, the proceeds thereof, whether received by judgment, settlement or otherwise.

55. "CFSEM Supporting Organization" means the Foundation for Detroit's Future, a supporting organization of, and an Entity legally separate from, the Community Foundation for Southeast Michigan, solely in its capacity as a participant in the DIA Settlement.

56. "Chapter 9 Case" means the bankruptcy case commenced by the City under chapter 9 of the Bankruptcy Code, captioned as *In re City of Detroit, Michigan*, Case No. 13-53846 (Bankr. E.D. Mich.), and currently pending before the Bankruptcy Court.

57. "City" means the City of Detroit, Michigan.

58. "City Council" means the duly-elected City Council of the City.

59. "City Parking Assets" means, collectively, the City's right, title and interest in (a) the Parking Garages, (b) operating revenue received by the City generated by the Parking Garages, (c) revenues collected from fines received by the City related to tickets issued for parking violations (other than any such revenue that would otherwise be paid to the 36th District Court), (d) revenue received by the City generated by parking meters owned by the City and (e) revenue received by the City generated by "boot and tow" operations conducted by the City.

60. "Claim" means a claim, as defined in section 101(5) of the Bankruptcy Code, against the City.

61. "Claims and Balloting Agent" means Kurtzman Carson Consultants, LLC, in its capacity as Bankruptcy Court-appointed claims and balloting agent for the Chapter 9 Case.

62. "Claims Objection Bar Date" means the deadline for objecting to a Claim, which shall be on the date that is the latest of (a) 180 days after the Effective Date, subject to extension by an order of the Bankruptcy Court, (b) 90 days after the Filing of a proof of Claim for such Claim and (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court, which other period may be set without notice to Holders of Claims.

63. "Claims Register" means the official register of Claims maintained by the Claims and Balloting Agent.

64. "Class" means a class of Claims, as described in Section II.B.

65. "Class 9 Settlement Asset Pool" means (a) either: (i) the New C Notes or (ii) in the event of a disposition or monetization of the City Parking Assets prior to distribution of the New C Notes, the proceeds from such disposition or monetization, in an amount not less than \$80 million; and (b) the Class 9 Settlement Credits.

66. "Class 9 Eligible City Asset" means those assets identified on Exhibit I.A.66.

67. "Class 9 Settlement Credits" means assignable, transferable settlement credits in the aggregate amount of \$25 million that may be applied to offset not more than 50% of the purchase price of a Class 9 Eligible City Asset; provided that, in all cases, to apply a Class 9 Settlement Credit, the owner thereof must (a) be the final party selected in a procurement process or auction conducted by the City and (b) otherwise satisfy all other elements of the procurement or auction process applicable to a particular Class 9 Eligible City Asset (in each of (a) and (b), without regard to such owner's offsetting any portion of the purchase price with such Class 9 Settlement Credit and irrespective of such owner's ability to apply any Class 9 Settlement Credit).

68. "COLAs" means the cost of living adjustments made to annual pension benefits pursuant to collective bargaining agreements, other contracts or ordinances (as applicable) to account for the effects of inflation, which adjustments sometimes are called "escalators" in such collective bargaining agreements, other contracts or ordinances.

69. "Confirmation" means the entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 9 Case.

70. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket in the Chapter 9 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

71. "Confirmation Hearing" means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued.

72. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 943 of the Bankruptcy Code, as it may be subsequently amended, supplemented or otherwise modified.

73. "Contract Administration Agreement 2005" means the Contract Administration Agreement dated June 2, 2005, by and among the COP Service Corporations, the Detroit Retirement Systems Funding Trust 2005, the COP Contract Administrator and the COP Swap Counterparties.

74. "Contract Administration Agreement 2006" means the Contract Administration Agreement dated June 12, 2006, by and among the COP Service Corporations, the Detroit Retirement Systems Funding Trust 2006, the COP Contract Administrator and the COP Swap Counterparties.

75. "Contract Administration Agreements" means, together, the Contract Administration Agreement 2005 and the Contract Administration Agreement 2006.

76. "Convenience Claim" means a Claim that would otherwise be an Other Unsecured Claim that is (a) an Allowed Claim in an amount less than or equal to \$25,000.00; or (b) in an amount that has been reduced to \$25,000.00 pursuant to an election made by the Holder of such Claim; provided that, where any portion(s) of a single Claim has been transferred, (y) the amount of all such portions will be aggregated to determine whether a Claim qualifies as a Convenience Claim and for purposes of the Convenience Claim election and (z) unless all transferees make the Convenience Claim election on the applicable Ballots, the Convenience Claim election will not be recognized for such Claim.

77. "COP Agent" means a contract administrator, trustee, paying agent or similar Entity, as applicable, under the COP Documents.

78. "COP Agent Fees" means reasonable, actual and documented fees payable to the COP Agent for services rendered or expenses incurred in accordance with and pursuant to the terms of the COPs Documents.

79. "COP Claim" means a Claim under or evidenced by the COP Service Contracts. For the avoidance of doubt, except as provided in any Final Order of the Bankruptcy Court, the definition of COP Claim shall include any Claim (other than a COP Swap Claim) on account of any act, omission or representation (however described) based upon, arising out of or relating to: (a) the issuance, offering, underwriting, purchase, sale, ownership or trading of any COPs (to the extent any such Claim is not a Subordinated Claim); (b) the COP Service Corporations; (c) any COP Service Contracts; (d) the 2005 COPs Agreement; (e) the 2006 COPs Agreement; (f) the Detroit Retirement Systems Funding Trust 2005; (g) the Detroit Retirement Systems Funding Trust 2006; (h) the Contract Administration Agreement 2005; (i) the Contract Administration Agreement 2006; (j) any allegations that have been made or could have been made by or against the City or any other person in the COP Litigation; or (k) any policy of insurance relating to the COPs.

80. "COP Contract Administrator" means Wilmington Trust, National Association, as successor to U.S. Bank, N.A.

81. "COP Documents" means, collectively, the COP Service Contracts, the 2005 COPs Agreement, the 2006 COPs Agreement and the Contract Administration Agreements.

82. "COP Insurance Policies" means those certain policies or other instruments insuring the 2005 COPs issued under the 2005 COPs Agreement and the 2006 COPs issued under the 2006 COPs Agreement, including all ancillary and related documents that may obligate the City to pay any amount to a COP Insurer for any reason.

83. "COP Insurance Policies Claim" means a Claim held by a COP Insurer arising under or in connection with a COP Insurance Policy.

84. "COP Insurer" means any party, other than the City, that has issued a COP Insurance Policy.

85. "COP Litigation" means the adversary proceeding captioned as *City of Detroit, Michigan v. Detroit General Retirement System Service Corporation, Detroit Police and Fire Retirement System Service Corporation, Detroit Retirement Systems Funding Trust 2005 and Detroit Retirement Systems Funding Trust 2006*, Case No. 14-04112 (Bankr. E.D. Mich.), filed in the Chapter 9 Case on January 31, 2014.

86. "COP Service Contracts" means, collectively, the (a) the GRS Service Contract 2005, dated May 25, 2005, by and between the City and the Detroit General Retirement System Service Corporation; (b) the PFRS Service Contract 2005, dated May 25, 2005, by and between the City and the Detroit Police and Fire Retirement System Service Corporation; (c) the GRS Service Contract 2006, dated June 7, 2006, by and between the City and the Detroit General Retirement System Service Corporation; and (d) the PFRS Service Contract 2006, dated June 7, 2006, by and between the City and the Detroit Police and Fire Retirement System Service Corporation, as each of the foregoing may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments.

87. "COP Service Corporations" means, collectively, the Detroit General Retirement System Service Corporation and the Detroit Police and Fire Retirement System Service Corporation.

88. "COP Swap Agreements" means the 1992 ISDA Master Agreements (Local Currency Single Jurisdiction) between the COP Service Corporations and the COP Swap Counterparties, as set forth on Exhibit I.A.88, together with all ancillary and related instruments and agreements, as the same may have been subsequently amended, restated, supplemented or otherwise modified.

89. "COP Swap Claim" means a Claim by the COP Swap Counterparties arising under the COP Swap Documents.

90. "COP Swap Collateral Agreement" means the Collateral Agreement among the City, the COP Service Corporations, the COP Swap Collateral Agreement Custodian and the COP Swap Counterparties, together with all ancillary and related instruments and agreements.

91. "COP Swap Collateral Agreement Custodian" means U.S. Bank National Association as custodian under the COP Swap Collateral Agreement or any successor custodian.

92. "COP Swap Counterparties" means UBS AG and Merrill Lynch Capital Services, Inc., as successor to SBS Financial Products Company LLC, under the COP Swap Documents.

93. "COP Swap Documents" means the COP Swap Agreements and the COP Swap Collateral Agreement.

94. "COP Swap Exculpated Parties" means the COP Swap Counterparties and their affiliates and each of their respective present and former (a) officers, (b) directors, (c) employees, (d) members, (e) managers, (f) partners and (g) attorneys, attorneys-in-fact and other advisors, in each case solely in their capacity as such.

95. "COP Swap Settlement" means that Settlement and Plan Support Agreement among the City and the COP Swap Counterparties filed with the Bankruptcy Court on the docket of the Chapter 9 Case on March 26, 2014 (Docket No. 3234), as the same may be subsequently amended, restated, supplemented or otherwise modified in accordance therewith.

96. "COP Swap Settlement Approval Order" means the order entered by the Bankruptcy Court approving the COP Swap Settlement (Docket No. 4094).

97. "COP Syncora Swap Insurance Policies" shall mean policy numbers CA03049E, CA03049D, CA3049C and CA03049B issued by XL Capital Assurance Inc.

98. "COPs" means, collectively, the 2005 COPs and the 2006 COPs.

99. "COP Trustee" means Wilmington Trust, National Association, as Successor Trustee for the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006, or any successor thereto.

100. "Counties" means, collectively, Macomb County, Oakland County and Wayne County.

101. "Cure Amount Claim" means a Claim based upon the City's defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the City under section 365 of the Bankruptcy Code to the extent such Claim is required to be cured by section 365 of the Bankruptcy Code.

102. "Current Accrued Annual Pension" means, with respect to any Holder of a Pension Claim, the amount of annual pension benefits that the applicable Retirement System (a) is obligated to pay to such Holder as of June 30, 2014 to the extent such Holder is retired or a surviving beneficiary and receiving, or terminated from City employment and eligible to receive, a monthly pension as of such date or (b) would be obligated to pay such Holder upon his or her future retirement to the extent such Holder is actively employed by the City on June 30, 2014, assuming such Holder's annual pension is frozen as of June 30, 2014, and such Holder is no longer able to accrue pension benefits after such date under the current terms and conditions of the applicable Retirement System, in either case as reflected on the books and records of the applicable Retirement System as of June 30, 2014.

103. "Current GRS Retiree Adjustment Cap" means, if the funding from the State Contribution Agreement and the DIA Settlement is received, an ASF/GRS Reduction in an amount not to exceed 20% of the Current Accrued Annual Pension (including an interest component of 6.75% on the ASF Recoupment portion of the ASF/GRS Reduction if the ASF Recoupment is amortized over time) of a person who was a current retiree as of June 30, 2014.

104. "CUSIP" means the nine-character identifier (consisting of letters and numbers) that uniquely identifies any particular issue of DWSD Bonds.

105. "Detroit General Retiree" means a retired employee or surviving beneficiary of a retired employee of a department of the City who (a) is not a Detroit Police and Fire Retiree, (b) retired (or is a surviving beneficiary of one who retired) on or before December 31, 2014 and (c) is a Holder of an OPEB Claim.

106. "Detroit General VEBA" means a voluntary employees' beneficiary association established in accordance with section 501(c)(9) of the Internal Revenue Code of 1986, as amended, and regulations thereunder that provides health benefits to Detroit General VEBA Beneficiaries and certain of their dependents.

107. "Detroit General VEBA Beneficiary" means either (a) a Holder of an Allowed OPEB Claim who is a Detroit General Retiree or (b) a retired employee (or surviving beneficiary of a retired employee) of the Detroit Public Library or the Detroit Regional Convention Facility Authority who (i) retired (or is a surviving beneficiary of one who retired) on or before December 31, 2014 and (ii) holds a valid claim for OPEB Benefits against the Detroit Public Library or the Detroit Regional Convention Facility Authority.

108. "Detroit General VEBA Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Detroit General VEBA, in substantially the form attached hereto as Exhibit I.A.108.

109. "Detroit Police and Fire Retiree" means a retired employee or surviving beneficiary of a retired employee of the Detroit Police Department or the Detroit Fire Department who (a) was not an employee of the Emergency Medical Services Division of the Detroit Fire Department, (b) is a Holder of an OPEB Claim and (c) retired (or was a surviving beneficiary of one who retired) on or before December 31, 2014.

110. "Detroit Police and Fire VEBA" means a voluntary employees' beneficiary association established in accordance with section 501(c)(9) of the Internal Revenue Code of 1986, as amended, and regulations thereunder that provides health benefits to Detroit Police and Fire VEBA Beneficiaries and certain of their dependents.

111. "Detroit Police and Fire VEBA Beneficiary" means a Holder of an Allowed OPEB Claim that is a Detroit Police and Fire Retiree.

112. "Detroit Police and Fire VEBA Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Detroit Police and Fire VEBA, in substantially the form attached hereto as Exhibit I.A.112.

113. "Detroit Retirement Systems Funding Trust 2005" means the funding trust established pursuant to the 2005 COPs Agreement.

114. "Detroit Retirement Systems Funding Trust 2006" means the funding trust established pursuant to the 2006 COPs Agreement.

115. "Developer" means FGIC or its designee(s) under the FGIC Development Agreement.

116. "DDA" means the City of Detroit Downtown Development Authority.

117. "DIA" means The Detroit Institute of Arts, a museum and cultural institution located at 5200 Woodward Avenue, Detroit, Michigan 48202.

118. "DIA Assets" means the "Museum Assets" as defined in the DIA Settlement Documents.

119. "DIA Corp." means The Detroit Institute of Arts, a Michigan non-profit corporation.

120. "DIA Direct Funders" means DIA Corp. and those DIA Funders whose commitments to contribute monies in furtherance of the DIA Settlement are made directly to the CFSEM Supporting Organization.

121. "DIA Funders" means those persons, businesses, business-affiliated foundations and other foundations from which DIA Corp. secures commitments, whether before or after the Effective Date, to contribute monies or otherwise secures contributions of monies in support of DIA Corp.'s payment obligations under the DIA Settlement, whether paid directly to the CFSEM Supporting Organization or to DIA Corp. for the purpose of supporting DIA Corp.'s payments to the CFSEM Supporting Organization.

122. "DIA Funding Parties" means the Foundations and the DIA Direct Funders.

123. "DIA Proceeds" means, collectively, the irrevocable funding commitments described in Section IV.E.1.

124. "DIA Proceeds Default Amount" means a reduction in the Adjusted Pension Amount of a Holder of a Pension Claim (or a surviving beneficiary) by virtue of a DIA Proceeds Payment Default, as determined by the trustees of the GRS or the PFRS, the aggregate amount of which shall be commensurate with the pertinent DIA Proceeds Payment Default.

125. "DIA Proceeds Payment Default" means a default that has not been cured during any applicable grace period, as determined by the trustees of the GRS or the PFRS, by one or more DIA Funding Parties respecting material amounts scheduled to be paid to the City in accordance with the DIA Settlement that the City, in turn, is required to pay over to the GRS or the PFRS in accordance with the terms and conditions of the Plan.

126. "DIA Settlement" means the comprehensive settlement regarding the DIA Assets, as described at Section IV.E and as definitively set forth in the DIA Settlement Documents, the principal terms of which are attached hereto as Exhibit I.A.126.

127. "DIA Settlement Documents" means the definitive documentation to be executed in connection with the DIA Settlement, in substantially the form attached hereto as Exhibit I.A.127, which documents substantially conform to the term sheet attached hereto as Exhibit I.A.126.

128. "Disbursing Agent" means the disbursing agent(s) appointed pursuant to Section V.A.

129. "Disclosure Statement" means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan and has been prepared and distributed by the City and approved by the Bankruptcy Court in the Disclosure Statement Order, as the same may be amended, supplemented or otherwise modified.

130. "Disclosure Statement Order" means the Order Approving the Proposed Disclosure Statement (Docket No. 4401), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on May 5, 2014, approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code, as it may have been subsequently amended, supplemented or otherwise modified.

131. "Discounted Value" means the net present value of all Net DWSD Transaction Proceeds to be received immediately or in the future utilizing a 6.75% discount rate.

132. "Dismissed FGIC/COP Litigation" means all litigation pending between the City and FGIC (including all appeals) arising out of or related to, and all motions or objections pending in, the Chapter 9 Case, including the litigation set forth on Exhibit I.A.132, which litigation shall be dismissed or withdrawn as set forth in the FGIC/COP Settlement Documents.

133. "Dismissed Syncora Litigation" means all litigation pending between the City and Syncora (including all appeals) arising out of or related to, and all motions or objections pending in, the Chapter 9 Case, including the litigation set forth on Exhibit I.A.133, which litigation shall be dismissed or withdrawn as set forth in the Syncora Settlement Documents.

134. "Disputed Claim" means any Claim that is not Allowed.

135. "Distribution" means any initial or subsequent payment or transfer made on account of an Allowed Claim under or in connection with the Plan.

136. "Distribution Amount" means the principal amount of \$42,500,000 for each of the COP Swap Counterparties, plus interest, on and after October 15, 2014, on the unpaid Net Amount at the rate applicable to obligations under the Postpetition Financing Agreement, payable in cash in the manner set forth in the COP Swap Settlement Agreement.

137. "Distribution Date" means any date on which a Distribution is made.

138. "Distribution Record Date" means 5:00 p.m., Eastern Time, on the Confirmation Date.

139. "District Court" means the United States District Court for the Eastern District of Michigan.



140. "Document Website" means the internet site address <http://www.kccllc.net/Detroit>, at which the Plan, the Disclosure Statement and all Filed Exhibits to the Plan shall be available to any party in interest and the public, free of charge.

141. "Downtown Development Authority Claims" means Claims in respect of the Downtown Development Authority Loans.

142. "Downtown Development Authority Loans" means loans made pursuant to that certain Loan Agreement, dated August 26, 1991, by and between the City and the DDA, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements.

143. "DRCEA" means the Detroit Retired City Employees Association.

144. "DWSD" means the Detroit Water and Sewerage Department, which is a department of the City.

145. "DWSD Authority" means an authority that may be formed pursuant to a DWSD Authority Transaction to conduct many or all of the operations currently conducted by DWSD as described in Section IV.A.3.

146. "DWSD Authority Transaction" means the potential formation (including the potential transfer of certain assets owned by DWSD) and operation of the DWSD Authority, as described in Section IV.A.3.

147. "DWSD Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Bond Documents, including a Claim for principal and interest on the DWSD Bonds.

148. "DWSD Bond Documents" means the ordinances passed, resolutions adopted, orders issued or indentures executed with respect to the DWSD Bonds, as set forth on Exhibit I.A.148, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

149. "DWSD Bonds" means the secured bonds issued pursuant to the DWSD Bond Documents, as set forth on Exhibit I.A.148.

150. "DWSD CVR" means a single series of contingent value right certificates representing the right to receive 50% of the Net DWSD Transaction Proceeds received by the General Fund on account of a Qualifying DWSD Transaction.

151. "DWSD Exculpated Parties" means, collectively, the DWSD Settlement Parties and their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

152. "DWSD Revolving Bond Claims" means, collectively, the DWSD Revolving Sewer Bond Claims and the DWSD Revolving Water Bond Claims.

153. "DWSD Revolving Bond Documents" means, collectively, the DWSD Revolving Sewer Bond Documents and the DWSD Revolving Water Bond Documents.

154. "DWSD Revolving Bonds" means, collectively, the DWSD Revolving Sewer Bonds and the DWSD Revolving Water Bonds.

155. "DWSD Revolving Sewer Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Revolving Sewer Bond Documents, including a Claim for principal and interest on the DWSD Revolving Sewer Bonds.

156. "DWSD Revolving Sewer Bond Documents" means the ordinances passed, resolutions adopted or indentures or agreements executed with respect to the DWSD Revolving Sewer Bonds, as set forth on Exhibit I.A.156, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

157. "DWSD Revolving Sewer Bonds" means the secured bonds issued pursuant to the DWSD Revolving Sewer Bond Documents, as set forth on Exhibit I.A.156.

158. "DWSD Revolving Water Bond Claims" means any Claim against the City arising under or evidenced by the DWSD Revolving Water Bond Documents, including a Claim for principal and interest on the DWSD Revolving Water Bonds.

159. "DWSD Revolving Water Bond Documents" means the ordinances passed, resolutions adopted or indentures or agreements executed with respect to the DWSD Revolving Water Bonds, as set forth on Exhibit I.A.159, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

160. "DWSD Revolving Water Bonds" means the secured bonds issued pursuant to the DWSD Revolving Water Bond Documents, as set forth on Exhibit I.A.159.

161. "DWSD Series" means an individual issue of DWSD Revolving Bonds having the same lien priority, issue date and series designation.

162. "DWSD Settlement Date" means the date prior to the Effective Date upon which each of (i) consummation of the purchase of the DWSD Tendered Bonds, (ii) issuance of the 2014 DWSD Refinancing Obligations and (iii) issuance of the 2014 Revenue Refinancing Bonds occurs, which date is identified as September 4, 2014 in the DWSD Tender Invitations (subject to rescheduling to a date earlier or later than that date by the City in its sole discretion).

163. "DWSD Settlement Parties" means, collectively, Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance Inc., Berkshire Hathaway Assurance Corp., FGIC (solely in its capacity as a DWSD Bond Insurer), NPFG, the Ad Hoc Committee of DWSD Bondholders and U.S. Bank National Association, as trustee for the DWSD Bonds.

164. "DWSD Tender" means the offers, subject to acceptance at the City's election and in its sole discretion, to purchase for cancellation some or all of the DWSD Bonds that have been tendered and accepted in connection with, and on the terms provided in, the DWSD Tender Invitations.

165. "DWSD Tendered Bonds" means the DWSD Bonds that have been tendered for purchase or cancellation pursuant to the DWSD Tender.

166. "DWSD Tender Invitations" means the invitations and accompanying disclosure statements sent by the City to holders of DWSD Bonds on August 7, 2014, in the form of those collectively attached as Exhibits 8A and 8B to the DWSD Tender Motion.

167. "DWSD Tender Motion" means the Motion of the Debtor for a Final Order Pursuant to (I) 11 U.S.C. §§105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 6644), Filed by the City on August 11, 2014.

168. "DWSD Tender Order" means the Order, Pursuant to (I) 11 U.S.C. §§ 105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections (Docket No. 7028), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on August 25, 2014.

169. "Effective Date" means the Business Day, as determined by the City, on which each applicable condition contained in Section III.A has been satisfied or waived.

170. "Eligible Pensioner" means a Holder of a Pension Claim who is eligible to receive an Income Stabilization Payment because such Holder (a) is, as of the Effective Date, at least 60 years of age or is a minor child receiving survivor benefits from GRS or PFRS and (b) has an aggregate annual household income equal to or less than 140% of the Federal Poverty Level in 2013 (as determined by reference to their (or in the case of minor children, their legal guardian's) 2013 income tax returns or equivalent documentation); provided, that no new persons will be eligible to receive Income Stabilization Payments at any time in the future, and any minor child receiving survivor benefits shall cease to be an Eligible Pensioner after he or she turns 18 years of age.

171. "Emergency Manager" means Kevyn D. Orr, in his capacity as emergency manager for the City serving in accordance with PA 436 or any successor emergency manager.

172. "Employee Health and Life Insurance Benefit Plan" means the Employee Health and Life Insurance Benefit Plan, a welfare benefit plan sponsored and administered by the City, which provides health, dental, vision care and life insurance benefits to (a) all officers and employees of the City who were employed on the day preceding the effective date of the benefit plan, and who continue to be employed by the City on and after the Effective Date and (b) substantially all retired officers and employees of the City.

173. "Employees Death Benefit Board of Trustees" means the governing board of the City of Detroit Employee Health and Life Insurance Benefit Plan, which operates and administers the Employees Death Benefit Plan.

174. "Employees Death Benefit Plan" means the City of Detroit Employee Death Benefit Plan, a pre-funded defined benefit plan and trust administered by the Employees Death Benefit Board of Trustees that provides supplemental death benefits to active and retired officers and employees of the City.

175. "Entity" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

176. "Estimated Future Liability" means the Income Stabilization Payments anticipated to be made from GRS or PFRS, as applicable, in the future in order for the respective Retirement System to fulfill the obligation to make Income Stabilization Payments, as determined by the respective Retirement System's board of trustees in the year 2022, provided that the State has not issued a certificate of default under the State Contribution Agreement with respect to the Retirement System at any time prior to 2022.

177. "Excess Assets" means the amount by which, if at all, the Income Stabilization Fund of either GRS or PFRS is credited with assets in excess of its Estimated Future Liability.

178. "Excess New B Notes" means, collectively: (a) the Syncora Excess New B Notes and (b) New B Notes in the aggregate face amount of approximately \$48.71 million, representing the difference between (i) the New B Notes that would have been distributed to FGIC or the FGIC COP Holders had their respective asserted COP Claims for principal and interest in Class 9 been Allowed in full and (ii) the New B Notes to be provided to FGIC and the FGIC COP Holders as partial consideration pursuant to the terms of the FGIC/COP Settlement.

179. "Excluded Actions" means (a) any claims with respect to enforcement of the FGIC/COP Settlement Documents or the FGIC Development Agreement, (b) any claims with respect to the New B Notes, the New C Notes or the Class 9 Settlement Credits, (c) any claims held by FGIC against the (i) COP Swap Counterparties or (ii) Related Entities of any of the foregoing, or (d) any claims asserted against the City in the proofs of claim filed by FGIC and the COP Trustee; provided that, with respect to the claims described in clause (d), notwithstanding any other provision of the Plan, such claims shall be subject to the treatment, discharge and injunction provisions set forth herein.

180. "Exculpated Parties" means, collectively and individually, (a) the RDPFFA and its board of trustees/directors, attorneys, advisors and professionals, (b) the DRCEA and its board of trustees/directors,

attorneys, advisors and professionals, (c) the postpetition officers of the Detroit Police Lieutenants and Sergeants Association, (d) the postpetition officers of the Detroit Police Command Officers Association, (e) GRS and its postpetition professional advisors, (f) PFRS and its postpetition professional advisors, (g) Gabriel, Roeder, Smith & Company, (h) the COP Swap Exculpated Parties, (i) the LTGO Exculpated Parties, (j) the UTGO Exculpated Parties, (k) the DWSD Exculpated Parties, (l) the RDPMA Exculpated Parties, (m) the Syncora Exculpated Parties, (n) the COP Agent and (o) the FGIC/COP Exculpated Parties. For the avoidance of doubt, Exculpated Parties shall not include the COP Service Corporations.

181. "Executory Contract" means a contract to which the City is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

182. "Exhibits" means, collectively, the documents listed on the "Table of Exhibits" included herein, all of which will be made available on the Document Website once they are Filed. The City reserves the right, in accordance with the terms hereof, to modify, amend, supplement, restate or withdraw any of the Exhibits after they are Filed and shall promptly make such changes available on the Document Website.

183. "Exit Facility" means a credit facility that will be entered into by the City, the Exit Facility Agent and the other financial institutions party thereto on the Effective Date on substantially the terms set forth on Exhibit I.A.183.

184. "Exit Facility Agent" means the agent under the Exit Facility.

185. "Face Amount" means either (a) the full stated amount claimed by the holder of such Claim in any proof of Claim Filed by the Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim specifies only a liquidated amount; (b) if no proof of Claim is Filed by the Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the List of Creditors, provided that such amount is not listed as disputed, contingent or unliquidated; or (c) the amount of the Claim (i) acknowledged by the City in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or (iii) proposed by City, if (A) no proof of Claim has been Filed by the Bar Date or has otherwise been deemed timely Filed under applicable law and such amount is not listed in the List of Creditors or is listed in List of Creditors as disputed, contingent or unliquidated or (B) the proof of Claim specifies an unliquidated amount (in whole or in part).

186. "Federal Poverty Level" means the poverty guidelines issued each year in the *Federal Register* by the United States Department of Health and Human Services.

187. "Fee Examiner" means Robert M. Fishman, in his capacity as the fee examiner appointed pursuant to the Fee Examiner Order.

188. "Fee Examiner Order" means the Order Appointing Fee Examiner (Docket No. 383), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on August 19, 2013, as it may have been amended, supplemented or otherwise modified.

189. "Fee Examiner Parties" means, collectively, (a) the Fee Examiner and (b) all counsel and other professionals advising the Fee Examiner whose fees and expenses are subject to the Fee Review Order.

190. "Fee Review Order" means the Fee Review Order (Docket No. 810), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on September 11, 2013, as it may have been amended, supplemented or otherwise modified, including pursuant to the Order Amending and Clarifying Fee Review Order of September 11, 2013 (Docket No. 5150), entered on May 29, 2014.

191. "Fee Review Professionals" means, collectively, (a) those professionals retained by the City and the Retiree Committee to render services in connection with the Chapter 9 Case who seek payment of compensation and reimbursement of expenses from the City for postpetition services pursuant to and in accordance with the Fee Review Order and (b) those additional professionals retained by third parties to provide services in connection with

the Chapter 9 Case that seek reimbursement by or payment from the City or any of its departments and are, or are determined (by Bankruptcy Court order or otherwise) to be, subject to the Fee Review Order or the terms of this Plan. For the avoidance of doubt, any professionals retained by any official committee appointed in the Chapter 9 Case other than the Retiree Committee are not Fee Review Professionals.

192. "Fee Review Professional Fees" means, collectively, (a) the fees and expenses of the Fee Review Professionals incurred during the period beginning on the Petition Date and ending on the Effective Date and (b) the fees and expenses of the Fee Examiner Parties through the projected date of dismissal of the Fee Examiner pursuant to Section IV.N.3.

193. "FGIC" means Financial Guaranty Insurance Company.

194. "FGIC/COP Exculpated Parties" means (a) FGIC and its Related Entities, (b) the FGIC COP Holders and their respective Related Entities and (c) the COP Agent and its Related Entities, in each case solely in their respective capacities as holders of, insurer of or administrator, trustee, or paying agent with respect to COP Claims.

195. "FGIC COP Holders" means the registered and beneficial holders of COPs originally insured by FGIC.

196. "FGIC/COP Settlement" means the comprehensive settlement with FGIC and the FGIC COP Holders, as described at Section IV.J and as definitively set forth in the FGIC/COP Settlement Documents.

197. "FGIC/COP Settlement Documents" means the definitive documentation to be executed in connection with the FGIC/COP Settlement, in substantially the form attached hereto as Exhibit I.A.197, and in any case in form and substance reasonably acceptable to the City, FGIC and the FGIC COP Holders. Whenever the consent of the FGIC COP Holders is required hereunder, or any document is required to be reasonably satisfactory to the FGIC COP Holders, such consent shall be deemed given and such document shall be deemed reasonably satisfactory unless within the period of time specified for such consent or document (which shall be reasonable under the circumstances and in any event not less than 48 hours after the request for such consent or proposed document shall have been filed with the court) unless beneficial holders of a majority of the COPs originally insured by FGIC shall have objected in writing to the action or document.

198. "FGIC Development Agreement" means that certain development agreement to be entered into by the City and the Developer, in substantially the form attached hereto as Exhibit I.A.198.

199. "FGIC Settlement Consideration" means the share of the Class 9 Settlement Asset Pool and New B Notes to be distributed for the benefit of FGIC and the FGIC COP Holders pursuant to Section II.B.3.p.i.A in respect of COPs originally insured by FGIC.

200. "File," "Filed," or "Filing" means file, filed or filing with the Bankruptcy Court or the Claims and Balloting Agent, as applicable, in the Chapter 9 Case.

201. "Final Order" means an order or judgment of the Bankruptcy Court, or any other court of competent jurisdiction, as entered on the docket in the Chapter 9 Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move, under Bankruptcy Rule 9023 or Rule 59 of the Federal Rules of Civil Procedure, for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed shall not prevent such order from being a Final Order.

202. "Financial Review Commission" means the financial review commission appointed under Section 4 of the Financial Review Commission Act.

203. "Financial Review Commission Act" means Public Act 181 of 2014 of the State, also known as the Michigan Financial Review Commission Act, Michigan Compiled Laws §§ 141.1631, *et seq.*

204. "Fiscal Year" means a fiscal year for the City, commencing on July 1 of a year and ending on June 30 of the following year. A Fiscal Year is identified by the calendar year in which the Fiscal Year ends, such that, for example, the 2015 Fiscal Year is the Fiscal Year commencing on July 1, 2014, and ending on June 30, 2015.

205. "Foundations" means those entities identified on Exhibit B to the summary of the material terms of the DIA Settlement, which is attached hereto as Exhibit I.A.126.

206. "General Fund" means the primary governmental fund and the chief operating fund of the City, which fund accounts for several of the City's primary services, including police, fire, public works, community and youth services.

207. "General Obligation Bond Claims" means, collectively, the Limited Tax General Obligation Bond Claims and the Unlimited Tax General Obligation Bond Claims.

208. "General Obligation Bond Documents" means, collectively, the Limited Tax General Obligation Bond Documents and the Unlimited Tax General Obligation Bond Documents.

209. "General Obligation Bonds" means, collectively, the Limited Tax General Obligation Bonds and the Unlimited Tax General Obligation Bonds.

210. "GRS" means the General Retirement System of the City of Detroit.

211. "GRS Adjusted Pension Amount" means, with respect to a Holder of a GRS Pension Claim, the Current Accrued Annual Pension payable to such Holder as adjusted in accordance with the following formulas:

(a) If Classes 10 and 11 vote to accept the Plan, and funding is received from the DIA Settlement and the State Contribution Agreement: for a Holder of a GRS Pension Claim who is (i) either retired and receiving a monthly pension or a surviving beneficiary or (ii) an Active Employee or a terminated employee with a right to receive a GRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus an additional 4.5% reduction in the Current Accrued Annual Pension amount, plus the ASF Recoupment, provided that ASF Recoupment shall not apply to a surviving beneficiary of a retiree who died prior to June 30, 2014; and

(b) If Classes 10 and 11 do not vote to accept the Plan or funding is not received from the DIA Settlement and the State Contribution Agreement: for a Holder of a GRS Pension Claim who is (i) either retired and receiving a monthly pension or a surviving beneficiary or (ii) an Active Employee or a terminated employee with a right to receive a GRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus an additional 27% reduction in the Current Accrued Annual Pension amount, plus the ASF Recoupment; provided that ASF Recoupment shall not apply to a surviving beneficiary of a retiree who died prior to June 30, 2014; and provided further, that with respect to Holders who are Active Employees, in the event the unfunded liabilities of the GRS for the plan year ending June 30, 2014 are greater than the unfunded liabilities of the GRS as of June 30, 2013, the monthly pension amount shall be decreased to the extent necessary to ensure that there is no change in the amount of the underfunding between Fiscal Years 2013 and 2014.

212. "GRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City or any participants in GRS, their heirs or beneficiaries or by the GRS or any trustee thereof or any other Entity acting on the GRS's behalf, against the City or any fund managed by the City (including,

but not limited to, the General Fund, the water fund, the sewage disposal fund, the Detroit General Retirement System Service Corporation fund or the pension funds) based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law for (a) any pension, disability or other post-retirement payment or distribution in respect of the employment of current or former employees or (b) the payment by the GRS to persons who at any time participated in, were beneficiaries of or accrued post-retirement pension or financial benefits under the GRS.

213. "GRS Restoration Payment" means an addition to the pension benefits that comprise the GRS Adjusted Pension Amount as described in Exhibit II.B.3.r.ii.C.

214. "Holder" means an Entity holding a Claim. With respect to any COP originally insured by FGIC, "Holder" includes the beneficial holders of any such COP.

215. "HUD Installment Note Claims" means any Claim against the City arising under or evidenced by the HUD Installment Note Documents, including a Claim for principal and interest on the HUD Installment Notes.

216. "HUD Installment Note Documents" means the promissory notes executed with respect to the HUD Installment Notes, as set forth on Exhibit I.A.216, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

217. "HUD Installment Notes" means, collectively, the secured notes issued under the HUD Installment Note Documents, as set forth on Exhibit I.A.216.

218. "Impaired" means, with respect to a Class or a Claim, that such Class or Claim is impaired within the meaning of section 1124 of the Bankruptcy Code.

219. "Income Stabilization Benefit" means a supplemental pension benefit in an amount necessary to ensure that (a) each Eligible Pensioner's total household income is equal to 130% of the Federal Poverty Level in 2013 or (b) the annual pension benefit payment payable to each Eligible Pensioner equals 100% of the annual pension benefit payment actually received by the Eligible Pensioner in 2013, whichever amount is lower.

220. "Income Stabilization Benefit Plus" means a supplemental pension benefit in an amount necessary to ensure that (a) an Eligible Pensioner's estimated adjusted annual household income (as determined by the applicable Retirement System) in a given calendar year is equal to 105% of the Federal Poverty Level for such year or (b) the annual pension benefit payment payable to an Eligible Pensioner equals 100% of the Eligible Pensioner's Current Accrued Annual Pension, plus COLAs, whichever amount is lower.

221. "Income Stabilization Payments" means the Income Stabilization Benefit and the Income Stabilization Benefit Plus, which will be paid from the Income Stabilization Fund in each of GRS and PFRS to Eligible Pensioners in accordance with the State Contribution Agreement.

222. "Income Stabilization Fund" means a separate recordkeeping sub-account that will be established in each of GRS and PFRS for the sole purpose of paying Income Stabilization Payments to Eligible Pensioners. The assets credited to these sub-accounts will be invested on a commingled basis with the GRS and PFRS assets, as applicable, and will be credited with a pro rata portion of the applicable Retirement System's earnings and losses.

223. "Indirect 36th District Court Claim" means any claim arising in connection with a Cause of Action against the 36th District Court, solely to the extent that (a) the 36th District Court is entitled to receive funding from the City to satisfy any such claim and (b) any Claim for such funding by the 36th District Court is resolved pursuant to the Plan and the 36th District Court Settlement.

224. "Indirect Employee Indemnity Claim" means any claim against an employee or former employee of the City with respect to which such employee has an Allowed Claim against the City for indemnification or

payment or advancement of defense costs based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law.

225. "Insured LTGO Bonds" means those Limited Tax General Obligation Bonds that are insured by the LTGO Insurer.

226. "Investment Committee" means, as applicable, the investment committee established by GRS or PFRS for the purpose of making recommendations to, and approving certain actions by, the respective Retirement System's board of trustees or making determinations and taking action under, and with respect to certain matters described in, the State Contribution Agreement.

227. "Liabilities" means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, derivative claims, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure or other occurrence taking place on or prior to the Effective Date.

228. "Lien" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

229. "Limited Tax General Obligation Bond Claim" means any Claim against the City arising under or evidenced by the Limited Tax General Obligation Bond Documents, including a Claim for principal and interest on the Limited Tax General Obligation Bonds.

230. "Limited Tax General Obligation Bond Documents" means the resolutions adopted and orders issued with respect to the Limited Tax General Obligation Bonds, as set forth on Exhibit I.A.230, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

231. "Limited Tax General Obligation Bonds" means, collectively, the unsecured bonds issued under the Limited Tax General Obligation Bond Documents, as set forth on Exhibit I.A.230.

232. "Liquidity Event" shall be deemed to occur only if the City has at all times complied with its obligations under the COP Swap Settlement to use its best efforts to secure sufficient exit financing as set forth therein, but is nonetheless unable to secure sufficient exit financing to pay the Net Amount on or promptly following the Effective Date.

233. "List of Creditors" means the Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (together with the summaries and schedules attached thereto), attached as Exhibit A to the Notice of Filing of Second Amended List of Creditors and Claims, Pursuant to Sections 924 and 925 of the Bankruptcy Code (Docket No. 1059), Filed by the City on September 30, 2013, as such list, summaries or schedules may be amended, restated, supplemented or otherwise modified.

234. "LTGO Distribution Agent" means U.S. Bank National Association, in its capacity as agent under a distribution agreement to be entered into in connection with the LTGO Settlement Agreement or such other entity as may be agreed to among the parties to the LTGO Settlement Agreement.

235. "LTGO Exculpated Parties" means (a) the LTGO Insurer, (b) BlackRock Financial Management, solely in its capacity as a Holder of Limited Tax General Obligation Bonds, and (c) their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, advisors, accountants, consultants, financial advisors and investment bankers, solely in their capacity as such.

236. "LTGO Insurer" means Ambac, solely in its capacity as insurer of certain of the City's obligations with respect to the Limited Tax General Obligation Bonds.



237. "LTGO Settlement Agreement" means the comprehensive settlement regarding Limited Tax General Obligation Bond Claims and related Bond Insurance Policy Claims, substantially in the form attached hereto as Exhibit I.A.237.

238. "LTGO Settlement Parties" means (a) the LTGO Insurer and (b) BlackRock Financial Management, on behalf of certain managed funds and accounts set forth in the LTGO Settlement Agreement.

239. "Macomb County" means the County of Macomb, Michigan.

240. "Mayor" means the duly-elected mayor of the City.

241. "MFA" means the Michigan Finance Authority.

242. "Municipal Obligation" means the local government municipal obligation to be delivered by the City to the MFA in accordance with the LTGO Settlement Agreement and applicable law.

243. "NPFG" means National Public Finance Guarantee Corporation.

244. "Net Amount" means the Distribution Amount less the sum of all quarterly payments received by the COP Swap Counterparties under the COP Swap Collateral Agreement in respect of amounts owed under the COP Swap Agreements since January 1, 2014.

245. "Net DWSD Transaction Proceeds" means (a) the cash proceeds received by or for the benefit of, or for attribution to, the General Fund as a result of a Qualifying DWSD Transaction less (1) any cash payments made by or on behalf of the General Fund in connection with a Qualifying DWSD Transaction, (2) any cash payments previously anticipated or projected to be contributed to GRS by DWSD but for the Qualifying DWSD Transaction and (3) any cash payments previously anticipated or projected to be received by or on behalf of the General Fund but for the Qualifying DWSD Transaction; and (b) any other net payments, assumption of scheduled monetary liability or cancellation of indebtedness or other monetary obligations that inures to the direct benefit of the General Fund as a result of the Qualifying DWSD Transaction. In applying this definition, the City and the Restoration Trust (or the Retiree Committee if prior to the Effective Date) will work to develop a schedule of Net DWSD Transaction Proceeds at the time of the Qualifying DWSD Transaction that will inform any Value Determination (if requested) and allow the parties to subsequently track actual results and adjust applicable pension restoration levels accordingly.

246. "New B Notes" means the unsecured bonds to be issued by the City pursuant to the New B Notes Documents, substantially on the terms set forth on Exhibit I.A.246.

247. "New B Notes Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New B Notes, in substantially the form attached hereto as Exhibit I.A.247.

248. "New C Notes" means the unsecured bonds to be issued by the City pursuant to the New C Notes Documents, substantially on the terms set forth on Exhibit I.A.248 and in any case in form and substance reasonably acceptable to the City and Syncora.

249. "New C Notes Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New C Notes, in substantially the form attached hereto as Exhibit I.A.249 and in any case in form and substance reasonably acceptable to the City and Syncora.

250. "New GRS Active Pension Plan" means the terms and conditions for future accrual and payment of pensions for active non-public safety employees of the City or another entity that participates in GRS in connection with employment service performed on and after July 1, 2014, in substantially the form attached hereto as Exhibit I.A.250.a and the material terms of which are attached hereto as Exhibit I.A.250.b.

251. "New GRS Active Pension Plan Formula" means an accrual rate for active employee participants in the GRS for benefits earned for service on or after July 1, 2014 that equals the product of (a) 1.5% multiplied by (b) an employee's average base compensation over such employee's final 10 years of service, multiplied by (c) such employee's years of service after July 1, 2014. For purposes of this definition, base compensation will exclude overtime, longevity or other bonuses, and unused sick leave, and the New GRS Active Pension Plan Formula will be part of a hybrid program that will contain rules to shift funding risk to participants in the event of underfunding of hybrid pensions, and mandate minimum retirement ages for unreduced pensions.

252. "New LTGO Bond Documents" means the ordinances to be passed, resolutions to be adopted, orders to be issued or indentures to be executed with respect to the New LTGO Bonds, in substantially the form attached as an exhibit to the LTGO Settlement Agreement.

253. "New LTGO Bonds" means the bonds to be issued by the City pursuant to the New LTGO Bond Documents, substantially on the terms set forth on Schedule 1 of the LTGO Settlement Agreement.

254. "New PFRS Active Pension Plan" means the terms and conditions for future accrual and payment of pensions for active public safety employees of the City in connection with employment service performed on and after July 1, 2014, in substantially the form attached hereto as Exhibit I.A.254.a and the material terms of which are attached hereto as Exhibit I.A.254.b.

255. "New PFRS Active Pension Plan Formula" means an accrual rate for active employee participants in the PFRS for benefits earned on or after July 1, 2014 that equals the product of (a) 2.0% multiplied by (b) an employee's average base compensation over the employee's final five years of service, as set forth on Exhibit I.A.254.b, multiplied by (c) such employee's years of service after July 1, 2014. For purposes of this definition, base compensation will mean the employee's actual base compensation and will exclude overtime, longevity or other bonuses, and unused sick leave, and the New PFRS Active Pension Plan Formula will be part of a hybrid program that will contain rules to shift funding risk to participants in the event of underfunding of hybrid pensions, and mandate minimum retirement ages for unreduced pensions.

256. "New Securities" means, collectively, the New B Notes, the New C Notes, the New LTGO Bonds and the Municipal Obligation.

257. "Non-Settling UTGO Bond Insurer" means, together, Syncora Capital Assurance Inc. and Syncora Guarantee Inc., solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds.

258. "Oakland County" means the County of Oakland, Michigan.

259. "OPEB Benefits" means, collectively, post-retirement health, vision, dental, life and death benefits provided to retired employees of the City, the Detroit Public Library or the Detroit Regional Convention Facility Authority and their surviving beneficiaries pursuant to the Employee Health and Life Insurance Benefit Plan, the Employees Death Benefit Plan or any comparable plan, including the members of the certified class in the action captioned *Weiler et. al. v. City of Detroit*, Case No. 06-619737-CK (Wayne County Circuit Court), pursuant to the "Consent Judgment and Order of Dismissal" entered in that action on August 26, 2009.

260. "OPEB Claim" means any Claim against the City for OPEB Benefits held by a retiree who retired on or before December 31, 2014 and is otherwise eligible for OPEB Benefits, and any eligible surviving beneficiaries of such retiree.

261. "Other Secured Claim" means a Secured Claim, other than a COP Swap Claim, a DWSD Bond Claim, a DWSD Revolving Bond Claim, a HUD Installment Note Claim or a Secured GO Bond Claim.

262. "Other Unsecured Claim" means any Claim that is not an Administrative Claim, a Convenience Claim, a COP Claim, a Downtown Development Authority Claim, a General Obligation Bond Claim, a GRS Pension Claim, an OPEB Claim, a PFRS Pension Claim, a Secured Claim, an Indirect 36th District Court Claim or a

Subordinated Claim. For the avoidance of doubt, Section 1983 Claims and Indirect Employee Indemnity Claims are included within the definition of Other Unsecured Claim.

263. "PA 436" means Public Act 436 of 2012 of the State, also known as the Local Financial Stability and Choice Act, Michigan Compiled Laws §§ 141.1541-141.1575.

264. "Parking Garages" means, collectively, parking garages owned by the City other than (a) that certain underground parking garage, commonly known as the "Grand Circus Parking Garage," located at 1600-01 Woodward Avenue, Detroit, Michigan, (b) that certain underground parking garage, commonly known as the "Cultural Center Garage," located at 41 Farnsworth Street, Detroit, Michigan and (c) that certain multi-story parking structure near the Riverfront Arena with an address of 900 W. Jefferson Avenue, Detroit, Michigan having a capacity of approximately 3,200 car spaces commonly known as "Joe Louis Arena Garage." For the avoidance of doubt, (a) that certain parking lot located at 5200 Woodward Avenue, Detroit, Michigan and (b) that certain parking lot, commonly known as the "Frederick Lot," located at 318 Frederick Street, Detroit, Michigan, shall not be considered Parking Garages.

265. "Pass-Through Obligations" means the City's obligations to the Pass-Through Recipients with respect to which the City acts, or may in the future act, as a tax-collecting agent for tax increment revenues derived from property taxes of the City and certain other taxing jurisdictions and required to be transmitted by the Treasurer of the City to the Pass-Through Recipients under their respective tax increment financing enabling statutes.

266. "Pass-Through Recipients" means, collectively, the (a) DDA, (b) Local Development Finance Authority, (c) Detroit Brownfield Redevelopment Authority and (d) City of Detroit Eight Mile/Woodward Corridor Improvement Authority, each of which are separate legal entities from the City.

267. "Pension Claim" means a GRS Pension Claim or a PFRS Pension Claim.

268. "Petition Date" means July 18, 2013.

269. "PFRS" means the Police and Fire Retirement System of the City of Detroit.

270. "PFRS Adjusted Pension Amount" means, with respect to a Holder of a PFRS Pension Claim, the Current Accrued Annual Pension payable to such Holder as adjusted in accordance with the following formulas:

(a) If Classes 10 and 11 vote to accept the Plan, and funding is received from the DIA Settlement and the State Contribution Agreement: Holders of PFRS Pension Claims will continue to receive their Current Accrued Annual Pension, but COLAs from and after June 30, 2014 shall be 45% of the COLAs provided for in police and fire collective bargaining agreements, other contracts or ordinances; and

(b) If Classes 10 and 11 do not vote to accept the Plan or funding is not received from the DIA Settlement and the State Contribution Agreement: (i) for a Holder of a PFRS Pension Claim who is (A) either retired and receiving a monthly pension or a surviving beneficiary or (B) a terminated employee with a right to receive a PFRS pension in the future, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs; and (ii) for a Holder of a PFRS Pension Claim who is an Active Employee, elimination of the right to supplemental pension benefits to be paid after July 1, 2014 in respect of COLAs, plus elimination of the deferred retirement option plan feature of PFRS for certain Active Employees who have not already irrevocably elected to participate in the feature; provided that, with respect to Holders that are Active Employees, in the event the unfunded liabilities of the PFRS for the plan year ending June 30, 2014 are greater than the unfunded liabilities of the PFRS as of June 30, 2013, the monthly pension amount shall be reduced to the extent necessary to ensure that there is no change in the amount of the underfunding between Fiscal Years 2013 and 2014.

271. "PFRS Pension Claim" means any Claim (other than an OPEB Claim), whether asserted by current or former employees of the City, their heirs or beneficiaries or by the PFRS or any trustee thereof or any other Entity acting on the PFRS's behalf, against the City or any fund managed by the City (including, but not

limited to, the General Fund, the Police and Fire Retirement System Service Corporation fund or the pension funds) based upon, arising under or related to any agreement, commitment or other obligation, whether evidenced by contract, agreement, rule, regulation, ordinance, statute or law for (a) any pension, disability, or other post-retirement payment or distribution in respect of the employment of such current or former employees or (b) the payment by the PFRS to persons who at any time participated in, were beneficiaries of or accrued post-retirement pension or financial benefits under the PFRS.

272. "PFRS Restoration Payment" means an addition to the pension benefits that comprise the PFRS Adjusted Pension Amount as described in Exhibit II.B.3.q.ii.C.

273. "Plan" means this plan of adjustment and all Exhibits attached hereto or referenced herein, as the same may be amended, restated, supplemented or otherwise modified.

274. "Plan COP Settlement" means the comprehensive settlement regarding COP Claims on terms and conditions described in Section II.B.3.p.i.A.

275. "Plan Supplement" means any supplement to the Plan containing Exhibits that were not Filed as of the date of the entry of the Disclosure Statement Order.

276. "Pledged Property" means the collateral pledged by the City under the COP Swap Collateral Agreement or Ordinance No. 05-09 of the City.

277. "Postpetition Financing Agreement" means, collectively, (a) the Bond Purchase Agreement by and among the City and Barclays Capital, Inc., as purchaser, (b) the Financial Recovery Bond Trust Indenture by and among the City and UMB Bank, N.A., as trustee, and (c) all ancillary and related instruments and agreements approved by the Bankruptcy Court pursuant to the Postpetition Financing Order.

278. "Postpetition Financing Order" means the Order Pursuant to 11 U.S.C. §§ 105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay (Docket No. 3067) entered by the Bankruptcy Court on the docket of the Chapter 9 Case on April 2, 2014, approving the Postpetition Financing Agreement.

279. "Postpetition Financing Claims" means any Claim against the City under or evidenced by (a) the Postpetition Financing Agreement and (b) the Postpetition Financing Order.

280. "Prior GRS Pension Plan" means the terms and conditions of the GRS in effect as of June 30, 2014 and applicable to benefits accrued by members of GRS prior to July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.280.

281. "Prior PFRS Pension Plan" means the terms and conditions of the PFRS in effect as of June 30, 2014 and applicable to benefits accrued by members of PFRS prior to July 1, 2014, the form documentation of which is attached hereto as Exhibit I.A.281.

282. "Pro Rata" means, when used with reference to a distribution of property to Holders of Allowed Claims in a particular Class or other specified group of Claims, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a)(i) the amount of property to be distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims. Until all Disputed Claims in a Class or other specified group of Claims are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating a Pro Rata distribution of property to holders of Allowed Claims in such Class or group of Claims.

283. "Professional Fee Reserve" means the reserve for Fee Review Professional Fees established pursuant to Section IV.N.1.

284. "Qualifying DWSD Transaction" means a potential transaction involving the transfer to a third party (including but not limited to a lease) of a majority of the assets of, or the right to operate and manage, the City's water or sewage disposal systems currently operated by the DWSD in one or a series of related transactions.

285. "RDPPFA" means the Retired Detroit Police and Fire Fighters Association.

286. "RDPMA" means the Retired Detroit Police Members Association.

287. "RDPMA Exculpated Parties" means the RDPMA and its board of trustees/directors, attorneys, advisors and professionals, solely in their capacity as such.

288. "Reinstated" means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim entitles the Holder or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) the cure of any such default other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) the reinstatement of the maturity of such Claim as such maturity existed before such default; (iii) compensation of the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensation of the Holder of such Claim for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the Holder. "Reinstate" and "Reinstatement" shall have correlative meanings.

289. "Related Entity" means, with respect to any Entity, such Entity's Affiliates, predecessors, successors and assigns (whether by operation of law or otherwise), and with respect to any of the foregoing their respective present and former Affiliates and each of their respective current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity, and any Entity claiming by or through any of them (including their respective officials, officers, directors, employees, managers, advisors and professionals).

290. "Released Parties" means, collectively and individually, the Retiree Committee, the members of the Retiree Committee, the Retiree Committee Professionals, the Foundations, DIA Corp., the DIA Funders and their Related Entities and the CFSEM Supporting Organization and its Related Entities.

291. "Restoration Trust" means a trust to be established pursuant to the Restoration Trust Agreement to (a) hold the DWSD CVR and enforce rights related to its terms and (b) consult with the trustees and the Investment Committee of PFRS or GRS with respect to restoration rights affecting retirees of PFRS or GRS, respectively; provided, however, that the Restoration Trust shall not have any right to initiate enforcement proceedings against the trustees or Investment Committee of either PFRS or GRS with respect to Special Restoration or the general rules governing pension restoration as provided for in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C.

292. "Restoration Trust Agreement" means the definitive documentation to be executed in connection with the formation of the Restoration Trust, in substantially the form attached hereto as Exhibit I.A.292.

293. "Restructured UTGO Bonds" means the bonds to be issued by the MFA to the current Holders of Unlimited Tax General Obligation Bond Claims, the Settling UTGO Bond Insurers and the Non-Settling UTGO Bond Insurer in the amount of \$287,560,790 pursuant to the UTGO Settlement Agreement, which bonds shall be limited obligations of the MFA and shall be secured as more particularly described in the UTGO Settlement Agreement.

294. "Retiree Classes" means Classes 10, 11 and 12, as set forth in Section II.B.

295. "Retiree Committee" means the official committee of retired employees first appointed by the United States Trustee in the Chapter 9 Case on August 22, 2013 (Docket No. 566), as such committee may be reconstituted, solely in its capacity as such.

296. "Retiree Committee Professionals" means those professionals retained by the Retiree Committee to render services in connection with the Chapter 9 Case that seek payment of compensation and reimbursement of expenses from the City for postpetition services pursuant to and in accordance with the Fee Review Order, solely in their capacity as such.

297. "Retiree Health Care Litigation" means the adversary proceeding captioned as *Official Committee of Retirees of the City of Detroit, Michigan, et al. v. City of Detroit, Michigan, et al.*, Case No. 14-04015 (Bankr. E.D. Mich.), filed in the Chapter 9 Case on January 9, 2014.

298. "Retiree Health Care Settlement Agreement" means the Settlement Agreement, effective February 14, 2014, between the parties to the Retiree Health Care Litigation, pursuant to which such parties agreed to certain modifications to the changes in retiree health care benefits that the City was otherwise to implement on March 1, 2014, a copy of which is attached hereto as Exhibit I.A.298.

299. "Retirement System Indemnity Obligations" means any and all obligations of the City, as of the Petition Date, to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of any party in connection with any Causes of Action relating in any way to either GRS or PFRS or the management, oversight, administration or activities thereof, as such obligations may be as provided for in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements.

300. "Retirement Systems" means, collectively, the GRS and the PFRS.

301. "Section 115" means section 115 of the Internal Revenue Code of 1986, as amended.

302. "Section 1983 Claim" means any Claim against the City, its employees or both arising under 42 U.S.C. § 1983 that has not been settled, compromised or otherwise resolved and with respect to which Claim a lawsuit was pending before the District Court on or prior to the Petition Date.

303. "Secured Claim" means a Claim that is secured by a Lien on property in which the City has an interest or that is subject to valid setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder's interest in the City's interest in such property or to the extent of the amount subject to valid setoff, as applicable, as determined pursuant to section 506 of the Bankruptcy Code.

304. "Secured GO Bond Claims" means, collectively, the Secured GO Series 2010 Claims, the Secured GO Series 2010(A) Claims, the Secured GO Series 2012(A)(2) Claims, the Secured GO Series 2012(A2-B) Claims, the Secured GO Series 2012(B) Claims and the Secured GO Series 2012(B2) Claims.

305. "Secured GO Bond Documents" means, collectively, the Secured GO Series 2010 Bond Documents, the Secured GO Series 2010(A) Bond Documents, the Secured GO Series 2012(A)(2) Bond Documents, the Secured GO Series 2012(A2-B) Bond Documents, the Secured GO Series 2012(B) Bond Documents and the Secured GO Series 2012(B2) Bond Documents.

306. "Secured GO Bonds" means, collectively, the Secured GO Series 2010 Bonds, the Secured GO Series 2010(A) Bonds, the Secured GO Series 2012(A)(2) Bonds, the Secured GO Series 2012(A2-B) Bonds, the Secured GO Series 2012(B) Bonds and the Secured GO Series 2012(B2) Bonds.

307. "Secured GO Series 2010 Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2010 Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

308. "Secured GO Series 2010 Bonds" means the secured \$249,790,000 Distributable State Aid General Obligation (Limited Tax) Bonds, Series 2010, issued pursuant to the Secured GO Series 2010 Bond Documents.

309. "Secured GO Series 2010 Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2010 Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010 Bonds.

310. "Secured GO Series 2010(A) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2010(A) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

311. "Secured GO Series 2010(A) Bonds" means the secured \$100,000,000 Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable-Recovery Zone Economic Development Bonds – Direct Payment), issued pursuant to the Secured GO Series 2010(A) Bond Documents.

312. "Secured GO Series 2010(A) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2010(A) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010(A) Bonds.

313. "Secured GO Series 2012(A)(2) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(A)(2) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

314. "Secured GO Series 2012(A)(2) Bonds" means the secured \$38,865,000 Self-Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A)(2), issued pursuant to the Secured GO Series 2012(A)(2) Bond Documents.

315. "Secured GO Series 2012(A)(2) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(A)(2) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2010(A)(2) Bonds.

316. "Secured GO Series 2012(A2-B) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(A2-B) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

317. "Secured GO Series 2012(A2-B) Bonds" means the secured \$53,520,000 Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(A2-B), issued pursuant to the Secured GO Series 2012(A2-B) Bond Documents.

318. "Secured GO Series 2012(A2-B) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(A2-B) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(A2-B) Bonds.

319. "Secured GO Series 2012(B) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(B) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

320. "Secured GO Series 2012(B) Bonds" means the \$6,405,000 General Obligation Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation), Series 2012(B), issued pursuant to the Secured GO Series 2012(B) Bond Documents.

321. "Secured GO Series 2012(B) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(B) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(B) Bonds.

322. "Secured GO Series 2012(B2) Bond Documents" means the resolutions adopted, orders issued and indentures executed with respect to the Secured GO Series 2012(B2) Bonds, as set forth on Exhibit I.A.305, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

323. "Secured GO Series 2012(B2) Bonds" means the \$30,730,000 Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2), issued pursuant to the Secured GO Series 2012(B2) Bond Documents.

324. "Secured GO Series 2012(B2) Claim" means any Claim against the City arising under or evidenced by the Secured GO Series 2012(B2) Bond Documents, including a Claim for principal and interest on the Secured GO Series 2012(B2) Bonds.

325. "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, or any similar federal, state, or local law.

326. "Settling 36th District Court Claimants" means (a) the 36th District Court, (b) Local 917 of the American Federation of State, County and Municipal Employees, (c) Local 3308 of the American Federation of State, County and Municipal Employees and (d) those individuals identified as "Individual Claimants" on the term sheet attached hereto as Exhibit I.A.9.

327. "Settling COP Claimant" means (a) those holders of COP Claims that are the subject of the Syncora Settlement Documents or (b) those Holders of COP Claims that are the subject of the FGIC/COP Settlement Documents.

328. "Settling UTGO Bond Insurers" means, collectively, Ambac, Assured and NPFG and each of their respective successors and assigns, solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds.

329. "Special Restoration" means the potential restoration or replacement of benefit reductions imposed by the Plan in connection with a Qualifying DWSD Transaction, as described in Section IV.F.

330. "State" means the state of Michigan.

331. "State Contribution" means payments to be made to GRS and PFRS by the State or the State's authorized agent for the purpose of funding Adjusted Pension Amounts in an aggregate amount equal to the net present value of \$350 million payable over 20 years using a discount rate of 6.75%, pursuant to the terms of the State Contribution Agreement.

332. "State Contribution Agreement" means the definitive documentation to be executed in connection with the comprehensive settlement regarding Pension Claims as described in Section IV.D, in substantially the form attached hereto as Exhibit I.A.332.

333. "State Related Entities" means, collectively: (a) all officers, legislators, employees, judges and justices of the State; (b) the Governor of the State; (c) the Treasurer of the State; (d) all members of the Local Emergency Financial Assistance Loan Board created under the Emergency Municipal Loan Act, Michigan Compiled Laws §§ 141.931-141.942; (e) each of the State's agencies and departments; and (f) the Related Entities of each of the foregoing.

334. "Stay Extension Order" means the Order Pursuant to Section 105(a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non-Officer Employees and (C) Agents and



Representatives of the Debtor (Docket No. 166), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on July 25, 2013, as it may be amended, supplemented or otherwise modified.

335. "Stub UTGO Bonds" means Unlimited Tax General Obligation Bonds in the principal amount of \$43,349,210 that, from and after the Effective Date, will (a) be reinstated, (b) remain outstanding and (c) be payable from the UTGO Bond Tax Levy, as more particularly described in the UTGO Settlement Agreement.

336. "Subordinated Claim" means a Claim of the kind described in sections 726(a)(3) or 726(a)(4) of the Bankruptcy Code or Claims subordinated under sections 510(b) or 510(c) of the Bankruptcy Code.

337. "Supplemental Trust Agreements" means, collectively, (a) one or more supplemental trust agreements between the COP Trustee and COP Service Corporations, entered into with the consent of FGIC and (b) one or more supplemental trust agreements between the COP Trustee and COP Service Corporations, entered into with the consent of Syncora, in each case to be executed prior to the Effective Date, which agreements shall, among other things, for purposes of distributions of trust assets explicitly supersede the 2005 COPs Agreement and the 2006 COPs Agreement, which incorporates by reference Sections 6.5 and 9.1 of each Contract Administration Agreement and Section 8.03 of each COP Service Contract.

338. "Swap Insurance Policies" means those policies or other instruments insuring the COP Swap Agreements and obligations related thereto.

339. "Syncora" means, collectively, Syncora Guarantee, Inc. and Syncora Capital Assurance Inc.

340. "Syncora Development Agreement" means that certain development agreement by and between the City and Pike Point Holdings, LLC, a wholly owned indirect subsidiary of Syncora, in substantially the form attached hereto as Exhibit I.A.340, including all exhibits thereto, and in any case in form and substance reasonably acceptable to the City and Syncora.

341. "Syncora Excess New B Notes" means New B Notes in the aggregate face amount of approximately \$15.43 million, representing the difference between (a) the New B Notes that would have been distributed to Syncora had its asserted COP Claim for principal and interest in Class 9 been Allowed in full and (b) the New B Notes to be provided to Syncora as partial consideration pursuant to the terms of the Syncora Settlement.

342. "Syncora Exculpated Parties" means Syncora and their Related Entities, solely with respect to issues arising in connection with Syncora's capacity as holder or insurer of Unlimited Tax General Obligation Bond Claims and COP Claims.

343. "Syncora Settlement" means the comprehensive settlement with Syncora, as described at Section IV.I and as definitively set forth in the Syncora Settlement Documents.

344. "Syncora Settlement Documents" means the definitive documentation to be executed in connection with the Syncora Settlement, in substantially the form attached hereto as Exhibit I.A.344, and in any case in form and substance reasonably acceptable to the City and Syncora.

345. "Tax" means: (a) any net income, alternative or add-on minimum, gross income, gross receipts, gross margins, sales, use, stamp, real estate transfer, mortgage recording, ad valorem, value added, transfer, franchise, profits, license, property, payroll, employment, unemployment, occupation, disability, excise, severance, withholding, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a transferee or successor or a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other Entity.

346. "Top-Off Payments" means the payments to be made to the Settling UTGO Bond Insurers pursuant to the UTGO Settlement Agreement if a Trigger Event occurs in amounts equal to the product of: (a) the amount by which the recovery received by Holders of Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as applicable, under the Plan exceeds 69.5% of the aggregate amount of all such Allowed Claims in such Class, multiplied by (b) the quotient of (i) \$100.5 million, divided by (ii) the sum of (x) 30.5% of the aggregate amount of all Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as the case may be, and (y) \$100.5 million.

347. "Tort Claim" means any Claim that has not been settled, compromised or otherwise resolved that arises out of allegations of personal injury or wrongful death claims and is not a Section 1983 Claim.

348. "Trigger Event" means the receipt by Holders of Allowed Limited Tax General Obligation Bond Claims or Allowed COP Claims, as applicable, of consideration pursuant to the Plan of 69.5% or more of the aggregate amount of all of the Allowed Claims in such Class. For purposes of determining whether a Trigger Event has occurred, all actual recoveries for Holders of Allowed Limited Tax General Obligation Bond Claims and Allowed COP Claims shall be determined by discounting the payments made to such Classes using a 5% discount rate back to the date of Confirmation.

349. "Tunnel Lease" means, collectively, (a) that certain Tube Lease, dated March 20, 1978, by and between the City, as landlord, and Detroit Windsor Tunnel LLC, as successor-in-interest to Detroit & Canada Tunnel Corporation, as tenant, and (b) that certain Sublease, dated March 20, 1978, by and between the City, as landlord, as successor-in-interest to Ford Motor Properties, Inc. as sublandlord, and Detroit Windsor Tunnel LLC, as successor-in-interest to Detroit & Canada Tunnel Corporation, as subtenant, each as may be amended, restated, supplemented or otherwise modified, in any case in form and substance reasonably acceptable to the City and Syncora.

350. "Unexpired Lease" means a lease to which the City is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

351. "Unimpaired" means, with respect to a Class or a Claim, that such Class or Claim is not Impaired.

352. "United States Trustee" means the Office of the United States Trustee for the Eastern District of Michigan.

353. "Unlimited Tax General Obligation Bond Claim" means any Claim against the City arising under or evidenced by the Unlimited Tax General Obligation Bond Documents, including a Claim for principal and interest on the Unlimited Tax General Obligation Bonds.

354. "Unlimited Tax General Obligation Bond Documents" means the resolutions passed and orders issued with respect to the Unlimited Tax General Obligation Bonds, as set forth on Exhibit I.A.354, as the same may have been subsequently amended, restated, supplemented or otherwise modified, together with all ancillary and related instruments and agreements and all related Bond Insurance Policies.

355. "Unlimited Tax General Obligation Bonds" means, collectively, the bonds issued under the Unlimited Tax General Obligation Bond Documents, as set forth on Exhibit I.A.354.

356. "Unsecured Claim" means a Claim that is not a Secured Claim or an Administrative Claim.

357. "UTGO Bond Tax Levy" means that portion of the proceeds of the ad valorem tax millage levies pledged to and on account of the Unlimited Tax General Obligation Bonds.

358. "UTGO Exculpated Parties" means, collectively, Ambac, Assured and NPFG, solely in their capacity as insurers of certain of the City's obligations with respect to the Unlimited Tax General Obligation Bonds, and each of their respective parents, affiliates, shareholders, directors, officers, managers, employees, agents,

attorneys, advisors, accountants, consultants, restructuring consultants, financial advisors and investment bankers, solely in their capacity as such.

359. "UTGO Litigation" means, together, the adversary proceedings filed in the Chapter 9 Case on November 8, 2013, captioned as *National Public Finance Guarantee Corporation and Assured Guaranty Municipal Corporation v. City of Detroit, Michigan, et al.*, Case No. 13-05309 (Bankr. E.D. Mich.), and *Ambac Assurance Corporation v. City of Detroit, Michigan, et al.*, Case No. 13-05310 (Bankr. E.D. Mich.), to the extent that such proceedings relate to the Unlimited Tax General Obligation Bonds.

360. "UTGO Settlement Agreement" means that certain Settlement Agreement, dated as of July 18, 2014, among the City and the Settling UTGO Bond Insurers, substantially in the form attached hereto as Exhibit I.A.360.

361. "Value Determination" means a valuation of the expected Net DWSD Transaction Proceeds.

362. "Voting Deadline" means the deadline fixed by the Bankruptcy Court in the Disclosure Statement Order for submitting Ballots to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

363. "Wayne County" means the Charter County of Wayne, Michigan.

## **B. Rules of Interpretation and Computation of Time.**

### **1. Rules of Interpretation.**

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference herein to an existing document or Exhibit Filed or to be Filed shall mean such document or Exhibit, as it may have been or may be amended, restated, supplemented or otherwise modified pursuant to the Plan, the Confirmation Order or otherwise; (d) any reference to an Entity as a Holder of a Claim includes that Entity's successors, assigns and Affiliates; (e) all references to Sections or Exhibits are references to Sections and Exhibits of or to the Plan; (f) the words "herein," "hereunder," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the extent not inconsistent with any other provision of this Section.

### **2. Computation of Time.**

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

## **ARTICLE II CLASSIFICATION OF CLAIMS; CRAMDOWN; EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Pursuant to sections 1122 and 1123 of the Bankruptcy Code, Claims are classified under the Plan for all purposes, including voting, Confirmation and Distribution. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, as described in Section II.A, have not been classified and thus are excluded from the Classes described in Section II.B.1. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and shall be deemed classified in a different

Class to the extent that any remainder of such Claim qualifies within the description of such other Class. Notwithstanding the foregoing, in no event shall any Holder of an Allowed Claim be entitled to receive payments or Distributions under the Plan that, in the aggregate, exceed the Allowed amount of such Holder's Claim.

**A. Unclassified Claims.**

**1. Payment of Administrative Claims.**

**a. Administrative Claims in General.**

Except as specified in this Section II.A.1, and subject to the bar date provisions herein, unless otherwise agreed by the Holder of an Administrative Claim and the City, or ordered by the Bankruptcy Court, each Holder of an Allowed Administrative Claim will receive, in full satisfaction of such Allowed Administrative Claim, Cash in an amount equal to such Allowed Administrative Claim either: (1) on the Effective Date or as soon as reasonably practicable thereafter; or (2) if the Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which such Administrative Claim becomes an Allowed Claim. No Claim of any official or unofficial creditors' committee or any member thereof for professionals' fees or other costs and expenses incurred by such creditors' committee or by a member of such creditors' committee shall constitute an Allowed Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order.

**b. Claims Under the Postpetition Financing Agreement.**

Unless otherwise agreed by Barclays Capital, Inc. pursuant to the Postpetition Financing Agreement, on or before the Effective Date, Postpetition Financing Claims that are Allowed Administrative Claims will be paid in Cash equal to the amount of those Allowed Administrative Claims.

**2. Bar Dates for Administrative Claims.**

**a. General Bar Date Provisions.**

Except as otherwise provided in Section II.A.2.b, Section II.A.2.c or in a Bar Date Order or other order of the Bankruptcy Court, unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the City no later than 45 days after the Effective Date. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date will be forever barred from asserting such Administrative Claims against the City or its property, and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the City and the requesting party by the later of (i) 150 days after the Effective Date, (ii) 60 days after the Filing of the applicable request for payment of Administrative Claims or (iii) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Administrative Claims. The foregoing procedures shall be specified in the Confirmation Order and the notice of entry of the Confirmation Order and served on all parties in interest.

**b. Ordinary Course Claims**

Holders of Claims based on Liabilities incurred by the City after the Petition Date in the ordinary course of its operations will not be required to File or serve any request for payment or application for allowance of such Claims. Such Claims will be paid by the City, pursuant to the terms and conditions of the particular transaction giving rise to such Claims, without further action by the Holders of such Claims or further action or approval of the Bankruptcy Court.

**c. Claims Under the Postpetition Financing Agreement.**

Holders of Administrative Claims that are Postpetition Financing Claims will not be required to File or serve any request for payment or application for allowance of such Claims. Such Administrative Claims will be satisfied pursuant to Section II.A.1.b.

**d. No Modification of Bar Date Order.**

The Plan does not modify any other Bar Date Order, including Bar Dates for Claims entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.

**B. Classified Claims.**

**1. Designation of Classes.**

The following table designates the Classes and specifies whether such Classes are Impaired or Unimpaired by the Plan.

CLASS	NAME	IMPAIRMENT
<i>Secured Claims</i>		
1A	All Classes of DWSD Bond Claims (One Class for each CUSIP of DWSD Bonds, as set forth on Exhibit I.A.148)	Unimpaired
1B	All Classes of DWSD Revolving Sewer Bond Claims (One Class for each DWSD Series of DWSD Revolving Sewer Bonds, as set forth on Exhibit I.A.156)	Unimpaired/Nonvoting
1C	All Classes of DWSD Revolving Water Bond Claims (One Class for each DWSD Series of DWSD Revolving Water Bonds, as set forth on Exhibit I.A.159)	Unimpaired/Nonvoting
2A	Secured GO Series 2010 Claims	Unimpaired/Nonvoting
2B	Secured GO Series 2010(A) Claims	Unimpaired/Nonvoting
2C	Secured GO Series 2012(A)(2) Claims	Unimpaired/Nonvoting
2D	Secured GO Series 2012(A2-B) Claims	Unimpaired/Nonvoting
2E	Secured GO Series 2012(B) Claims	Unimpaired/Nonvoting
2F	Secured GO Series 2012(B2) Claims	Unimpaired/Nonvoting
3	Other Secured Claims	Unimpaired/Nonvoting
4	HUD Installment Notes Claims	Unimpaired/Nonvoting
5	COP Swap Claims	Impaired/Voting
6	Claims Previously Classified in Class 6 Paid in Full	N/A
<i>Unsecured Claims</i>		
7	Limited Tax General Obligation Bond Claims	Impaired/Voting
8	Unlimited Tax General Obligation Bond Claims	Impaired/Voting
9	COP Claims	Impaired/Voting

CLASS	NAME	IMPAIRMENT
10	PFRS Pension Claims	Impaired/Voting
11	GRS Pension Claims	Impaired/Voting
12	OPEB Claims	Impaired/Voting
13	Downtown Development Authority Claims	Impaired/Voting
14	Other Unsecured Claims	Impaired/Voting
15	Convenience Claims	Impaired/Voting
16	Subordinated Claims	Impaired/Nonvoting
17	Indirect 36th District Court Claims	Impaired/Voting

## 2. Subordination; Reservation of Rights to Reclassify Claims.

Except with respect to Bond Insurance Policy Claims, the allowance, classification and treatment of Allowed Claims and the respective Distributions and treatments specified in the Plan take into account the relative priority and rights of the Claims in each Class and all contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise. Except as expressly set forth herein, consistent with section 510(a) of the Bankruptcy Code, nothing in the Plan shall, or shall be deemed to, modify, alter or otherwise affect any right of a Holder of a Claim to enforce a subordination agreement against any Entity other than the City to the same extent that such agreement is enforceable under applicable nonbankruptcy law. Pursuant to section 510 of the Bankruptcy Code, the City reserves the right to reclassify any Disputed Claim in accordance with any applicable contractual, legal or equitable subordination. For the avoidance of doubt, this Section II.B.2 shall not affect or limit the application of section 509 of the Bankruptcy Code or any similar doctrine to Bond Insurance Policy Claims, which are preserved for enforcement by the City or by the relevant Bond Insurer.

## 3. Treatment of Claims.

### a. Class 1A – DWSD Bond Claims.

#### i. Classification and Allowance.

DWSD Bond Claims relating to each CUSIP of DWSD Bonds shall be separately classified, as reflected on Exhibit I.A.148, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Bond Claims shall be deemed Allowed in the amounts set forth on Exhibit I.A.148.

#### ii. Treatment.

Each Holder of an Allowed DWSD Bond Claim shall have its Allowed DWSD Bond Claim Reinstated on the Effective Date, unless such Holder agrees to a different treatment of such Claim. All votes and elections previously delivered in Class 1A shall not be counted and shall be of no force and effect. Any Allowed Secured Claims for fees, costs and expenses under the DWSD Bond Documents arising in connection with such Allowed DWSD Bond Claims shall be paid in full in Cash once Allowed pursuant to the DWSD Tender Order, by agreement of the parties or by order of the Bankruptcy Court. In addition, all claims for fees, costs and expenses authorized pursuant to or in accordance with the DWSD Tender Order shall be paid as provided therein.

**b. Class 1B – DWSD Revolving Sewer Bond Claims.**

**i. Classification and Allowance.**

DWSD Revolving Sewer Bond Claims relating to each DWSD Series of DWSD Revolving Sewer Bonds shall be separately classified, as reflected on Exhibit I.A.156, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Revolving Sewer Bond Claims shall be deemed Allowed in the aggregate amounts set forth on Exhibit I.A.156.

**ii. Treatment.**

On the Effective Date, each Holder of an Allowed DWSD Revolving Sewer Bond Claim shall have its Allowed DWSD Revolving Sewer Bond Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**c. Class 1C – DWSD Revolving Water Bond Claims**

**i. Classification and Allowance.**

DWSD Revolving Water Bond Claims relating to each DWSD Series of DWSD Revolving Water Bonds shall be separately classified, as reflected on Exhibit I.A.159, with each Class receiving the treatment set forth below. On the Effective Date, the DWSD Revolving Water Bond Claims shall be deemed Allowed in the amounts set forth on Exhibit I.A.159.

**ii. Treatment.**

On the Effective Date, each Holder of an Allowed DWSD Revolving Water Bond Claim shall have its Allowed DWSD Revolving Water Bond Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**d. Class 2A – Secured GO Series 2010 Claims.**

On the Effective Date, (i) the Secured GO Series 2010 Claims shall be deemed Allowed in the aggregate amount of \$252,475,366 and (ii) each Holder of an Allowed Secured GO Series 2010 Claim shall have its Allowed Secured GO Series 2010 Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**e. Class 2B – Secured GO Series 2010(A) Claims.**

On the Effective Date, (i) the Secured GO Series 2010(A) Claims shall be deemed Allowed in the aggregate amount of \$101,707,848 and (ii) each Holder of an Allowed Secured GO Series 2010(A) Claim shall have its Allowed Secured GO Series 2010(A) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**f. Class 2C – Secured GO Series 2012(A)(2) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(A)(2) Claims shall be deemed Allowed in the aggregate amount of \$39,254,171 and (ii) each Holder of an Allowed Secured GO Series 2012(A)(2) Claim shall have its Allowed Secured GO Series 2012(A)(2) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**g. Class 2D – Secured GO Series 2012(A2-B) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(A2-B) Claims shall be deemed Allowed in the aggregate amount of \$54,055,927 and (ii) each Holder of an Allowed Secured GO Series 2012(A2-B) Claim

shall have its Allowed Secured GO Series 2012(A2-B) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**h. Class 2E - Secured GO Series 2012(B) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(B) Claims shall be deemed Allowed in the aggregate amount of \$6,469,135 and (ii) each Holder of an Allowed Secured GO Series 2012(B) Claim shall have its Allowed Secured GO Series 2012(B) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**i. Class 2F – Secured GO Series 2012(B2) Claims.**

On the Effective Date, (i) the Secured GO Series 2012(B2) Claims shall be deemed Allowed in the aggregate amount of \$31,037,724 and (ii) each Holder of an Allowed Secured GO Series 2012(B2) Claim shall have its Allowed Secured GO Series 2012(B2) Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**j. Class 3 – Other Secured Claims.**

On the Effective Date, each Holder of an Allowed Other Secured Claim shall have its Allowed Other Secured Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**k. Class 4 – HUD Installment Note Claims.**

On the Effective Date, (i) the HUD Installment Note Claims shall be deemed Allowed in the aggregate amount of \$90,075,004 and (ii) each Holder of a HUD Installment Note Claim shall have its Allowed HUD Installment Note Claim Reinstated, unless such Holder agrees to a different treatment of such Claim.

**l. Class 5 – COP Swap Claims.**

**i. Allowance.**

The COP Swap Claims shall be deemed Allowed as Secured Claims, which, solely for purposes of distributions from the City, will be equal to the Distribution Amount.

**ii. Treatment.**

Each Holder of an Allowed COP Swap Claim, in full satisfaction of such Allowed Claim, shall receive, either: (A) within thirty days following the Effective Date, the Net Amount in full in cash, provided that until paid in cash in full, such Secured Claims will remain secured by the Pledged Property; or (B) solely in the case of a Liquidity Event, the Net Amount in cash in full within 180 days following the Effective Date, provided that (1) other than with respect to net proceeds used to repay the Postpetition Financing Agreement, to the extent permitted by law but without taking into consideration any limitations imposed by the City, including in any ordinance or resolution of the City, the first dollars of any net cash proceeds of any financing or refinancing consummated in connection with, or subsequent to, the consummation of such Plan and either (a) supported by the full faith and credit of the City or (b) payable from the general fund of the City, will be used to pay the Net Amount, (2) the City will continue to comply with its obligations under the COP Swap Settlement and the COP Swap Settlement Approval Order until the Net Amount is paid in cash in full, (3) until paid in cash in full, such Secured Claims will remain secured by the Pledged Property, (4) from and after the Effective Date, the unpaid Net Amount will accrue interest at the rate applicable to obligations under the Postpetition Financing Agreement plus 1.5% with the interest obligation likewise being secured by the Pledged Property and (5) the COP Swap Counterparties will receive from the City on the Effective Date a deferral fee in cash equal to 1.0% of the Net Amount to be shared equally between them.



**m. Class 6.**

[Claims previously classified in Class 6 paid in full – Paragraph intentionally left blank]

**n. Class 7 – Limited Tax General Obligation Bond Claims.**

**i. Allowance.**

On the Effective Date, the Limited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$163,544,770.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, (A) each Holder of an Allowed Limited Tax General Obligation Bond Claim that is not attributable to the Insured LTGO Bonds and (B) the LTGO Insurer with respect to those Allowed Limited Tax General Obligation Bond Claims attributable to the Insured LTGO Bonds, in full satisfaction of such Allowed Claim(s), shall receive, on or as soon as reasonably practicable after the Effective Date, (X) a Pro Rata share of, at the City's option, (1) \$55,000,000 in Cash or (2) the New LTGO Bonds and (Y) distributions in accordance with Section II.B.3.p.i.A.

The City will use its best efforts to prepay the New LTGO Bonds on the Effective Date or as soon as reasonably practicable thereafter from the proceeds of the Exit Facility. If the City cannot prepay all of the New LTGO Bonds on the Effective Date or as soon as reasonably practicable thereafter, the City will use its best efforts to prepay as much of the New LTGO Bonds as reasonably possible, and the LTGO Settlement Parties will accept such partial prepayment. Upon a partial prepayment of the New LTGO Bonds, such New LTGO Bonds will be redeemed by lot.

**iii. Impact of UTGO Settlement.**

Pursuant to the UTGO Settlement Agreement, the City has agreed that (a) the Plan shall not permit the Holders of Allowed Limited Tax General Obligation Bond Claims to recover more on a percentage basis on account of such Allowed Limited Tax General Obligation Bond Claims than the Holders of Allowed Unlimited Tax General Obligation Bond Claims recover on a percentage basis on account of such Allowed Unlimited Tax General Obligation Bond Claims, as such percentage recoveries are projected on the terms set forth in the UTGO Settlement Agreement at Confirmation; and (b) if a Trigger Event occurs, the Settling UTGO Bond Insurers shall receive Top-Off Payments (as set forth in Section IV.C).

**o. Class 8 – Unlimited Tax General Obligation Bond Claims.**

**i. Allowance.**

On the Effective Date, the Unlimited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$388,000,000.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Unlimited Tax General Obligation Bond Claim, in full satisfaction of such Allowed Claim, shall receive, on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of Restructured UTGO Bonds as set forth in Schedules 1a and 1b to the UTGO Settlement Agreement. Those Holders identified on Schedule 1a of the UTGO Settlement Agreement shall retain ownership of the Stub UTGO Bonds, subject to Sections I.A.36 and IV.C, which Stub UTGO Bonds shall be reinstated.

**p. Class 9 – COP Claims.**

**i. Treatment.**

**A. Plan COP Settlement Option.**

On the Effective Date, the City shall deliver to the COP Trustee, solely for the benefit of, and for distribution to, the COP Insurers and the Settling COPs Claimants in accordance with (1) the Supplemental Trust Agreements and (2) the instructions of the applicable COP Insurer, (x) the Class 9 Settlement Asset Pool and (y) New B Notes in the face amount of \$97,692,787, based upon each Settling COP Claimant's Pro Rata share calculated as an amount equal to the proportion that the unpaid principal amount plus accrued prepetition interest of COPs held by such Settling COP Claimant bears to the aggregate unpaid principal amount of all COPs plus all accrued prepetition interest thereon; provided, that the allocation of distributions among FGIC COP Holders shall be determined in accordance with agreements among FGIC and the FGIC COP Holders disclosed in a term sheet filed in court on October 22, 2014, as the same may be subsequently amended and more fully documented. For the avoidance of doubt, a Settling COP Claimant shall not be required to transfer (1) any claim against a COP Insurer or (2) the COPs it holds to the City pursuant to the Plan COP Settlement or otherwise pursuant to the Plan, the Syncora Settlement Documents or the FGIC/COP Settlement Documents. The COP Service Corporations shall enter into such Supplemental Trust Agreements as FGIC and Syncora may reasonably request with respect to their respective insured COPs as long as such Supplemental Trust Agreements do not impose any additional obligations or liability on the COP Service Corporations.

The City has granted the LTGO Settlement Parties, on behalf of the holders of Allowed Limited Tax General Obligation Bond Claims in Class 7, and the Retiree Committee consent rights regarding pre-Effective Date settlements of the COP Litigation if and as permitted under applicable non-bankruptcy law. The LTGO Settlement Parties have consented to the Syncora Settlement and FGIC/COP Settlement. On the Effective Date, on account of such consent rights, the Excess New B Notes shall be distributed as follows: (1) approximately \$42.68 million to the Detroit General VEBA and the Detroit Police and Fire VEBA in proportion with the New B Notes allocated to each pursuant to Sections II.B.3.s.ii.A and II.B.3.s.ii.B; (2) approximately \$17.34 million to be distributed Pro Rata among holders of Allowed Limited Tax General Obligation Bond Claims in Class 7; and (3) approximately \$4.12 million to be distributed Pro Rata among holders of Allowed Other Unsecured Claims in Class 14. With respect to the distribution of the Syncora Excess New B Notes, on April 1, 2015, the City shall pay the interest then due on the Syncora Excess New B Notes and shall also prepay the October 1, 2015 interest payment on the Syncora Excess New B Notes (as a consequence of which, no interest payment shall be made on the Syncora Excess New B Notes on October 1, 2015). The VEBAs may not sell or otherwise transfer their right, title or interest in the Syncora Excess New B Notes prior to October 2, 2015.

As part of the Plan COP Settlement, on or as soon as reasonably practicable after the Effective Date, Syncora shall cause to be paid \$500,126.94 in cash to the COP Agent on account of COP Agent Fees. As part of the Plan COP Settlement, FGIC shall cause to be paid to the COP Agent 75.945% of the reasonable COP Agent Fees in cash out of the first proceeds of the distributions to or for the benefit of the FGIC COP Holders.

Nothing in this Section II.B.3.p.i.A shall, or shall be asserted or construed to, affect or prejudice any rights, claims or defenses between the COP Swap Counterparties on the one hand and any Settling COP Claimant (including Syncora, FGIC and the FGIC COP Holders) on the other hand.

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, each Settling COP Claimant shall, to the fullest extent permitted under law, be deemed to forever release, waive and discharge all Liabilities relating to COP Documents such Settling COP Claimant has, had or may have against the (1) GRS, (2) PFRS or (3) Related Entities of either GRS or PFRS. At the direction of FGIC, which shall be deemed given on the Effective Date, the COP Contract Administrator shall have irrevocably agreed (on behalf of itself, any successors and each FGIC COP Holder) to release and not to sue any COP Holder or any COP Insurer on behalf of any FGIC COP Holder, COP Insurer, the Detroit Retirement Systems Funding Trust 2005 or the Detroit Retirement

Systems Funding Trust 2006 in connection with any liability arising in connection with or related to (1) Sections 6.5 and 9.1 of the Contract Administration Agreements, (2) Section 8.03 of the COP Service Contracts, (3) distributions made pursuant to or in connection with this Section II.B.3.p.i.A, (4) the FGIC Settlement or (5) the Syncora Settlement. On the Effective Date, Syncora and FGIC shall, to the fullest extent permitted under law, be deemed to forever mutually release, waive and discharge all liabilities against each other relating to distributions made pursuant to or in connection with this Section II.B.3.p.i.A, Sections 6.5 and 9.1 of the Contract Administration Agreements or Section 8.03 of the COP Service Contracts.

**ii. Impact of UTGO Settlement.**

Pursuant to the UTGO Settlement Agreement, the City has agreed that (a) the Plan shall not permit the Holders of Allowed COP Claims to recover more on a percentage basis on account of such Allowed COP Claims than the Holders of Allowed Unlimited Tax General Obligation Bond Claims recover on a percentage basis on account of such Allowed Unlimited Tax General Obligation Bond Claims, as such percentage recoveries are projected on the terms set forth in the UTGO Settlement Agreement at Confirmation; and (b) if a Trigger Event occurs, the Settling UTGO Bond Insurers shall receive Top-Off Payments (as set forth in Section IV.C).

**q. Class 10 – PFRS Pension Claims.**

**i. Allowance.**

The PFRS Pension Claims shall be allowed in an aggregate amount equal to the sum of approximately \$1,250,000,000.

**ii. Treatment.**

**A. Contributions to PFRS.**

During the Fiscal Years from the Effective Date through Fiscal Year 2023, annual contributions shall be made to fund benefits accrued under the Prior PFRS Pension Plan only in the amounts identified on Exhibit II.B.3.q.ii.A. The exclusive source for such contributions shall be certain DIA Proceeds and a portion of the State Contribution. After June 30, 2023, (1) PFRS will receive certain additional DIA Proceeds and (2) the City will contribute sufficient funds required to pay each Holder of a PFRS Pension Claim his or her PFRS Adjusted Pension Amount in accordance with and as modified by the terms and conditions contained in the Plan and the Prior PFRS Pension Plan, in accordance with the State Contribution Agreement and exhibits thereto. Nothing in this Plan prevents any non-City third party from making additional contributions to or for the benefit of PFRS if such party chooses to do so.

**B. Investment Return Assumption.**

During the period that ends on June 30, 2023, the trustees of the PFRS, or the trustees of any successor trust or pension plan, shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the PFRS that shall be 6.75%.

**C. Modification of Benefits for PFRS Participants.**

During the period that ends no earlier than June 30, 2023, the pension benefits payable to each Holder of a PFRS Pension Claim shall be equal to the PFRS Adjusted Pension Amount for such Holder, provided that such PFRS Adjusted Pension Amount shall be (1) automatically reduced by the DIA Proceeds Default Amount in the event of a DIA Proceeds Payment Default and (2) increased by any PFRS Restoration Payment.

Restoration of all or a portion of the modified pension benefits will be provided in accordance with the methodology set forth on Exhibit II.B.3.q.ii.C. For purposes of calculating a PFRS Restoration Payment, market value of assets shall not include any City contributions through June 30, 2023, other than those listed on Exhibit II.B.3.q.ii.A or any State contributions if the PFRS trustees fail to comply with the requirements described in

the State Contribution Agreement. In the event that the Foundations and DIA Corp. accelerate all or a portion of their funding commitments described in Section IV.E.1 prior to June 30, 2023, the incremental portion of the acceleration will not count towards pension restoration.

**D. Contingent Payment Rights.**

The City will issue the DWSD CVR to the Restoration Trust for the benefit of Holders of Pension Claims, as described in Section IV.F.

**E. Accrual of Future Benefits.**

Each Holder of a PFRS Pension Claim who is an Active Employee shall receive, in addition to his or her PFRS Adjusted Pension Amount, as such amount may be modified herein, such additional pension benefit for service on or after July 1, 2014 consistent with the terms and conditions of the New PFRS Active Pension Plan Formula and the New PFRS Active Pension Plan.

**F. Governance.**

On or as soon as reasonably practicable after the Effective Date, an Investment Committee shall be established under PFRS in accordance with the State Contribution Agreement. The Investment Committee shall be vested with the authority and responsibilities set forth in the State Contribution Agreement for a period of 20 years following the Effective Date. The initial independent members of the Investment Committee established by PFRS shall be (1) Woodrow S. Tyler, (2) McCullough Williams III, (3) Robert C. Smith, (4) Joseph Bogdahn and (5) Rebecca Sorenson.

**G. No Changes in Terms for Ten Years.**

**Except as may be required to maintain the tax-qualified status of the PFRS or to comply with the terms of the Plan, the City, the trustees of the PFRS and all other persons or entities shall be enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of the PFRS, or any successor plan or trust, that govern the calculation of pension benefits (including the PFRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior PFRS Pension Plan, the PFRS Restoration Payment, the New PFRS Active Pension Plan Formula and the terms of the New PFRS Active Pension Plan) or against any action that governs the selection of the investment return assumption described in Section II.B.3.q.ii.B, the contribution to the PFRS or the calculation or amount of PFRS pension benefits for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.**

**H. State Contribution Agreement.**

The State Contribution Agreement, the effectiveness of which is contingent upon the acceptance of the Plan by Classes 10 and 11, shall include the following principal terms: (1) the State, or the State's authorized agent, will distribute the State Contribution for the benefit of Holders of Pension Claims; and (2) the Plan shall provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

**r. Class 11 – GRS Pension Claims.**

**i. Allowance.**

The GRS Pension Claims shall be allowed in an aggregate amount equal to the sum of approximately \$1,879,000,000.

**ii. Treatment.**

**A. Contributions to GRS.**

During the Fiscal Years from the Effective Date through Fiscal Year 2023, annual contributions shall be made to fund benefits accrued under the Prior GRS Pension Plan only in the amounts identified on Exhibit II.B.3.r.ii.A. The exclusive sources for such contributions shall be certain pension related, administrative and restructuring payments received from the DWSD equal to approximately \$428.5 million, a portion of the State Contribution, certain DIA Proceeds, a portion of the Assigned UTGO Bond Tax Proceeds and certain revenues from City departments, the Detroit Public Library and the Detroit Regional Convention Facility Authority. After June 30, 2023, (1) certain DIA Proceeds shall be contributed to the GRS and (2) the City will contribute such additional funds as are necessary to pay each Holder of a GRS Pension Claim his or her GRS Adjusted Pension Amount in accordance with and as modified by the terms and conditions contained in the Plan and the Prior GRS Pension Plan, in accordance with the State Contribution Agreement and exhibits thereto. Nothing in this Plan prevents any non-City third party from making additional contributions to or for the benefit of GRS if such party chooses to do so.

**B. Investment Return Assumption.**

During the period that ends on June 30, 2023, the board of trustees of the GRS, or the trustees of any successor trust or pension plan, shall adopt and maintain an investment return assumption and discount rate for purposes of determining the assets and liabilities of the GRS that shall be 6.75%.

**C. Modification of Benefits for GRS Participants.**

During the period that ends no earlier than June 30, 2023, the pension benefits payable to each Holder of a GRS Pension Claim shall be equal to the GRS Adjusted Pension Amount for such Holder, provided that such GRS Adjusted Pension Amount shall be (1) automatically reduced by the DIA Proceeds Default Amount in the event of a DIA Proceeds Payment Default and (2) increased by any GRS Restoration Payment.

Restoration of all or a portion of the modified pension benefits will be provided in accordance with the methodology set forth on Exhibit II.B.3.r.ii.C. For purposes of calculating a GRS Restoration Payment, market value of assets shall not include any City contributions through June 30, 2023, other than those listed on Exhibit II.B.3.r.ii.A or any State contributions if the GRS trustees fail to comply with the requirements described in the State Contribution Agreement. In the event that the Foundations and DIA Corp. accelerate all or a portion of their funding commitments described in Section IV.E.1 prior to June 30, 2023, the incremental portion of the acceleration will not count towards pension restoration.

**D. Annuity Savings Fund Recoupment.**

**1. ASF Current Participants.**

On or as soon as reasonably practicable after the Effective Date, the Annuity Savings Fund Excess Amount will be calculated for each ASF Current Participant and will be deducted from such participant's Annuity Savings Fund account and be used to fund the accrued pension benefits of all GRS participants; provided, however, that in no event shall the amount deducted from an ASF Current Participant's Annuity Savings Fund account exceed the ASF Recoupment Cap. In the event that the amount credited to an ASF Current Participant's Annuity Savings Fund account as of the Effective Date is less than such participant's Annuity Savings Fund Excess Amount, the ASF Current Participant will be treated as an ASF Distribution Recipient to the extent of the shortfall.

## **2. ASF Distribution Recipients.**

### **i. Monthly Deduction.**

For each ASF Distribution Recipient who does not elect the ASF Recoupment Cash Option described in Section II.B.3.r.ii.D.2.ii and in the case of any ASF Distribution Recipient that elected the ASF Recoupment Cash Option but does not timely deliver the ASF Recoupment Cash Payment to the GRS, the Annuity Savings Fund Excess Amount will: (A) be calculated and converted into monthly annuity amounts based on common actuarial assumptions (such as the ASF Distribution Recipient's life expectancy, and, if not already retired, expected date of retirement) and amortized using a 6.75% interest rate; and (B) then be deducted from the ASF Distribution Recipient's monthly pension check; provided, however, that in no event shall the total amount deducted from an ASF Distribution Recipient's monthly pension check exceed the ASF Recoupment Cap or the Current GRS Retiree Adjustment Cap, if applicable. The total ASF Recoupment from the ASF Distribution Recipient's monthly pension checks over time shall not exceed the amount necessary to amortize the applicable Annuity Savings Fund Excess Amount at 6.75% interest.

### **ii. Single Lump Sum Payment.**

Each ASF Distribution Recipient shall be afforded the ASF Recoupment Cash Option.

No later than seven days following the Effective Date, the City, through its Claims and Balloting Agent, shall send the ASF Election Notice and the ASF Election Form by first-class U.S. mail to each ASF Distribution Recipient. The ASF Election Form shall explain that the amount of the ASF Recoupment Cash Payment shall be equal to the total amount of ASF Recoupment shown on the ASF Distribution Recipient's Ballot, unless the aggregate amount of ASF Recoupment for all ASF Distribution Recipients electing the ASF Recoupment Cash Option exceeds \$30,000,000, in which case (A) the ASF Recoupment Cash Payment will be the ASF Distribution Recipient's Pro Rata portion of \$30,000,000, and (B) the remaining portion of the ASF Distribution Recipient's ASF Recoupment will be annuitized and deducted from the ASF Distribution Recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i.

An ASF Distribution Recipient must return his or her ASF Election Form to the Claims and Balloting Agent so that it is actually received by the Claims and Balloting Agent by the ASF Election Date.

GRS shall mail the ASF Final Cash Payment Notice no later than 14 days after the ASF Election Date. ASF Distribution Recipients shall have until the ASF Final Cash Payment Date to make the ASF Recoupment Cash Payment, which payment must be made by cashier's check or wire transfer and may not be made by personal check. If an ASF Distribution Recipient's ASF Recoupment Cash Payment is not received by the ASF Final Cash Payment Date, GRS will notify the ASF Distribution Recipient of the failure to timely pay, and ASF Recoupment will be effected through diminution of such recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i. The calculation of each electing ASF Distribution Recipient's ASF Recoupment Cash Payment shall not be adjusted under any circumstances, including as a result of default by any other electing ASF Distribution Recipient to remit his or her ASF Recoupment Cash Payment by the ASF Final Cash Payment Date.

### **E. Contingent Payment Rights.**

The City will issue the DWSD CVR to the Restoration Trust for the benefit of Holders of Pension Claims, as described in Section IV.F.

### **F. Accrual of Future Benefits.**

Each Holder of a GRS Pension Claim who is an Active Employee shall receive, in addition to his or her GRS Adjusted Pension Amount, as such amount may be modified herein, such additional pension benefit for service on or after July 1, 2014, consistent with the terms and conditions of the New GRS Active Pension Plan Formula and the New GRS Active Pension Plan.

**G. Governance.**

On or as soon as reasonably practicable after the Effective Date, an Investment Committee shall be established under GRS in accordance with the State Contribution Agreement. The Investment Committee shall be vested with the authority and responsibilities set forth in the State Contribution Agreement for a period of 20 years following the Effective Date. The initial independent members of the Investment Committee established by GRS shall be (1) Kerrie VandenBosch, (2) Doris Ewing, (3) Robert Rietz, (4) David Sowerby and (5) Ken Whipple.

**H. No Changes in Terms for Ten Years.**

**Except as may be required to maintain the tax-qualified status of the GRS or to comply with the terms of the Plan, the City, the trustees of the GRS and all other persons or entities shall be enjoined from and against the subsequent amendment of the terms, conditions and rules of operation of the GRS, or any successor plan or trust, that govern the calculation of pension benefits (including the GRS Adjusted Pension Amount, accrual of additional benefits, the DIA Proceeds Default Amount, the Prior GRS Pension Plan, the GRS Restoration Payment, the New GRS Active Pension Plan Formula and the terms of the New GRS Active Pension Plan) or against any action that governs the selection of the investment return assumption described in Section II.B.3.r.ii.B, the contribution to the GRS, or the calculation or amount of GRS pension benefits for the period ending June 30, 2023, notwithstanding whether that subsequent amendment or act is created or undertaken by contract, agreement (including collective bargaining agreement), statute, rule, regulation, ordinance, charter, resolution or otherwise by operation of law.**

**I. State Contribution Agreement.**

The State Contribution Agreement, the effectiveness of which is contingent upon the acceptance of the Plan by Classes 10 and 11, shall include the following principal terms: (1) the State, or the State's authorized agent, will distribute the State Contribution for the benefit of Holders of Pension Claims; and (2) the Plan shall provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

**s. Class 12 – OPEB Claims.**

**i. Allowance.**

As a result of a settlement between the City and the Retiree Committee, the OPEB Claims shall be allowed in an aggregate amount equal to \$4,303,000,000.

**ii. Treatment.**

**A. Detroit General VEBA.**

Establishment of Detroit General VEBA: On or as soon as practicable following the Effective Date, the City will establish the Detroit General VEBA to provide health benefits to Detroit General VEBA Beneficiaries and certain of their dependents. The Detroit General VEBA will be governed by a seven member board of trustees that will be responsible for, among other things, management of property held by the Detroit General VEBA, administration of the Detroit General VEBA and determination of the level of and distribution of benefits to Detroit General VEBA Beneficiaries. The Detroit General VEBA Trust Agreement and related plan documentation will be substantially in the form set forth on Exhibit I.A.108. With respect to the initial appointment of the board of trustees, the Mayor will appoint one member, and the DRCEA and the Retiree Committee will each appoint three board members. The DRCEA will fill board member vacancies created by the departure of members initially appointed by the Retiree Committee or the DRCEA, and the Mayor will fill a board member vacancy created by the departure of the member appointed by the Mayor. The initial members of the Detroit General VEBA board of trustees shall be (1) Floyd Allen, (2) Roger Cheek, (3) Suzanne Daniels Paranjpe, (4) Doris Ewing,

(5) Barbara Wise-Johnson, (6) Shirley Lightsey and (7) Thomas Sheehan. Nothing in the Plan precludes either the Detroit General VEBA from being formed under Section 115 or the formation of a separate trust under Section 115, in each case with the City's consent, which consent will not be unreasonably withheld.

Distributions to Detroit General VEBA: On the Effective Date, the City shall distribute to the Detroit General VEBA New B Notes in the aggregate principal amount of \$218,000,000, in satisfaction of the Allowed OPEB Claims held by Detroit General VEBA Beneficiaries. The Detroit General VEBA shall also be entitled to additional distributions as set forth in Section II.B.3.p.i.A.

#### **B. Detroit Police and Fire VEBA.**

Establishment of Detroit Police and Fire VEBA: On or as soon as practicable following the Effective Date, the City will establish the Detroit Police and Fire VEBA to provide health benefits to Detroit Police and Fire VEBA Beneficiaries and certain of their dependents. The Detroit Police and Fire VEBA will be governed by a seven member board of trustees and, for the first four years, one additional non-voting, ex-officio member. The board of trustees will be responsible for, among other things, management of property held by the Detroit Police and Fire VEBA, administration of the Detroit Police and Fire VEBA and determination of the level of and distribution of benefits to Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA Trust Agreement and related plan documentation will be substantially in the form set forth on Exhibit I.A.112. With respect to the initial appointment of the board of trustees, the Mayor will appoint one member, and the RDPFFA and the Retiree Committee will each appoint three board members. The RDPMA will appoint the non-voting, ex-officio member. The RDPFFA will fill board member vacancies created by the departure of voting members initially appointed by the Retiree Committee or the RDPFFA, and the Mayor will fill a board member vacancy created by the departure of the member appointed by the Mayor. The RDPMA will fill a non-voting, ex-officio board member vacancy created by the departure of the member initially appointed by the RDPMA, but such non-voting, ex-officio member position shall expire on December 31, 2018. The initial members of the Detroit Police and Fire VEBA board of trustees shall be (1) Floyd Allen, (2) Gregory Best, (3) John Clark, (4) Andrew Dillon, (5) Allan Grant, (6) Thomas Sheehan, (7) Greg Trozak and (8) Shirley Berger (*ex officio*). Nothing in the Plan precludes either the Detroit Police and Fire VEBA from being formed under Section 115 or the formation of a separate trust under Section 115, in each case with the City's consent, which consent will not be unreasonably withheld.

Distributions to Detroit Police and Fire VEBA: On the Effective Date, the City shall distribute to the Detroit Police and Fire VEBA New B Notes in the aggregate principal amount of \$232,000,000, in satisfaction of the Allowed OPEB Claims held by Detroit Police and Fire VEBA Beneficiaries. The Detroit Police and Fire VEBA shall also be entitled to additional distributions as set forth in Section II.B.3.p.i.A.

#### **C. No Further Responsibility.**

From and after the Effective Date, the City shall have no further responsibility to provide retiree healthcare or any other retiree welfare benefits. The City shall have no responsibility from and after the Effective Date to provide life insurance or death benefits to former employees. On the Effective Date, the Employees Death Benefit Plan will be frozen for former employees, and the City will no longer have an obligation to contribute to fund death benefits under the plan for any participant or beneficiary who is a former employee. Existing retirees who participate in the plan will be granted a one-time opportunity to receive a lump sum distribution of the present value of their actuarially determined death benefit to the extent of the plan funding. For the avoidance of doubt, the Employees Death Benefit Plan shall not be merged into or operated by either the Detroit General VEBA or the Detroit Police and Fire VEBA. The Employees Death Benefit Board of Trustees shall continue to manage the Employees Death Benefit Plan and employ the staff of the Retirement Systems to administer the disbursement of benefits thereunder, the costs of which administration shall be borne by the assets of the Employees Death Benefit Plan.

Retirees (and active employees that retire prior to December 31, 2014) of the Detroit Public Library and the Detroit Regional Convention Facility Authority are Detroit General VEBA Beneficiaries and will receive the treatment set forth above. However, the collective bargaining and other legal rights and obligations of the Detroit Public Library and the Detroit Regional Convention Facility Authority, on one hand, and their respective unions and former and current employees, on the other hand, are not affected by the Plan. These parties retain the



right to negotiate further or additional benefits; provided, however, that the City shall not be responsible for, or have any obligation with respect to, any such further or additional benefits or the administration thereof. In addition, in consideration of the eligible retirees of the Detroit Public Library and the Detroit Regional Convention Facility Authority participating in the Detroit General VEBA, the Detroit Public Library and the Detroit Regional Convention Facility Authority shall reimburse the City for their allocable share of the New B Note debt service related to the Detroit General VEBA.

**t. Class 13 – Downtown Development Authority Claims.**

**i. Allowance.**

On the Effective Date, the Downtown Development Authority Claims shall be deemed Allowed in the amount of \$33,600,000.

**ii. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Downtown Development Authority Claim, in full satisfaction of such Allowed Claim, shall receive, on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of approximately \$3.69 million in New B Notes.

**u. Class 14 – Other Unsecured Claims.**

**i. Treatment.**

Unless such Holder agrees to a different treatment of such Claim, each Holder of an Allowed Other Unsecured Claim, in full satisfaction of such Allowed Claim, shall receive (A) on or as soon as reasonably practicable after the Effective Date, a Pro Rata share of approximately \$16.48 million in New B Notes and (B) distributions in accordance with Section II.B.3.p.i.A.

**v. Class 15 – Convenience Claims.**

**i. Treatment.**

Each Holder of an Allowed Convenience Claim, in full satisfaction of such Allowed Claim, shall receive Cash equal to the amount of 25% of such Allowed Claim (as reduced, if applicable, pursuant to an election by such Holder in accordance with Section I.A.76) on or as soon as reasonably practicable after the Effective Date, unless such Holder agrees to a different treatment of such Claim.

**w. Class 16 – Subordinated Claims.**

**i. Treatment.**

On the Effective Date, all Subordinated Claims shall be disallowed, extinguished and discharged without Distribution under the Plan, and Holders of Subordinated Claims shall not receive or retain any property on account of such Claims. Pursuant to section 1126(g) of the Bankruptcy Code, Class 16 is deemed to have rejected the Plan and Holders of Subordinated Claims are not entitled to cast a Ballot in respect of such Claims.

**x. Class 17 – Indirect 36th District Court Claims.**

**i. Treatment.**

Unless such Holder agrees to a different treatment of its Claim, each Holder of an Allowed Indirect 36th District Court Claim, in full satisfaction of such Allowed Claim, shall receive: (A) if the Allowed amount of such Indirect 36th District Court Claim is less than \$100,000.00, on or as soon as reasonably practicable after the Effective Date, Cash in an amount equal to 33% of the Allowed amount of such Allowed Indirect 36th

District Court Claim; or (B) if the Allowed amount of such Indirect 36th District Court Claim is equal to or more than \$100,000.00, Cash equal to 33% of the Allowed amount of such Indirect 36th District Court Claim, plus simple interest on outstanding amounts at a rate of five percent per annum, payable in five equal annual installments, with the first installment to be paid on or as soon as reasonably practicable after the Effective Date and the remaining four installments to be paid on the date of the first four anniversaries of the Effective Date or, if any such date is not a Business Day, on the first Business Day thereafter.

**ii. Further Obligation of City, State and 36th District Court.**

Subject to the terms of the 36th District Court Settlement, the treatment of Allowed Indirect 36th District Court Claims set forth in Section II.B.3.x.i shall fulfill any obligation of the City and the 36th District Court that may exist with respect to all Indirect 36th District Court Claims. Nothing in Section II.B.3.x.i prevents the Holder of an Indirect 36th District Court Claim from seeking further relief or payment from the State with respect to such Indirect 36th District Court Claim to the extent such Claim is not satisfied pursuant to the Plan.

**C. Confirmation Without Acceptance by All Impaired Classes.**

The City requests Confirmation under section 1129(b) of the Bankruptcy Code in the event that any impaired Class does not accept or is deemed not to accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Plan shall constitute a motion for such relief.

**D. Treatment of Executory Contracts and Unexpired Leases.**

**1. Assumption.**

Except as otherwise provided in the Plan, in any contract, instrument, release or other agreement or document entered into in connection with the Plan or in a Final Order of the Bankruptcy Court, or as requested in any motion Filed by the City on or prior to the Effective Date, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, the City will be deemed to assume all Executory Contracts and Unexpired Leases to which it is a party. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan and shall be discharged. For the avoidance of doubt, the City shall assume the Tunnel Lease pursuant to this Section II.D.1.

**2. Assumption of Ancillary Agreements.**

Each Executory Contract and Unexpired Lease assumed pursuant to Section II.D.1 will include any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such Executory Contract or Unexpired Lease, unless any such modification, amendment, supplement, restatement or other agreement is rejected pursuant to Section II.D.6 or designated for rejection in accordance with Section II.D.3.

**3. Approval of Assumptions and Assignments.**

The Confirmation Order will constitute an order of the Bankruptcy Court approving the assumption of Executory Contracts and Unexpired Leases pursuant to Sections II.D.1 and II.D.2 (and any related assignment) as of the Effective Date, except for Executory Contracts or Unexpired Leases that (a) have been rejected pursuant to a Final Order of the Bankruptcy Court, (b) are subject to a pending motion for reconsideration or appeal of an order authorizing the rejection of such Executory Contract or Unexpired Lease, (c) are subject to a motion to reject such Executory Contract or Unexpired Lease Filed on or prior to the Effective Date, (d) are rejected pursuant to Section II.D.6 or (e) are designated for rejection in accordance with the last sentence of this paragraph. An order of the Bankruptcy Court (which may be the Confirmation Order) entered on or prior to the Confirmation Date will specify the procedures for providing notice to each party whose Executory Contract or Unexpired Lease is being assumed pursuant to the Plan of: (a) the Executory Contract or Unexpired Lease being assumed; (b) the Cure Amount Claim, if any, that the City believes it would be obligated to pay in connection with such assumption; (c) any assignment of an Executory Contract or Unexpired Lease; and (d) the procedures for such party to object to

the assumption of the applicable Executory Contract or Unexpired Lease, the amount of the proposed Cure Amount Claim or any assignment of an Executory Contract or Unexpired Lease. If an objection to a proposed assumption, assumption and assignment or Cure Amount Claim is not resolved in favor of the City, the applicable Executory Contract or Unexpired Lease may be designated by the City for rejection, which shall be deemed effective as of the Effective Date.

**4. Payments Related to the Assumption of Executory Contracts and Unexpired Leases.**

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, at the option of the City: (a) by payment of the Cure Amount Claim in Cash on the Effective Date or (b) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. If there is a dispute regarding: (a) the amount of any Cure Amount Claim, (b) the ability of the City or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to the assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code will be made within 30 days following the entry of a Final Order resolving the dispute and approving the assumption.

**5. Contracts and Leases Entered Into After the Petition Date.**

Contracts, leases and other agreements entered into after the Petition Date by the City, including (a) any Executory Contracts or Unexpired Leases assumed by the City and (b) the collective bargaining agreements identified on Exhibit II.D.5, will be performed by the City in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

**6. Rejection of Executory Contracts and Unexpired Leases.**

On the Effective Date, each Executory Contract and Unexpired Lease that is listed on Exhibit II.D.6 shall be deemed rejected pursuant to section 365 of the Bankruptcy Code. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the later of: (a) the Effective Date or (b) the resolution of any objection to the proposed rejection of an Executory Contract or Unexpired Lease. Each contract or lease listed on Exhibit II.D.6 shall be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. The City reserves its right, at any time on or prior to the Effective Date, to amend Exhibit II.D.6 to delete any Executory Contract or Unexpired Lease therefrom, thus providing for its assumption pursuant to Section II.D.1, or add any Executory Contract or Unexpired Lease thereto, thus providing for its rejection pursuant to this Section II.D.6. The City will provide notice of any amendments to Exhibit II.D.6 to the parties to the Executory Contracts or Unexpired Leases affected thereby and to the parties on the then-applicable service list in the Chapter 9 Case. Listing a contract or lease on Exhibit II.D.6 shall not constitute an admission by the City that such contract or lease is an Executory Contract or Unexpired Lease or that the City has any liability thereunder. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan shall be treated as Class 14 Claims (Other Unsecured Claims), subject to the provisions of section 502 of the Bankruptcy Code.

**7. Rejection Damages Bar Date.**

Except as otherwise provided in a Final Order of the Bankruptcy Court approving the rejection of an Executory Contract or Unexpired Lease, Claims arising out of the rejection of an Executory Contract or Unexpired Lease must be Filed with the Bankruptcy Court and served upon counsel to the City on or before the later of: (a) 45 days after the Effective Date; or (b) 45 days after such Executory Contract or Unexpired Lease is rejected pursuant to a Final Order or designated for rejection in accordance with Section II.D.3. Any Claims not Filed within such applicable time periods will be forever barred from receiving a Distribution from, and shall not be enforceable against, the City.

**8. Preexisting Obligations to the City Under Rejected Executory Contracts and Unexpired Leases.**

Pursuant to section 365(g) of the Bankruptcy Code, rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall constitute a breach of such contract or lease and not a termination thereof, and all obligations owing to the City under such contract or lease as of the date of such breach shall remain owing to the City upon rejection. Notwithstanding any applicable non-bankruptcy law to the contrary, the City expressly reserves and does not waive any right to receive, or any continuing obligation of a non-City party to provide, warranties, indemnifications or continued maintenance obligations on goods previously purchased, or services previously received, by the City from non-City parties to rejected Executory Contracts or Unexpired Leases, and any such rights shall remain vested in the City as of the Effective Date.

**9. Insurance Policies.**

From and after the Effective Date, each of the City's insurance policies (other than welfare benefits insurance policies) in existence as of or prior to the Effective Date shall be reinstated and continue in full force and effect in accordance with its terms and, to the extent applicable, shall be deemed assumed by the City pursuant to section 365 of the Bankruptcy Code and Section II.D.1. Nothing contained herein shall constitute or be deemed a waiver of any Causes of Action that the City may hold against any Entity, including any insurer under any of the City's insurance policies. For the avoidance of doubt, nothing contained in this Section II.D.9 shall apply to reinstate or continue any obligation of the City or any fund thereof to any Bond Insurer.

**ARTICLE III  
CONFIRMATION OF THE PLAN**

**A. Conditions Precedent to the Effective Date.**

The Effective Date will not occur, and the Plan will not be consummated, unless and until the City has determined that all of following conditions have been satisfied or waived in accordance with Section III.B:

1. The Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the City.
2. The Bankruptcy Court shall have entered an order (which may be included in the Confirmation Order) approving and authorizing the City to take all actions necessary or appropriate to implement the Plan, including the transactions contemplated by the Plan and the implementation and consummation of the contracts, instruments, settlements, releases and other agreements or documents entered into or delivered in connection with the Plan.
3. The Confirmation Order shall not be stayed in any respect.
4. The Confirmation Order shall contain (a) a finding that the FGIC Settlement Consideration and the FGIC Development Agreement are solely for the benefit of FGIC and the FGIC COP Holders (subject to any provision set forth herein for payment of COP Agent Fees), and (b) an ordered provision that such consideration be administered and distributed to FGIC and the FGIC COP Holders in a manner consistent therewith and with the Plan.
5. The Confirmation Order shall contain (a) a finding that the Syncora Development Agreement is solely for the benefit of Syncora (subject to any provision set forth herein for payment of COP Agent Fees), and (b) an ordered provision that such consideration be administered and distributed to Syncora in a manner consistent therewith and with the Plan.
6. All actions and all contracts, instruments, settlements, releases and other agreements or documents necessary to implement the terms and provisions of the Plan are effected or executed and delivered, as applicable, in form and substance satisfactory to the City.

7. All authorizations, consents and regulatory approvals, if any, required in connection with the consummation of the Plan have been obtained and not revoked, including all governmental and Emergency Manager consents and approvals required to carry out the terms of the LTGO Settlement Agreement.

8. Any legislation that must be passed by the State legislature to effect any term of the Plan shall have been enacted.

9. The MFA board shall have approved the issuance of the Restructured UTGO Bonds and the Restructured UTGO Bonds shall have been issued.

10. The City shall have obtained all governmental and Emergency Manager consents and approvals required to carry out the terms of the UTGO Settlement Agreement.

11. The Plan and all Exhibits shall have been Filed and shall not have been materially amended, altered or modified from the Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or modification has been made in accordance with Section VIII.B.

12. If Classes 10 and 11 have accepted the Plan, all conditions to the effectiveness of the State Contribution Agreement and the DIA Settlement Documents have been satisfied.

13. The Syncora Settlement and the Syncora Settlement Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and Syncora, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

14. The Syncora Development Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and Syncora, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

15. The FGIC/COP Settlement Documents and the FGIC Development Agreement shall have been approved by the Bankruptcy Court in form and substance reasonably acceptable to the City and FGIC, and such approval shall not have been vacated or otherwise modified, and the definitive documents contemplated thereby shall have been executed and delivered.

16. The New York State Department of Financial Services shall have waived in writing the notice requirement under FGIC's plan of rehabilitation with respect to the settlement contemplated by the FGIC/COP Settlement Documents and the FGIC Development Agreement in form and substance reasonably acceptable to FGIC, and such waiver shall not have been vacated or otherwise modified.

17. The Effective Date shall have occurred within 180 days of the entry of the Confirmation Order, unless the City requests an extension of such deadline and such deadline is extended by the Bankruptcy Court.

#### **B. Waiver of Conditions to the Effective Date.**

The conditions to the Effective Date set forth in Section III.A may be waived in whole or part at any time by the City in its sole and absolute discretion, except for those conditions set forth in (1) Section III.A.9 and Section III.A.10, which conditions cannot be waived, (2) Sections III.A.5, III.A.13 and III.A.14, which may only be waived by the City with the prior written consent of Syncora, (3) Sections III.A.4 and III.A.15, which may only be waived by the City with the prior written consent of FGIC and (4) Section III.A.16, which may be waived by the City at any time on or after November 4, 2014 at 5:00 p.m. (Eastern Time) with the prior written consent of FGIC.

**C. Effect of Nonoccurrence of Conditions to the Effective Date.**

If each of the conditions to the Effective Date is not satisfied, or duly waived in accordance with Section III.B, then, before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the City may File a motion requesting that the Bankruptcy Court vacate the Confirmation Order; provided, however, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section III.C: (1) the Plan will be null and void in all respects, including with respect to (a) the discharge of Claims pursuant to section 944(b) of the Bankruptcy Code, (b) the assumptions, assignments or rejections of Executory Contracts and Unexpired Leases pursuant to Section II.D and (c) the releases described in Section III.D.7; and (2) nothing contained in the Plan, nor any action taken or not taken by the City with respect to the Plan, the Disclosure Statement or the Confirmation Order, will be or will be deemed to be (a) a waiver or release of any Claims by or against the City, (b) an admission of any sort by the City or any other party in interest or (c) prejudicial in any manner the rights of the City or any other party in interest.

**D. Effect of Confirmation of the Plan.**

**1. Dissolution of Retiree Committee.**

On the Effective Date, the Retiree Committee, to the extent not previously dissolved or disbanded, will dissolve and disband, and the members of the Retiree Committee and their respective professionals will cease to have any role arising from or related to the Chapter 9 Case.

**2. Preservation of Rights of Action by the City.**

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b)(3)(B) of the Bankruptcy Code, the City will retain and may enforce any claims, demands, rights, defenses and Causes of Action that it may hold against any Entity, including but not limited to any and all Causes of Action against any party relating to the past practices of the Retirement Systems (including any investment decisions related to, and the management of, the Retirement Systems' respective pension plans or assets), to the extent not expressly released under the Plan or pursuant to any Final Order of the Bankruptcy Court. A nonexclusive schedule of currently pending actions and claims brought by the City is attached as Exhibit III.D.2. The City's inclusion of, or failure to include, any right of action or claim on Exhibit III.D.2 shall not be deemed an admission, denial or waiver of any claims, demands, rights or Causes of Action that the City may hold against any Entity, and all Entities are hereby notified that the City intends to preserve all such claims, demands, rights or Causes of Action.

**3. Comprehensive Settlement of Claims and Controversies.**

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim may have with respect to any Allowed Claim or any Distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements are (a) in the best interests of the City, its property and Claim Holders and (b) fair, equitable and reasonable. For the avoidance of doubt, this Section III.D.3 shall not affect or limit the application of section 509 of the Bankruptcy Code or any similar doctrine to Bond Insurance Policy Claims.

**4. Discharge of Claims.**

**a. Complete Satisfaction, Discharge and Release.**

Except as provided in the Plan or in the Confirmation Order, the rights afforded under the Plan and the treatment of Claims under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims arising on or before the Effective Date, including any interest accrued on Claims from and after the Petition Date. Except as provided in the Plan or in the Confirmation Order, Confirmation will, as of the Effective Date, discharge the City from all Claims or other debts that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (ii) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptcy Code or (iii) the Holder of a Claim based on such debt has accepted the Plan.

**b. Discharge.**

In accordance with Section III.D.4.a, except as expressly provided otherwise in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all debts of the City, pursuant to sections 524(a)(1), 524(a)(2) and 944(b) of the Bankruptcy Code, and such discharge will void any judgment obtained against the City at any time, to the extent that such judgment relates to a discharged debt; provided that such discharge will not apply to (i) debts specifically exempted from discharge under the Plan; and (ii) debts held by an Entity that, before the Confirmation Date, had neither notice nor actual knowledge of the Chapter 9 Case.

**5. Injunction.**

**On the Effective Date, except as otherwise provided herein or in the Confirmation Order,**

**a. all Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims, along with their Related Entities, shall be permanently enjoined from taking any of the following actions against or affecting the City or its property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from the Confirmation Order):**

**1. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (A) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (B) Indirect 36th District Court Claims and (C) Indirect Employee Indemnity Claims);**

**2. enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property;**

**3. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the City or its property;**

**4. asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property;**

**5. proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and**

**6. taking any actions to interfere with the implementation or consummation of the Plan.**

**b. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan will be permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, or a Released Party; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan. Notwithstanding the foregoing and without limiting the injunctions in Section III.D.5.a, the Holders of Indirect 36th District Court Claims shall not be enjoined from taking any of the foregoing actions against the State or the State Related Entities with respect to Indirect 36th District Court Claims to the extent such Claims are not satisfied pursuant to the Plan.**

**6. Exculpation.**

From and after the Effective Date, to the fullest extent permitted under applicable law and except as expressly set forth in this Section, neither the City, its Related Entities (including the members of the City Council, the Mayor and the Emergency Manager), to the extent a claim arises from actions taken by such Related Entity in its capacity as a Related Entity of the City, the State, the State Related Entities, the Exculpated Parties nor the Released Parties shall have or incur any liability to any person or Entity for any act or omission in connection with, relating to or arising out of the City's restructuring efforts and the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the formulation, preparation, negotiation, dissemination, consummation, implementation, confirmation or approval (as applicable) of the Plan, the property to be distributed under the Plan, the settlements implemented under the Plan, the Exhibits, the Disclosure Statement, any contract, instrument, release or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan or the management or operation of the City; provided that the foregoing provisions shall apply to (a) the LTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the LTGO Settlement Agreement or the Plan (as it relates to the LTGO Settlement Agreement), (b) the UTGO Exculpated Parties solely in connection with acts or omissions taken in connection with the UTGO Settlement Agreement or the Plan (as it relates to the UTGO Settlement Agreement), (c) the DWSD Exculpated Parties solely in connection with acts or omissions taken in connection with the DWSD Tender, DWSD Tender Motion or DWSD Tender Order, (d) the Syncora Exculpated Parties solely in connection with acts or omissions taken in connection with the Syncora Settlement Documents and any actions or litigation positions taken by the Syncora Exculpated Parties in the Chapter 9 Case, (e) the FGIC/COP Exculpated Parties solely in connection with acts or omissions taken in connection with the FGIC/COP Settlement Documents and any actions or litigation positions taken by the FGIC/COP Exculpated Parties in the Chapter 9 Case, (f) the RDPMA Exculpated Parties and (g) the COP Agent, solely in its capacity as such and solely in connection with any Distributions made pursuant to the terms of the Plan; provided, further, that the foregoing provisions in this Section III.D.6 shall not affect the liability of the City, its Related Entities, the State, the State Related Entities, the Released Parties and the Exculpated Parties that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct or any act or omission occurring before the Petition Date. The City, its Related Entities (with respect to actions taken by such Related Entities in their capacities as Related Entities of the City), the State, the State Related Entities, the Released Parties and the Exculpated Parties shall be entitled to rely upon the advice of counsel and financial advisors with respect to their duties and responsibilities under, or in connection with, the Chapter 9 Case, the administration thereof and the Plan. This Section III.D.6 shall not affect any liability of (a) any of the COP Swap Exculpated Parties to the Syncora Exculpated Parties or FGIC or (b) the Syncora Exculpated Parties or FGIC/COP Exculpated Parties to any of the COP Swap Exculpated Parties.



## 7. Releases.

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement):

- a. each holder of a Claim that votes in favor of the Plan, to the fullest extent permissible under law, will be deemed to forever release, waive and discharge (which release will be in addition to the release and discharge of Claims otherwise provided herein and under the Confirmation Order and the Bankruptcy Code):
  - i. all Liabilities in any way relating to the City, the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), the Plan, the Exhibits or the Disclosure Statement, in each case that such holder has, had or may have against the City or its current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity (and, in addition to and without limiting the foregoing, in the case of any Emergency Manager, in such Emergency Manager's capacity as an appointee under PA 436); provided further, for the avoidance of doubt, that any person or entity designated to manage the Chapter 9 Case for the City after the Emergency Manager's term is terminated, whether such person or entity acts as an employee, advisor or contractor to the City or acts as an employee, agent, contractor or appointee of the State under any applicable state law, shall be treated the same as an employee of the City hereunder; and
  - ii. all Liabilities in any way relating to (A) Claims that are compromised, settled or discharged under or in connection with the Plan, (B) the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), (C) the Plan, (D) the Exhibits, (E) the Disclosure Statement or (F) the DIA Settlement, in each case that such holder has, had or may have against the City's Related Entities, the State, the State Related Entities and the Released Parties; provided, however, that any such Liability of the Foundations, the DIA Funders and the CFSEM Supporting Organization and their Related Entities shall be released only to the extent that such Liability, if any, arises from any such entity's participation in the DIA Settlement;

provided, however, that the foregoing provisions shall not affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; and provided further, however, that if Classes 10 and 11 vote to accept the Plan, but any necessary conditions precedent to the receipt of the initial funding from the State (pursuant to the State Contribution Agreement) and the DIA Funding Parties that are such as of the commencement of the Confirmation Hearing (pursuant to the DIA Settlement) that can be satisfied or waived by the applicable funding party prior to the Confirmation Hearing (including, but not limited to, adoption of relevant legislation and appropriations by the State and execution of necessary and irrevocable agreements for their funding commitments by each of the DIA Funding Parties that are such as of the commencement of the Confirmation Hearing, which conditions may not be waived) are not satisfied or waived by the applicable funding party prior to the Confirmation Hearing, then Holders of Claims in Classes 10 and 11 that voted to accept the Plan shall be deemed to have voted to reject the Plan, and the voluntary release set forth in the first sentence of this Section III.D.7.a shall not apply to Holders of Claims in Classes 10 and 11; provided, further, that nothing in this Section III.D.7.a shall release (i) the City's obligations under the Plan or (ii) any defenses that any party may have against the City, its Related Entities, the State, the State Related Entities or the Released Parties; and

- b. if the State Contribution Agreement is consummated, each holder of a Pension Claim will be deemed to forever release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the Plan does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law or the Plan, or, with respect to pensions only, GRS or PFRS.

Notwithstanding Sections III.D.5-7 and IV.L of the Plan, except as set forth in the COP Swap Settlement, nothing in the Plan or the Confirmation Order shall or shall be deemed to provide a release by the COP Swap Counterparties of any Liabilities related to the COPs, the COP Service Corporations, the Transaction Documents (as defined in the COP Swap Settlement), the COP Swap Settlement or the COP Swap Settlement Approval Order. For the avoidance of doubt, notwithstanding Section III.D.6 of the Plan, a vote of DWSD Bond Claims or DWSD Revolving Bond Claims in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to this Section III.D.7 by a Holder of any such DWSD Bond Claims, a Holder of any such DWSD Revolving Bond Claims or the Bond Insurer insuring any such Claims of any Liabilities against the City or its Related Entities that do not arise in connection with the DWSD Bonds or the DWSD Revolving Bonds. For the further avoidance of doubt, notwithstanding anything in the Plan to the contrary, a vote of a Claim other than a DWSD Bond Claim or DWSD Revolving Bond Claim in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to this Section III.D.7 by a Holder of any such voted Claim or the Bond Insurer insuring such voted Claim of any Liabilities against the City or any other Entity arising in connection with the DWSD Bonds or DWSD Revolving Bonds.

**E. No Diminution of State Power.**

No provision of this Plan shall be construed: (1) so as to limit or diminish the power of the State to control, by legislation or otherwise, the City in the exercise of the political or governmental powers of the City, including expenditures for such exercise; (2) so as to limit or diminish the power of the State to effect setoffs necessary to compensate the State or relieve the State of liability against funds (a) owing to the City from the State, (b) granted to the City by the State, or (c) administered by the State on behalf of the City or the federal government (including funds resulting from federal or state grants), for acts or omissions by the City (including but not limited to misappropriation or misuse of funds); and (3) as a waiver by the State of its rights as a sovereign or rights granted to it pursuant to the Tenth Amendment to the United States Constitution, or limit or diminish the State's exercise of such rights.

**F. Effectiveness of the Plan.**

The Plan shall become effective on the Effective Date. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

**G. Binding Effect of Plan.**

Pursuant to section 944(a) of the Bankruptcy Code, on and after the Effective Date, the provisions of the Plan shall bind all Holders of Claims, and their respective successors and assigns, whether or not the Claim of any such Holder is Impaired under the Plan and whether or not such Holder has accepted the Plan. The releases and settlements effected under the Plan will be operative, and subject to enforcement by the Bankruptcy Court, from and after the Effective Date, including pursuant to the injunctive provisions of the Plan. Once approved, the

compromises and settlements embodied in the Plan, along with the treatment of any associated Allowed Claims, shall not be subject to any collateral attack or other challenge by any Entity in any court or other forum. As such, any Entity that opposes the terms of any compromise and settlement set forth in the Plan must (1) challenge such compromise and settlement prior to Confirmation of the Plan and (2) demonstrate appropriate standing to object and that the subject compromise and settlement does not meet the standards governing bankruptcy settlements under Bankruptcy Rule 9019 and other applicable law.

#### **ARTICLE IV MEANS FOR IMPLEMENTATION OF THE PLAN**

##### **A. DWSD.**

###### **1. Rates and Revenues.**

DWSD will maintain Fiscal Year 2015 rate setting protocols for a minimum of five years, subject to certain changes necessary to stabilize water and sewer revenues. Rates will be determined by the Board of Water Commissioners or, if a DWSD Authority is formed and approved by the incorporating units' governing bodies, by the board of any such DWSD Authority. The City may seek to implement a rate stability program for City residents, which program may, among other things, (a) provide a source of funds to mitigate against rate increases, (b) enhance affordability and (c) provide a buffer against delinquent payments.

###### **2. DWSD CBAs.**

Collective bargaining agreements with respect to current DWSD employees that are in effect and not expired as of the Effective Date will be assumed by the City.

###### **3. Potential DWSD Authority Transaction.**

As a result of mediation or otherwise, it is possible that the City may enter into a DWSD Authority Transaction that includes the formation of the DWSD Authority to conduct many or all of the operations currently conducted by DWSD. Any such transaction would be subject to the approval of incorporating units and numerous other conditions. The timing of any such transaction, if it occurs at all, is not known. If any such transaction could occur, unless waived by the City in its sole discretion, the City will enter into such transaction only if Macomb County, Oakland County and Wayne County, and each of their municipal affiliates or related public corporations, withdraw with prejudice or shall have withdrawn with prejudice their objections to the Confirmation of the Plan. Any DWSD Authority Transaction shall be on terms that are consistent with all other provisions of the Plan, applicable law and orders of the Bankruptcy Court. The City shall not enter into any binding agreement with respect to or consummate any DWSD Authority Transaction prior to the Effective Date without first obtaining an order of the Bankruptcy Court approving and authorizing such DWSD Authority Transaction.

All terms and conditions in respect of any DWSD Authority Transaction set forth in (a) any DWSD Bond Document or (b) any transaction document in respect of such a DWSD Authority Transaction shall in any case include: (i) no material modifications to the source of payment and security for any DWSD Bonds or 2014 Revenue and Revenue Refinancing Bonds; (ii) an opinion of tax counsel that such transfer shall have no material adverse effect on the tax exempt status of the interest on the DWSD Bonds or 2014 Revenue and Revenue Refinancing Bonds; (iii) that the City could issue at least \$1 of additional new money DWSD Bonds in compliance with the additional bonds test set forth in the applicable DWSD Bond Documents; and (iv) ratings confirmation of any rating agency then rating the DWSD Bonds and 2014 Revenue and Revenue Refinancing Bonds. A DWSD Authority Transaction shall not affect, impair, modify or otherwise alter the rights of any party under the DWSD Tender Order, the DWSD Bond Documents, the DWSD Revolving Bond Documents, the 2014 DWSD Refinancing Obligations, the 2014 Revenue and Revenue Refinancing Bonds or the 2014 Revenue Refinancing Bonds or any Bond Insurance Policy related to or issued in connection with any of the foregoing.

**B. The New B Notes, New C Notes and New LTGO Bonds.**

On or before the Effective Date, the City shall (a) execute the New B Notes Documents, issue the New B Notes, substantially on the terms set forth on Exhibit I.A.246, and distribute the New B Notes as set forth in the Plan; (b) execute the New C Notes Documents, issue the New C Notes, substantially on the terms set forth on Exhibit I.A.248 (and in any case in form and substance reasonably acceptable to the City and Syncora), and distribute the New C Notes as set forth in the Plan; and (c) execute the New LTGO Bond Documents, issue the New LTGO Bonds, substantially on the terms set forth on Exhibit I.A.237, and distribute the New LTGO Bonds as set forth in the Plan.

**C. The UTGO Settlement.**

On the Effective Date, the City and the Settling UTGO Bond Insurers shall consummate the UTGO Settlement Agreement, a copy of which is attached hereto as Exhibit I.A.360. The treatment of Unlimited Tax General Obligation Bond Claims under the Plan is provided for pursuant to the UTGO Settlement Agreement, which involves the settlement of, among other things, the UTGO Litigation and is subject to Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the UTGO Settlement Agreement pursuant to Bankruptcy Rule 9019.

Pursuant to the UTGO Settlement Agreement, among other things: (1) the Unlimited Tax General Obligation Bond Claims shall be deemed Allowed in the amount of \$388,000,000; (2) the City shall issue the Municipal Obligation to the MFA, which in turn will issue the Restructured UTGO Bonds; (3) Holders of Allowed Unlimited Tax General Obligation Bond Claims shall be entitled to receive their Pro Rata share of \$279,618,950 of the Restructured UTGO Bonds as set forth in Schedule 1a of the UTGO Settlement Agreement; (4) the Settling UTGO Bond Insurers and the Non-Settling UTGO Bond Insurer shall be entitled to receive \$7,941,840 of the Restructured UTGO Bonds as set forth in Schedule 1b to the UTGO Settlement Agreement; and (5) a designee or designees of the City shall have the right to receive the Assigned UTGO Bond Tax Proceeds, which Assigned UTGO Bond Tax Proceeds will be distributed over a 14-year period to the Income Stabilization Funds of GRS and PFRS for the payment of Income Stabilization Payments to Eligible Pensioners and to the Retirement Systems, in accordance with applicable agreements.

Each Settling UTGO Bond Insurer shall receive, as soon as reasonably practicable after the occurrence of a Trigger Event, its allocable share of the Top-Off Payments in accordance with the terms of the UTGO Settlement Agreement.

**D. The State Contribution Agreement.**

Prior to or on the Effective Date, if Classes 10 and 11 vote to accept the Plan, the City, GRS, PFRS and the State will enter into the State Contribution Agreement, substantially on the terms set forth on Exhibit I.A.332.

**1. State Contribution.**

The State or the State's authorized agent will contribute the net present value of \$350 million payable over 20 years using a discount rate of 6.75% to GRS and PFRS for the benefit of the Holders of Pension Claims.

**2. Income Stabilization Payments.**

The Income Stabilization Funds of GRS and PFRS will receive not less than an aggregate amount of \$20 million over 14 years of the Assigned UTGO Bond Tax Proceeds in the form of annual installment payments pursuant to a payment schedule approved by the State. Following the Effective Date, on an annual basis, GRS and PFRS will distribute such portion of the funds held in their respective Income Stabilization Fund to Eligible Pensioners entitled to receive the Income Stabilization Benefit and the Income Stabilization Benefit Plus. The

Income Stabilization Benefit, which will be calculated in the first year following the Effective Date and will not increase thereafter, will be provided by the applicable Retirement System to each Eligible Pensioner. In addition, to the extent that an Eligible Pensioner's estimated adjusted annual household income (as determined by the applicable Retirement System) in any calendar year after the first year of the income stabilization program is less than 105% of the Federal Poverty Level for such year, the applicable Retirement System will distribute the Income Stabilization Benefit Plus to such Eligible Pensioner.

In the event that, in 2022 (provided that the State has not issued a certificate of default under the State Contribution Agreement with respect to GRS or PFRS, as applicable, at any time prior to 2022), it is the opinion of at least 75% of the independent members of the Investment Committee of GRS or PFRS, as applicable, that the Income Stabilization Fund of the applicable Retirement System is credited with Excess Assets, the respective Investment Committee may recommend that the Excess Assets, in an amount not to exceed \$35 million, be used to fund the Adjusted Pension Amounts payable by the applicable Retirement System. In the event that any funds remain in the Income Stabilization Fund of each or either of GRS or PFRS on the date upon which no Eligible Pensioners under the applicable Retirement System are living, such funds shall be used to fund the Adjusted Pension Amounts payable by the applicable Retirement System.

### **3. Conditions to State's Participation.**

The payment of the State Contribution by the State or the State's authorized agent is conditioned upon satisfaction of the conditions precedent set forth in the State Contribution Agreement, including, among other things, the following: (a) the Confirmation Order becoming a Final Order no later than December 31, 2014, which Confirmation Order must contain certain provisions as set forth in the State Contribution Agreement, including a requirement that the governing documents of GRS and PFRS be amended to include (i) the governance terms and conditions set forth in the State Contribution Agreement and (ii) the Income Stabilization Funds and Income Stabilization Payments; (b) the occurrence of the Effective Date no later than April 1, 2015; (c) acceptance of the Plan by Classes 10 and 11, which Plan must be in form and substance reasonably acceptable to the State and contain certain release provisions; (d) the Retiree Committee's endorsement of the Plan, including a letter from the Retiree Committee recommending that Classes 10 and 11 vote in favor of the Plan, or equivalent assurances from member organizations representing a majority of retirees in Classes 10 and 11; (e) active support of the Plan by, a release of and covenant not to sue the State from, and an agreement not to support in any way the litigation described in subsection (f) of this Section by, the City, the Retiree Committee, the Retirement Systems and certain unions and retiree associations, or equivalent assurances of litigation finality; (f) cessation of all litigation, or equivalent assurances of finality of such litigation, including the cessation of funding of any litigation initiated by any other party, as it relates to the City, (i) challenging PA 436 or any actions taken pursuant to PA 436 or (ii) seeking to enforce Article IX, Section 24 of the Michigan Constitution; (g) evidence satisfactory to the State of an irrevocable commitment by the Foundations (excluding the Special Foundation Funders, as that term is defined in the DIA Settlement Documents) to fund \$366 million (or the net present value thereof) as part of the DIA Settlement, as provided in Section IV.E.1; and (h) evidence satisfactory to the State of an irrevocable commitment by DIA Corp. to fund \$100 million (or the net present value thereof) as part of the DIA Settlement, as provided in Section IV.E.1.

The State shall File and serve via the Court's electronic case filing and noticing system a notice that the conditions precedent to the State's payment of the State Contribution have been satisfied or otherwise addressed pursuant to the procedures outlined in the State Contribution Agreement no later than ten days after all such conditions have been satisfied or otherwise addressed.

### **4. Release of Claims Against the State and State Related Entities.**

The State Contribution Agreement requires that the Plan provide for the release of the State and the State Related Entities by each holder of a Pension Claim from all Liabilities arising from or related to the City, the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution, as more particularly described in the State Contribution Agreement and as set forth at Section III.D.7.b.

## **E. The DIA Settlement.**

On the Effective Date, the City and the DIA Corp. will enter into the DIA Settlement, pursuant to which (1) the DIA Funding Parties that are such as of the Effective Date have committed to assist in the funding of the City's restructured legacy pension obligations and (2) the City has agreed to enter into certain transactions that will cause the DIA to remain in the City in perpetuity, as described in and subject to the terms and conditions of the DIA Settlement Documents, and to otherwise make the DIA Assets available for the benefit of the residents of the City and the Counties and the citizens of the State. The DIA Settlement Documents attached hereto as Exhibit I.A.127 will qualify the description of the DIA Settlement in the Plan, Disclosure Statement and Exhibit I.A.126. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the DIA Settlement pursuant to Bankruptcy Rule 9019.

### **1. Funding Contributions.**

The DIA Settlement will be funded as follows: (a) irrevocable commitments in an aggregate amount of at least \$366 million by the Foundations (excluding the Special Foundation Funders, as that term is defined in the DIA Settlement Documents); and (b) in addition to its continuing commitments outside of the DIA Settlement, irrevocable commitments in an aggregate amount of \$100 million from the DIA Direct Funders (including the commitment of the Special Foundation Funders, as that term is defined in the DIA Settlement Documents, and subject to certain adjustments as set forth in the DIA Settlement Documents), the payment of which \$100 million will be guaranteed by DIA Corp., subject to the terms of the DIA Settlement Documents. The foregoing commitments shall be funded over the course of the 20 year period immediately following the Effective Date (subject to the annual confirmation of the City's continuing compliance with the terms of the DIA Settlement) according to the "Agreed Required Minimum Schedule" and subject to the option at any time for the "Present Value Discount," as set forth in the DIA Settlement Documents. Amounts committed by the Foundations and the DIA Direct Funders will be paid to the CFSEM Supporting Organization, which will (a) transfer such amounts for the purpose of funding the Retirement Systems upon the City's satisfaction of certain conditions and (b) not be subject to claims of creditors of the Community Foundation for Southeast Michigan.

### **2. Transfer of DIA Assets.**

On the Effective Date, the City shall irrevocably transfer all of its right, title and interest in and to the DIA Assets to DIA Corp., as trustee, to be held in perpetual charitable trust, and within the City limits, for the primary benefit of the residents of the City and the Counties and the citizens of the State.

### **3. Conditions to the DIA Funding Parties' Participation.**

The DIA Funding Parties' participation in the DIA Settlement is conditioned upon, among other things, the following: (a) execution of the DIA Settlement Documents by each Foundation; (b) the irrevocable commitment from the DIA Corp. described in Section IV.E.1; (c) the acceptance of the Plan by Classes 10 and 11; (d) the irrevocable transfer by the City of the DIA Assets described in Section IV.E.2; (e) approval by the DIA's Board of Directors and the taking effect of the recommendation of the governance committee as described in Exhibit I.A.126; (f) the earmarking of all funds provided by the DIA Funding Parties towards the recoveries upon Pension Claims under the Plan for Holders of Claims in Classes 10 and 11; (g) the adoption of prospective governance and financial oversight mechanisms for the Retirement Systems that are reasonably satisfactory to the DIA Funding Parties; (h) the amendment by DIA Corp. and the art institute authority for each of Macomb County, Oakland County and Wayne County, Michigan of each art institute authority's respective service agreement so that the termination of the 1997 Operating Agreement between the City and DIA Corp. will not affect the art institute authorities' obligations under such agreements to pay millage proceeds to DIA Corp.; (i) the approval of the DIA Settlement by the Attorney General for the State; (j) the agreement of the State to provide the State Contribution; and (k) the City's agreement to indemnify and hold harmless the DIA Funding Parties and the CFSEM Supporting Organization and their Related Entities pursuant to, and in accordance with, the terms of the DIA Settlement Documents.

## **F. Contingent Payment Rights.**

On or as soon as reasonably practicable after the Confirmation Date, the City shall establish the Restoration Trust. The City shall issue the DWSD CVR to the Restoration Trust. If a Qualifying DWSD Transaction has not occurred before the seventh anniversary of the Effective Date, the DWSD CVR shall terminate and expire. The Restoration Trust shall distribute proceeds from the DWSD CVR in the following amounts and priorities: (1) first, to GRS up to an amount sufficient for all three GRS waterfall classes identified on Exhibit II.B.3.r.ii.C to have their 4.5% pension reductions restored; (2) second, to GRS up to an amount sufficient for all three GRS waterfall classes identified on Exhibit II.B.3.r.ii.C to have 92% of their COLA benefits restored; and (3) third, 53% to GRS and 47% to PFRS. If the City makes any contributions to either GRS or PFRS out of its portion of the Net DWSD Transaction Proceeds, such contributions and earnings thereon shall not be taken into account for determining whether any pension restoration may be made. The DWSD CVR may not be transferred.

### **1. Special Restoration.**

Any proceeds from the DWSD CVR distributed by the Restoration Trust on account of a Qualifying DWSD Transaction consummated on or before the Effective Date, or fully executed and enforceable before the Effective Date but consummated after the Effective Date, shall be utilized for the purpose of funding the Special Restoration; provided that the City shall act in good faith so as not to unreasonably delay the execution of a Qualifying DWSD Transaction solely to avoid Special Restoration. In such case, the City will perform a Value Determination and arrive at the Discounted Value. The City will engage in good faith discussion as to the reasonableness of the Value Determination with the Retiree Committee or Restoration Trust, as applicable. In the event that the Retiree Committee or the Restoration Trust, as applicable, does not accept the Value Determination, the Retiree Committee or the Restoration Trust, as applicable, may seek to have the Bankruptcy Court determine the dispute, and the City consents to such jurisdiction.

Special Restoration shall follow the priorities of restoration of benefits set forth in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C. In order for benefits to be restored pursuant to the Special Restoration, such benefits must be fully funded by 50% of the Discounted Value for the full actuarially-determined lives of all participants for whom benefits are restored. In the event that actual Net DWSD Transaction Proceeds from the DWSD CVR do not equal 50% of the contemplated Net DWSD Transaction Proceeds as of the date of the Value Determination, the Investment Committees of the Retirement Systems will reduce or eliminate the Special Restoration benefits, as applicable, by the amount that 50% of the Discounted Value exceeds the actual Net DWSD Transaction Proceeds from the DWSD CVR received or projected to be received using a 6.75% discount rate. In the event that the Retiree Committee, the Restoration Trust or the City, as applicable, does not agree with the reduction in the Special Restoration benefits, the Retiree Committee or the Restoration Trust, as applicable, or the City may consult with the trustees and Investment Committees of PFRS or GRS with respect to any such reduction. Neither the Retiree Committee nor the Restoration Trust shall have any right to initiate any enforcement proceeding with respect to Special Restoration.

### **2. General Restoration.**

Any Net DWSD Transaction Proceeds from the DWSD CVR distributed by the Restoration Trust on account of a Qualifying DWSD Transaction consummated after the Effective Date, if such Qualifying Transaction was not fully executed and enforceable before the Effective Date, shall be utilized for the purpose of funding the pension trusts, and such cash contributions shall be included in any calculations allowing for the restoration of benefits in accordance with the general rules governing pension restoration as provided for in Exhibits II.B.3.q.ii.C and II.B.3.r.ii.C.

## **G. The OPEB Settlement.**

The City and the Retiree Committee have reached a settlement related to the allowance and calculation of the OPEB Claims in Class 12 and the treatment of such Allowed OPEB Claims, the terms of which settlement are reflected in the Plan. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, such settlement pursuant to Bankruptcy Rule 9019.

#### **H. The LTGO Settlement.**

The City, the LTGO Insurer and BlackRock Financial Management have reached a settlement related to the treatment of Allowed Limited Tax General Obligation Bond Claims, the terms of which settlement are reflected in the Plan. Pursuant to the LTGO Settlement Agreement, Distributions attributable to the Insured LTGO Bonds shall be made to the LTGO Distribution Agent (as opposed to directly to the record owners of the Insured LTGO Bonds or to the LTGO Insurer) for the benefit of the record owners of the Insured LTGO Bonds in accordance with the LTGO Settlement Agreement. In the event that the City intends to redeem the principal amount of New LTGO Notes during any time that the Insured LTGO Bonds are outstanding, the City and the LTGO Distribution Agent shall be required to take certain actions as described in the LTGO Settlement Agreement. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, the LTGO Settlement Agreement pursuant to Bankruptcy Rule 9019.

#### **I. The Syncora Settlement.**

The City and Syncora have reached a settlement effecting a global resolution of all matters and litigation between the parties related to the Chapter 9 Case, as set forth in the Syncora Settlement Documents (the terms of which qualify and control over any description of the Syncora Settlement contained herein). Pursuant to the Syncora Settlement, and in accordance with the Plan, among other things: (1) the City shall, pursuant to Section II.D.1, assume the Tunnel Lease; (2) the parties shall enter into the Syncora Development Agreement; (3) the parties shall dismiss or withdraw the Dismissed Syncora Litigation as set forth in the Syncora Settlement Agreement; (4) any vote cast by Syncora to reject the Plan shall be deemed a vote to accept the Plan; (5) Syncora shall support Confirmation; and (6) on the Effective Date or as soon thereafter as practical, the City shall pay the sum of \$5 million in full satisfaction of all of Claims filed or asserted against the City by Syncora relating to the COP Swap Agreements and any agreements related thereto, including the COP Syncora Swap Insurance Policies and the COP Swap Collateral Agreement. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving and authorizing the parties to enter into, (1) the Syncora Settlement pursuant to Bankruptcy Rule 9019 and (2) the related Syncora Development Agreement (including the garage option) and the Tunnel Lease. The City shall not amend the Plan in any way that adversely affects Syncora without Syncora's prior written consent.

#### **J. The FGIC/COP Settlement.**

The City and FGIC have reached a settlement effecting a global resolution of all matters and litigation between the parties related to the Chapter 9 Case, as set forth in the FGIC/COP Settlement Documents (the terms of which qualify and control over any description of the FGIC/COP Settlement contained herein). Pursuant to the FGIC/COP Settlement, and in accordance with the Plan, among other things: (1) the City and the Developer, for the benefit of FGIC and the FGIC COP Holders, shall enter into the FGIC Development Agreement; (2) FGIC shall, on behalf of the FGIC COP Holders, become a Settling COP Claimant with respect to all COPs and COP Claims associated with COPs originally insured by FGIC; (3) the parties shall dismiss or withdraw the Dismissed FGIC/COP Litigation as set forth in the FGIC/COP Settlement Documents; (4) except for Excluded Actions, FGIC shall waive any claims it may have against any other party related to the Dismissed FGIC/COP Litigation as set forth in the FGIC/COP Settlement Documents; (5) any vote cast by FGIC to reject the Plan shall be deemed a vote to accept the Plan; and (6) in full satisfaction and discharge of FGIC's claims against the City related to FGIC's Swap Insurance Policies, (a) FGIC shall receive an Allowed Class 14 Claim in the amount of \$6.15 million, entitling FGIC to receive the Distributions provided pursuant to Section II.B.3.u.i and (b) the DDA shall assign to FGIC all of its right, title and interest to the New B Notes to be distributed to the DDA pursuant to Section II.B.3.t.ii. The Plan shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving and authorizing the parties to enter into, (1) the FGIC/COP Settlement pursuant to Bankruptcy Rule 9019 and (2) the related FGIC Development Agreement. The City shall not amend the Plan in any way that adversely affects FGIC without FGIC's prior written consent.

#### **K. Issuance of the New Securities.**

The City shall issue the New Securities on the Effective Date or a subsequent Distribution Date, as applicable. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-



bankruptcy law, the issuance of New Securities as contemplated by the Plan is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of securities. The New Securities (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of the City or applicable issuer as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 days of such transfer, and (iii) is not an entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code.

**L. Cancellation of Existing Bonds, Bond Documents, COPs and COP Documents.**

Except (a) as provided in any contract, instrument or other agreement or document entered into or delivered in connection with the Plan, (b) for purposes of evidencing a right to Distribution under the Plan or (c) as specifically provided otherwise in the Plan (including any rejection of Executory Contracts pursuant to Section II.D), on the Effective Date, the Bonds, the Bond Documents, the COPs and the COP Documents will be deemed automatically cancelled, terminated and of no further force or effect against the City without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the parties to the City, as applicable, under the Bonds, the Bond Documents, the COPs and the COP Documents shall be discharged; provided, however, that the Bonds, the Bond Documents, the COPs and the COP Documents shall continue in effect solely (i) to allow the Disbursing Agent to make any Distributions as set forth in the Plan and to perform such other necessary administrative or other functions with respect thereto, (ii) for any trustee, agent, contract administrator or similar entity under the Bond Documents or COP Documents to have the benefit of all the rights and protections and other provisions of the Bond Documents or COP Documents, as applicable, and all other related agreements with respect to priority in payment and lien rights with respect to any Distribution, (iii) to set forth the terms and conditions applicable to parties to the Bond Documents and COP Documents other than the City, (iv) as may be necessary to preserve any claim by (1) a Bondholder or Bond Agent under a Bond Insurance Policy or against any Bond Insurer, (2) a COPs Holder or COP Agent under a COP Insurance Policy or against any COP Insurer or (3) a COP Swap Counterparty under a Swap Insurance Policy or against any insurer thereunder and (v) with respect to any obligation of any party (other than the City, except to the extent provided in the COP Swap Settlement or the COP Swap Settlement Approval Order) under any COP Document related to such party's obligations owed in respect of the COP Swap Documents or the COP Swap Claims. Notwithstanding the foregoing, and except as otherwise expressly provided in the Plan (or the COP Swap Settlement or the COP Swap Settlement Approval Order), such Bonds, Bond Documents, COPs or COP Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City. Nothing in the Plan impairs, modifies, affects or otherwise alters the rights of (a) Bondholders or Bond Agents with respect to claims under applicable Bond Insurance Policies or against the Bond Insurers, (b) COPs Holders or COP Agent with respect to claims under COP Insurance Policies and obligations related thereto or (c) COP Swap Counterparties with respect to claims under Swap Insurance Policies and obligations related thereto. For the avoidance of doubt, except for the immediately preceding sentence, this Section IV.L shall not apply to any Bonds that are Reinstated pursuant to Section II.B.3.a.ii. As of the Effective Date, the principal amounts of the COPs originally insured by FGIC shall be deemed accelerated and due and payable, and no interest on the COPs originally insured by FGIC shall accrue thereafter, solely for the purposes of determining distributions from the COP Trustee to holders of COPs originally insured by FGIC. The foregoing acceleration of principal and cessation of interest shall affect only the rights of each holder of COPs originally insured by FGIC to the receipt of proceeds of distributions under the Plan and not the rights of each such COPs holder against FGIC or shall not in any way modify payments currently required of FGIC under its existing insurance policies or FGIC's Plan of Rehabilitation.

**M. Release of Liens.**

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, or where a Claim is Reinstated, on the Effective Date, all Liens against the City's property will be deemed fully released and discharged, and all of the right, title and interest of any holder of such Liens, including any rights to any collateral thereunder, will revert to the City. As of the Effective Date, (1) the holders of such Liens will be authorized and directed to release any collateral or other property of the City (including any cash collateral) held by such Holder and to take such actions as may be requested by the City to evidence the release of such Lien, including the execution, delivery, filing or recording of such releases as may be requested by the City, and (2) the City shall be authorized to execute and file on behalf of

creditors Form UCC-3 termination statements or such other forms as may be necessary or appropriate to implement the provisions of this Section IV.M.

**N. Professional Fees.**

**1. Professional Fee Reserve.**

On the Effective Date, the City shall establish and fund the Professional Fee Reserve from the General Fund or, where applicable, the DWSD's funds, in an amount determined by the City to be sufficient to pay the Fee Review Professional Fees that remain unpaid as of the Effective Date, solely to the extent that such amounts are payable from the General Fund or the DWSD's funds. The initial amount of the Professional Fee Reserve shall be equal to the sum of (a) all invoices received from Fee Review Professionals and the Fee Examiner Parties as of the establishment and funding of the Professional Fee Reserve to the extent not yet paid (including holdbacks); (b) an estimate of the Fee Review Professionals' unbilled fees through the Effective Date as determined by the City in consultation with the Fee Review Professionals, which estimate shall be no lower than 125% of the aggregate amount of the highest monthly invoices respectively submitted by each Fee Review Professional pursuant to the Fee Review Order prior to the establishment and funding of the Professional Fee Reserve; and (c) an estimate of the Fee Examiner Parties' unbilled fees and expenses through the projected date of dismissal of the Fee Examiner under Section IV.N.3, as determined by the City in consultation with the Fee Examiner. The funds held in the Professional Fee Reserve may not be used for any purpose other than the payment of Fee Review Professional Fees until any and all disputes regarding the Fee Review Professional Fees, including any disputes arising under the Fee Review Order, have been fully and finally resolved pursuant to a Final Order or a stipulation between the disputing parties. Any amounts remaining in the Professional Fee Reserve after final resolution of all such disputes and the payment of all Fee Review Professional Fees determined to be reasonable in accordance with the Fee Review Order shall be released to the General Fund or the DWSD's funds, as applicable. If the Professional Fee Reserve is insufficient to pay all Fee Review Professional Fees that are determined to be reasonable in accordance with the Fee Review Order and that are payable from the General Fund or the DWSD's funds, the City shall pay such additional amounts from the General Fund or the DWSD's funds, as applicable.

**2. Fee Review Order.**

The Fee Examiner shall review all fees and expenses of the Fee Review Professionals for the period from the Petition Date and ending on the Effective Date in accordance with the terms of the Fee Review Order. For the avoidance of doubt, the Fee Review Order shall not apply to any fees or expenses of the Fee Review Professionals for the period on and after the Effective Date, and the Fee Examiner shall not review any such fees or expenses; provided, however, that all fees and expenses of the Fee Examiner Parties, whether incurred before, on or after the Effective Date, shall remain subject to review and approval of the Bankruptcy Court pursuant to the terms of the Fee Review Order.

**3. Dismissal of the Fee Examiner.**

Once the Fee Examiner completes his review of all Fee Review Professional Fees and submits or Files all reports related thereto as required by the Fee Review Order, the Fee Examiner shall be dismissed of all duties and obligations under the Fee Examiner Order and the Fee Review Order, other than any obligations of confidentiality thereunder. The confidentiality obligations of the Fee Examiner and the other Fee Examiner Parties, including the confidentiality obligations set forth in paragraph 22 of the Fee Review Order, shall remain binding from and after the Effective Date.

**4. Potential Review of Fees Not Subject to Fee Review Order.**

The City shall have the right to bring before the Bankruptcy Court a request to review and determine the reasonableness of the fees and expenses of any Fee Review Professional retained by a creditor of the City or any of its departments to the extent that such fees and expenses have not been either (a) approved pursuant to or in accordance with the DWSD Tender Order, (b) subject to court review or (c) subject to a Bankruptcy Court-approved or agreed upon process for binding arbitration.

**5. Court-Appointed Expert.**

The Court-appointed expert, Martha E. M. Kopacz of Phoenix Management Services, and her counsel shall be compensated for any reasonable fees and expenses incurred through the Confirmation Date in accordance with the terms of the Court's Order Appointing Expert Witness (Docket No. 4215), entered on April 22, 2014, as amended.

**O. Assumption of Indemnification Obligations.**

Notwithstanding anything otherwise to the contrary in the Plan, nothing in the Plan shall discharge or impair the obligations of the City as provided in the City Charter of the City or other organizational documents, resolutions, employment contracts, applicable law or other applicable agreements as of the Petition Date to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of officers and employees of the City (consistent with the injunction provisions of Section III.D.5 and including the members of the City Council, the Mayor and the Emergency Manager) and their Related Entities, in each case to the extent such Entities were acting in such capacity, against any claims or causes of action whether direct or derivative, liquidated or unliquidated, foreseen or unforeseen, asserted or unasserted; provided that this Section IV.O shall be read in conjunction with the provisions for Indirect Employee Indemnity Claims set forth in Section III.D.5. Notwithstanding the foregoing, Retirement System Indemnity Obligations shall not be assumed under the Plan and shall be discharged. For the avoidance of doubt, no indemnification provision in any loan document, bond document, Bond Insurance Policy or other agreement with a Bond Insurer is exempted from discharge by reason of this Section IV.O.

**P. Incorporation of Retiree Health Care Settlement Agreement.**

The terms of the Retiree Health Care Settlement Agreement resolving the Retiree Health Care Litigation, which agreement is attached hereto as Exhibit I.A.298, are incorporated herein by reference and shall be binding upon the parties thereto.

**Q. Payment of Workers' Compensation Claims.**

From and after the Effective Date, (a) the City will continue to administer (either directly or through a third party administrator) and pay all valid claims for benefits and liabilities for which the City is responsible under applicable State workers' compensation law, regardless of when the applicable injuries were incurred, in accordance with the City's prepetition practices and procedures and governing State workers' compensation law, and (b) nothing in the Plan shall discharge, release or relieve the City from any current or future liability under applicable State workers' compensation law. The City expressly reserves the right to challenge the validity of any claim for benefits or liabilities arising under applicable State workers' compensation law.

**R. 36th District Court Settlement.**

The City and the Settling 36th District Court Claimants have reached a settlement related to (1) the allowance of certain of the Settling 36th District Court Claimants' Claims and (2) the treatment of Allowed Indirect 36th District Court Claims under the Plan substantially on the terms attached hereto as Exhibit I.A.9. The 36th District Court Settlement is incorporated into the Plan, which shall be construed as a motion for approval of, and the Confirmation Order shall constitute an order approving, such settlement pursuant to Bankruptcy Rule 9019.

**S. Payment of Certain Claims Relating to the Operation of City Motor Vehicles.**

From and after the Effective Date, the City will continue to administer (either directly or through a third party administrator) and pay valid prepetition Claims for liabilities with respect to which the City is required to maintain insurance coverage pursuant to MCL § 500.3101 in connection with the operation of the City's motor vehicles, as follows: (1) Claims for personal protection benefits as provided by MCL § 500.3107 and MCL § 500.3108, for which insurance coverage is required by MCL § 500.3101(1), shall be paid in full, to the extent valid, provided, however, that the City will not be liable for or pay interest or attorneys' fees under MCL § 500.3142

or MCL § 500.3148 on prepetition Claims for personal protection benefits; (2) tort claims permitted by MCL § 500.3135, for which residual liability insurance coverage is required by MCL § 500.3101(1) and MCL § 500.3131, shall be paid, to the extent valid, only up to the minimum coverages specified by MCL § 500.3009(1), i.e., up to a maximum of (a) \$20,000 because of bodily injury to or death of one person in any one accident, and subject to that limit for one person, (b) \$40,000 because of bodily injury to or death of two or more persons in any one accident and (c) \$10,000 because of injury to or destruction of property of others in any accident; and (3) Claims for property protection benefits under MCL § 500.3121 and MCL § 500.3123 shall be paid, to the extent valid, only up to the maximum benefits specified in MCL § 500.3121; provided, however, for the avoidance of doubt, to the extent any valid Claim subject to subsections 2 and 3 above exceeds the applicable payment limits, the excess claim amount shall be treated as an Other Unsecured Claim or a Convenience Claim (as applicable). Nothing in the Plan shall discharge, release or relieve the City from any current or future liability with respect to Claims subject to insurance coverage pursuant to MCL § 500.3101 or Claims within the minimum coverage limits in MCL § 500.3009(1). The City expressly reserves the right to challenge the validity of any Claim subject to this Section IV.S, and nothing herein shall be deemed to expand the City's obligations or claimants' rights with respect to these Claims under State law.

**T. Payment of Tax Refund Claims.**

From and after the Effective Date, the City will continue to administer (either directly or through a third party administrator) and pay all valid claims for income tax refunds and property tax refunds for which the City is responsible under applicable law, regardless of when the applicable right to a refund arose, in accordance with the City's prepetition practices and procedures. The City expressly reserves the right to challenge the validity of any claim for an income tax refund or property tax refund.

**U. Utility Deposits.**

From and after the Effective Date, the City will continue to administer utility deposits in accordance with the City's prepetition practices and procedures, including the payment of any undisputed, non-contingent, liquidated claims against the City for the refund of a utility deposit.

**V. Pass-Through Obligations.**

The City shall continue to honor its Pass-Through Obligations to the Pass-Through Recipients.

**W. Exit Facility.**

On the Effective Date, the City shall enter into the Exit Facility, as well as any ancillary notes, documents or agreements in connection therewith, including, without limitation, any documents required in connection with the creation or perfection of the liens securing the Exit Facility.

**X. Post-Effective Date Governance.**

Prior to or on the Effective Date, the Financial Review Commission shall be established pursuant to and in accordance with the Financial Review Commission Act. The Financial Review Commission shall provide oversight as set forth in the Financial Review Commission Act, including to ensure that, post-Effective Date, the City adheres to the Plan and continues to implement financial and operational reforms that promote more efficient and effective delivery of services to City residents. The City shall promptly provide to the Bankruptcy Court copies of any reports given to, or received from, the Financial Review Commission. Nothing herein shall expand, limit or otherwise modify the role or powers of the Financial Review Commission.

**ARTICLE V**  
**PROVISIONS REGARDING DISTRIBUTIONS UNDER THE PLAN**

**A. Appointment of Disbursing Agent.**

The City may act as Disbursing Agent or may employ or contract with other Entities to act as the Disbursing Agent or to assist in or make the Distributions required by the Plan. Any Disbursing Agent appointed by the City will serve without bond. Other than as specifically set forth in the Plan, the Disbursing Agent shall make all Distributions required to be made under the Plan.

**B. Distributions on Account of Allowed Claims.**

Except as otherwise provided in the Plan, on the Effective Date or as soon as practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive from the Disbursing Agent, the Bond Agent or the COP Agent, as applicable, the Distributions that the Plan provides for Allowed Claims in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, Distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Section VI.B. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the Distributions provided for in the Plan, regardless of whether such Distributions are delivered on or at any time after the Effective Date. Notwithstanding anything to the contrary in the Plan, no Holder of an Allowed Claim shall, on account of such Allowed Claim, receive a Distribution in excess of the Allowed amount of such Claim.

**C. Certain Claims to Be Expunged.**

Any Claim that has been or is hereafter listed in the List of Creditors as contingent, unliquidated or disputed, and for which no proof of Claim is or has been timely Filed, is not considered to be an Allowed Claim and shall be expunged without further action by the City and without further notice to any party or any action, approval or order of the Bankruptcy Court.

**D. Record Date for Distributions; Exception for Bond Claims.**

With the exception of Bond Claims, neither the City nor any Disbursing Agent will have any obligation to recognize the transfer of, or the sale of any participation in, any Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims (including Holders of Claims that become Allowed after the Distribution Record Date) that are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date. With the exception of the Bond Claims, the City and any Disbursing Agent shall instead be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official Claims Register as of the close of business on the Distribution Record Date. Unless otherwise set forth in the Confirmation Order, the City shall not establish a record date for Distributions to Holders of Bond Claims.

**E. Means of Cash Payments.**

Except as otherwise specified herein, all Cash payments made pursuant to the Plan shall be in U.S. currency and made by check drawn on a domestic bank selected by the Disbursing Agent or, at the option of the Disbursing Agent, by wire transfer, electronic funds transfer or ACH from a domestic bank selected by the Disbursing Agent; provided, however, that Cash payments to foreign Holders of Allowed Claims may be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

**F. Selection of Distribution Dates for Allowed Claims.**

Except where the Plan requires the making of a Distribution on account of a particular Allowed Claim within a particular time, the Disbursing Agent shall have the authority to select Distribution Dates that, in the judgment of the Disbursing Agent, provide Holders of Allowed Claims with payments as quickly as reasonably practicable while limiting the costs incurred in the distribution process. Upon the selection of a Distribution Date by the Disbursing Agent, the Disbursing Agent shall File a notice of such Distribution Date that provides information regarding the Distribution to be made.

**G. Limitations on Amounts to Be Distributed to Holders of Allowed Claims Otherwise Insured.**

No Distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the City's insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy; provided that, if the City believes a Holder of an Allowed Claim has recourse to an insurance policy and intends to direct the Disbursing Agent to withhold a Distribution pursuant to this Section V.G, the City shall provide written notice to such Holder regarding what the City believes to be the nature and scope of applicable insurance coverage. To the extent that one or more of the City's insurance carriers agrees to satisfy a Claim in full, then immediately upon such agreement such Claim may be expunged without a Claims objection having to be Filed and without any further notice or any action, order or approval of the Bankruptcy Court. Nothing in the Plan, including this Section V.G, shall constitute a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities that any Entity may hold against any other Entity, including the City's insurance carriers and Bond Insurers, other than the City. For the avoidance of doubt, this Section shall not apply to Bond Insurance Policies or Swap Insurance Policies.

**H. City's Rights of Setoff Preserved.**

Notwithstanding anything to the contrary in the Plan, pursuant to section 553 of the Bankruptcy Code or otherwise applicable non-bankruptcy law, the City may set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim the claims, rights and Causes of Action of any nature that the City may assert against the Holder of such Claim; provided, however, that neither the failure to effect a setoff nor the allowance of any Claim pursuant to the terms of the Plan shall constitute a waiver or release by the City of any claims, rights and Causes of Action that the City may assert against such Holder, all of which are expressly preserved.

**I. Delivery of Distributions and Undeliverable or Unclaimed Distributions.**

**1. Delivery of Distributions Generally.**

Except as set forth in Section V.I.2, Distributions to Holders of Allowed Claims shall be made at the addresses set forth in the City's records unless such addresses are superseded by proofs of Claim or transfers of Claim Filed pursuant to Bankruptcy Rule 3001.

**2. Delivery of Distributions on Account of Bond Claims.**

Distributions on account of the Bond Claims shall (a) be made by the Disbursing Agent to the Bond Agent under the applicable Bond Documents for the benefit of Holders of Bond Claims and (b) be deemed completed when made by the Disbursing Agent to the Bond Agent as if such Distributions were made directly to the Holders of such Claims. The applicable Bond Agent, in turn, shall make such distributions to the applicable Holders pursuant to the terms and conditions of the applicable Bond Documents and subject to the respective rights, claims and interests, if any, that the Bond Agent may have under the applicable Bond Documents or otherwise to the recovery or reimbursement of their fees, costs and expenses (including the fees, costs and expenses of counsel and financial advisors) from any distribution hereunder, whether such rights, claims or interests are in the nature of a charging lien or otherwise. The Bond Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to such Distributions.

**3. De Minimis Distributions / No Fractional New Securities.**

No distribution shall be made by the Disbursing Agent on account of an Allowed Claim if the amount to be distributed to the specific Holder of an Allowed Claim on the applicable Distribution Date has an economic value of less than \$25.00. No fractional New Securities shall be distributed. Where a fractional portion of a New Security otherwise would be called for under the Plan, the actual issuance shall reflect a rounding down to the nearest whole New Security.

**4. Undeliverable or Unclaimed Distributions.**

In the event that any Distribution to any Holder is returned as undeliverable, no Distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such Distribution shall be made to such Holder without interest.

**Any Holder of an Allowed Claim that does not claim an undeliverable or unclaimed Distribution within six months after the Effective Date shall be deemed to have forfeited its claim to such Distribution and shall be forever barred and enjoined from asserting any such claim against the City or its property.** In such cases, any Cash held by the City on account of such undeliverable or unclaimed Distributions shall become the property of the City free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Any New Securities held for distribution on account of such Claims shall be canceled and of no further force or effect. Nothing contained in the Plan shall require any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

**5. Time Bar to Cash Payment Rights.**

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Disbursing Agent by the Holder of the Allowed Claim to whom such check originally was issued within 180 days after the date of the original check issuance. After such date, the Claim of any Holder to the amount represented by such voided check shall be released and forever barred from assertion against the City and its property.

**J. Other Provisions Applicable to Distributions in All Classes.**

**1. No Postpetition Interest.**

Except as otherwise specifically provided for in the Plan, or required by applicable bankruptcy law, the City shall have no obligation to pay any amount that constitutes or is attributable to interest on an Allowed Claim accrued after the Petition Date and no Holder of a Claim shall be entitled to be paid any amount that constitutes or is attributable to interest accruing on or after the Petition Date on any Claim without regard to the characterization of such amounts in any document or agreement or to whether such amount has accrued for federal income tax purposes. Any such amount that constitutes or is attributable to interest that has been accrued and has not been paid by the City shall be cancelled as of the Effective Date for federal income tax purposes.

**2. Compliance with Tax Requirements.**

In connection with the Plan and all instruments issued in connection therewith and distributed thereon, the City and any Disbursing Agent shall comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions under the Plan shall be subject to such withholding and reporting requirements. All such amounts withheld and paid to the appropriate governmental unit shall be treated as if made directly to the Holder of an Allowed Claim. The City and the Disbursing Agent shall be authorized to take any actions that they determine, in their reasonable discretion, to be necessary or appropriate to comply with such withholding and reporting requirements, including withholding Distributions pending receipt of information necessary to facilitate such Distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

Notwithstanding any other provision of the Plan, each Entity receiving or deemed to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax imposed on such Entity on account of such Distribution, including income, withholding and other Tax obligations. The City has the right, but not the obligation, to refuse, or to direct a Disbursing Agent to refuse, to make a Distribution until a Holder of an Allowed Claim has made arrangements satisfactory to the City and any Disbursing Agent for payment of any such Tax obligations. The City may require, as a condition to making a Distribution, that the Holder of an Allowed Claim provide the City or any Disbursing Agent with a completed Form W-8, W-9 or other Tax information, certifications and supporting documentation, as applicable.

If the City makes such a request and the Holder of an Allowed Claim fails to comply before the date that is 180 days after the initial request is made, the amount of such Distribution shall irrevocably revert to the City and any Claim in respect of such Distribution shall be released and forever barred from assertion against the City and its property.

### **3. Allocation of Distributions.**

All Distributions to Holders of Allowed Claims that have components of principal and interest shall be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such Distributions, if any, shall be deemed to apply to any applicable accrued interest included in such Claim to the extent interest is payable under the Plan.

### **4. Surrender of Instruments.**

As a condition to participation under this Plan, the Holder of a note, debenture or other evidence of indebtedness of the City that desires to receive the property to be distributed on account of an Allowed Claim based on such note, debenture or other evidence of indebtedness shall surrender such note, debenture or other evidence of indebtedness to the City or its designee (unless such Holder's Claim will not be Impaired by the Plan, in which case such surrender shall not be required), and shall execute and deliver such other documents as are necessary to effectuate the Plan; provided, however, that, if a claimant is a Holder of a note, debenture or other evidence of indebtedness for which no physical certificate was issued to the Holder but which instead is held in book-entry form pursuant to a global security held by the Depository Trust Company or other securities depository or custodian thereof, there shall be no requirement of surrender. In the City's sole discretion, if no surrender of a note, debenture or other evidence of indebtedness occurs and the Holder of Claim does not provide an affidavit and indemnification agreement, in form and substance reasonably satisfactory to the City, that such note, debenture or other evidence of indebtedness was lost, then no distribution may be made to such Holder in respect of the Claim based on such note, debenture or other evidence of indebtedness. For the avoidance of doubt, (a) no Bond, note, debenture or other evidence of indebtedness of the City shall be surrendered or deemed surrendered that is subject to any Bond Insurance Policy and (b) no COP shall be surrendered or deemed surrendered hereby to the extent necessary to make or preserve a claim under any applicable policies or other instruments insuring the COPs and obligations related thereto or against any party, other than the City, that insures the COPs. Notwithstanding the foregoing, such Bonds or Bond Documents as remain outstanding shall not form the basis for the assertion of any Claim against the City.

## **ARTICLE VI PROCEDURES FOR RESOLVING DISPUTED CLAIMS**

### **A. Treatment of Disputed Claims.**

#### **1. General.**

No Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order (including the Confirmation Order) allowing such Claim. Notwithstanding any other provision of the Plan, no payments or Distributions shall be made on account of a Disputed Claim until such Claim becomes an Allowed Claim. Without limiting the foregoing in any way, no partial payments and no partial Distributions will be made with respect to a disputed, contingent or



unliquidated Claim, or with respect to any Claim for which a proof of Claim has been Filed but not Allowed, until the resolution of such disputes or estimation or liquidation of such Claim by settlement or by Final Order.

## **2. ADR Procedures.**

At the City's option, any Disputed Claim designated or eligible to be designated for resolution through the ADR Procedures may be submitted to the ADR Procedures in accordance with the terms thereof and the ADR Procedures Order. For the avoidance of doubt, the designation of a Disputed Claim for resolution through the ADR Procedures, either prior to or after the Effective Date, will not modify, and will not be deemed to have modified, the terms of the ADR Injunction imposed pursuant to the ADR Procedures Order. Disputed Claims not resolved through the ADR Procedures will be resolved pursuant to the Plan.

## **3. Tort Claims.**

At the City's option, any unliquidated Tort Claim (as to which a proof of Claim was timely Filed in the Chapter 9 Case) not resolved through the ADR Procedures or pursuant to a Final Order of the Bankruptcy Court will be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date (subject to the City's right to seek removal or transfer of venue) or, if no action was pending on the Effective Date, in an administrative or judicial tribunal of appropriate jurisdiction that (a) has personal jurisdiction over the parties, (b) has subject matter jurisdiction over the Tort Claim and (c) is a proper venue. The City may exercise the above option by service upon the holder of the applicable Tort Claim of a notice informing such holder that the City has exercised such option (which notice shall be deemed to satisfy the notice requirements of Section I.B of the ADR Procedures). Upon the City's service of such notice, the automatic stay imposed pursuant to sections 362 and 922 of the Bankruptcy Code (along with any extension of such stay pursuant to the terms of the Stay Extension Order) or, after the Effective Date, the injunction set forth at Section III.D.5, will be deemed modified, without the necessity for further Bankruptcy Court approval or any further action by the City, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claim in the applicable administrative or judicial tribunal(s); provided that nothing contained in this Section will modify, or will be deemed to have modified, the terms of the Stay Extension Order with respect to any Tort Claim prior to the City having served notice of its intent to determine and liquidate such Tort Claim pursuant to this Section. If the City does not serve such a notice upon a holder of a Tort Claim by the Claims Objection Bar Date, such holder may file a motion with the Bankruptcy Court no later than 30 days after the Claims Objection Bar Date seeking relief from the discharge injunction imposed pursuant to Section III.D.5 in order to liquidate and determine its Claim, which right and the deadline for exercising such right shall be set forth in the notice of entry of the Confirmation Order.

Any Tort Claim determined and liquidated pursuant to a judgment obtained in accordance with this Section VI.A.3 and applicable non-bankruptcy law that is no longer appealable or subject to review will be deemed an Allowed Claim, provided that only the amount of such Allowed Tort Claim that is not satisfied from proceeds of insurance payable to the holder of such Allowed Tort Claim will be treated as an Allowed Claim for the purposes of distributions under the Plan and subject to the terms of the Plan. Distributions on account of any such Allowed Tort Claim shall be made in accordance with the Plan. Nothing contained in this Section will constitute or be deemed a waiver of any claim, right or Cause of Action that the City may have against any Entity in connection with or arising out of any Tort Claim, including any rights under section 157(b)(5) of title 28 of the United States Code. All claims, demands, rights, defenses and Causes of Action that the City may have against any Entity in connection with or arising out of any Tort Claim are expressly retained and preserved.

## **B. Disputed Claims Reserve.**

On and after the Effective Date, until such time as all Disputed Claims have been compromised and settled or determined by Final Order and before making any Distributions, consistent with and subject to section 1123(a)(4) of the Bankruptcy Code, the City shall establish and maintain a reserve of property equal to (1) the Distributions to which Holders of Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims in the Face Amount of such Disputed Claims or (2) such lesser amount as required by an order of the Bankruptcy Court. On the first Distribution Date that is at least 30 days (or such fewer days as may be agreed to by the City in its sole discretion) after the date on which a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall remit to the Holder of such Allowed Claim any Distributions such Holder would have been

entitled to under the Plan on account of such Allowed Claim had such Claim been Allowed as of the Effective Date. If a Disputed Claim is disallowed by Final Order, the property reserved on account shall become available for Distribution to the Holders of Allowed Claims within the Class(es) entitled to receive such property. Each Holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the assets held in the disputed claims reserve and not to any other assets held by the City, its property or any property previously distributed on account of any Allowed Claim.

### **C. Objections to Claims.**

#### **1. Authority to Prosecute, Settle and Compromise.**

The City's rights to object to, oppose and defend against all Claims on any basis are fully preserved. As of the Effective Date, only the City shall have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to the ADR Procedures or any similar procedures approved by the Bankruptcy Court. Any objections to Claims shall be Filed no later than the Claims Objection Bar Date. On and after the Effective Date, the City may settle or compromise any Disputed Claim or any objection or controversy relating to any Claim without any further notice or any action, order or approval of the Bankruptcy Court.

#### **2. Expungement or Adjustment of Claims Without Objection.**

Any Claim that has been paid, satisfied or superseded shall be expunged from the Claims Register by the Claims and Balloting Agent at the request of the City, and any Claim that has been amended by the Holder of such Claim shall be adjusted on the Claims Register by the Claims and Balloting Agent at the request of the City, without the Filing of an objection and without any further notice or any action, order or approval of the Bankruptcy Court.

#### **3. Extension of Claims Objection Bar Date.**

Upon motion by the City to the Bankruptcy Court, the City may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to specific Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a modification to the Plan under section 1127 of the Bankruptcy Code.

#### **4. Authority to Amend List of Creditors.**

The City will have the authority to amend the List of Creditors with respect to any Claim and to make Distributions based on such amended List of Creditors without approval of the Bankruptcy Court. If any such amendment to the List of Creditors reduces the amount of a Claim or changes the nature or priority of a Claim, the City will provide the Holder of such Claim with notice of such amendment and such Holder will have 20 days to File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, the Disbursing Agent may proceed with Distributions based on such amended List of Creditors without approval of the Bankruptcy Court.

## **ARTICLE VII RETENTION OF JURISDICTION**

Pursuant to sections 105(c), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, estimate, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the amount, allowance, priority or classification of Claims;

B. Confirm the maturity date and the terms as written of the collective bargaining agreements identified on Exhibit II.D.5 of the Plan, which agreements are incorporated as part of the Plan (it being understood that the enforcement, interpretation and resolution of disputes of the terms of the contracts shall proceed under applicable state law);

C. Resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including claims for payment of any cure amount;

D. Ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

E. Adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving the City that may be pending on the Effective Date or brought thereafter;

F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;

H. Approve any modification of the Plan or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or enter any order in aid of confirmation pursuant to sections 945 and 1142(b) of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate the Plan;

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

J. Adjudicate, decide or resolve any matters relating to the City's compliance with the Plan and the Confirmation Order consistent with section 945 of the Bankruptcy Code;

K. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or Distributions pursuant to the Plan are enjoined or stayed;

L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

M. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the FGIC Development Agreement;

N. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the Syncora Development Agreement;

O. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 9 Case;

P. Enter a final decree closing the Chapter 9 Case pursuant to section 945(b) of the Bankruptcy Code; and

Q. Hear any other matter over which the Bankruptcy Court has jurisdiction under the provisions of the Bankruptcy Code and the Bankruptcy Rules subject to any limits on the Bankruptcy Court's jurisdiction and powers under sections 903 and 904 of the Bankruptcy Code.

## **ARTICLE VIII MISCELLANEOUS PROVISIONS**

### **A. Plan Supplements.**

All Plan Supplements not previously filed will be Filed no later than ten days before the Confirmation Hearing.

### **B. Modification of the Plan.**

Subject to section 942 and 1127(d) of the Bankruptcy Code, the City may alter, amend or modify the Plan or the Exhibits at any time prior to or after the Confirmation Date but prior to the substantial consummation of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as altered, amended or modified so long as the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such Holder.

### **C. Revocation of the Plan.**

The City reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the City revokes or withdraws the Plan, or if the Confirmation Date does not occur, then the Plan shall be null and void in all respects, and nothing contained in the Plan, nor any action taken or not taken by the City with respect to the Plan, the Disclosure Statement or the Confirmation Order, shall be or shall be deemed to be: (1) a waiver or release of any claims by or against the City; (2) an admission of any sort by the City or any other party in interest, or (3) prejudicial in any manner to the rights of the City or any other party in interest.

### **D. Severability of Plan Provisions.**

If any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, in each case at the election of and with the consent of the City, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the City's consent; and (3) non-severable and mutually dependent.

### **E. Effectuating Documents and Transactions.**

The City is authorized to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan. All such actions shall be deemed to have occurred and shall be in effect pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without any requirement of further action by the City Council, the Emergency Manager, the Mayor or any employees or officers of the City. On the Effective Date, the appropriate employees and officers of the City are authorized and directed to execute and deliver the agreements, documents and instruments contemplated

by the Plan, and to take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan, in the name and on behalf of the City.

**F. Successors and Assigns.**

Except as expressly provided otherwise in the Plan, the rights, benefits and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, Affiliate, representative, beneficiary or guardian, if any, of each Entity.

**G. Plan Controls.**

In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

**H. Notice of the Effective Date.**

On or before ten Business Days after occurrence of the Effective Date, the City shall mail or cause to be mailed to all Holders of Claims a notice that informs such Holders of (1) entry of the Confirmation Order; (2) the occurrence of the Effective Date; (3) the assumption and rejection of Executory Contracts and Unexpired Leases pursuant to the Plan, as well as the deadline for the filing of Claims arising from such rejection; (4) the deadline for the filing of Administrative Claims; and (5) such other matters as the City deems to be appropriate.

**I. Governing Law.**

Unless (1) a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or (2) otherwise specifically stated herein or in any contract, articles or certificates of incorporation, bylaws, codes of regulation, ordinance, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the laws of the State of Michigan, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan and any contract, articles or certificates of incorporation, bylaws, codes of regulation, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan.

**J. Request for Waiver of Automatic Stay of Confirmation Order.**

The Plan shall serve as a motion seeking a waiver of the automatic stay of the Confirmation Order imposed by Bankruptcy Rule 3020(e). Any objection to this request for waiver shall be Filed and served on the parties listed in Section VIII.L on or before the Voting Deadline.

**K. Term of Existing Injunctions and Stays.**

**All injunctions or stays provided for in the Chapter 9 Case under sections 105, 362 or 922 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.**

**L. Service of Documents.**

Any pleading, notice or other document required by the Plan or the Confirmation Order to be served on or delivered to (1) the City and (2) the Retiree Committee must be sent by overnight delivery service, facsimile transmission, courier service or messenger to:

**1. The City**

David G. Heiman, Esq.  
Heather Lennox, Esq.  
Thomas A. Wilson, Esq.  
JONES DAY  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
Telephone: (216) 586-3939  
Facsimile: (216) 579-0212

Bruce Bennett, Esq.  
JONES DAY  
555 South Flower Street  
Fiftieth Floor  
Los Angeles, California 90071  
Telephone: (213) 243-2382  
Facsimile: (213) 243-2539

Jonathan S. Green, Esq.  
Stephen S. LaPlante, Esq.  
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.  
150 West Jefferson  
Suite 2500  
Detroit, Michigan 48226  
Telephone: (313) 963-6420  
Facsimile: (313) 496-7500

(Counsel to the City)

**2. The Retiree Committee**

Claude Montgomery, Esq.  
Carole Neville, Esq.  
DENTONS US LLP  
1221 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 768-6700  
Facsimile: (212) 768-6800

Sam J. Alberts, Esq.  
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Telephone: (202) 408-6400  
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Matthew E. Wilkins, Esq.  
Paula A. Hall, Esq.  
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401 South Old Woodward, Suite 400  
Birmingham, Michigan 48009  
Telephone: (248) 971-1711  
Facsimile: (248) 971-1801

(Counsel to the Retiree Committee)

Dated: October 22, 2014

Respectfully submitted,

The City of Detroit, Michigan

By: /s/ Kevyn D. Orr  
Name: Kevyn D. Orr  
Title: Emergency Manager for the City of Detroit, Michigan

COUNSEL:

/s/ David G. Heiman

David G. Heiman  
Heather Lennox  
Thomas A. Wilson  
JONES DAY  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
Telephone: (216) 586-3939  
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150 West Jefferson  
Suite 2500  
Detroit, Michigan 48226  
Telephone: (313) 963-6420  
Facsimile: (313) 496-7500

ATTORNEYS FOR THE DEBTOR



## **APPENDIX II**

### **CONFIRMATION NOTICE**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

	X	
	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
	:	
	:	
	:	
	X	

**NOTICE OF (I) ENTRY OF ORDER CONFIRMING EIGHTH  
AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE  
CITY OF DETROIT AND (II) OCCURRENCE OF EFFECTIVE DATE**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

**1. Confirmation of the Plan and Occurrence of the Effective Date.**

On \_\_\_\_\_, 2014, the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court") entered an order (Docket No. \_\_\_\_ ) (the "Confirmation Order") confirming the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (as it may have been amended, supplemented or modified, the "Plan"), in the above-captioned chapter 9 case of the City of Detroit, Michigan (the "City"). The Effective Date of the Plan occurred on \_\_\_\_\_, 201\_. Unless otherwise defined in this Notice, capitalized terms and phrases used herein have the meanings given to them in the Plan and the Confirmation Order.

**2. Discharge of Claims.**

a. Except as provided in the Plan or in the Confirmation Order, the rights afforded under the Plan and the treatment of Claims under the Plan are in exchange for and in complete satisfaction, discharge and release of all Claims arising on or before the Effective Date, including any interest accrued on Claims from and after the Petition Date. Except as provided in the Plan or in the Confirmation Order, as of the Effective Date, the City is discharged from all Claims or other debts that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim based on such debt was Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (ii) a Claim based on such debt was allowed pursuant to section 502 of the Bankruptcy Code or (iii) the Holder of a Claim based on such debt accepted the Plan.

b. In accordance with the foregoing, except as expressly provided otherwise in the Plan or the Confirmation Order, the Confirmation Order is a judicial determination, as of the Effective Date, of a discharge of all debts of the City, pursuant to sections 524(a)(1), 524(a)(2) and 944(b) of the Bankruptcy Code, and such discharge voids any judgment obtained against the City at any time, to the extent that such judgment relates to a discharged debt; provided that, in accordance with section

944(c)(1) of the Bankruptcy Code, such discharge does not apply to (i) debts specifically exempted from discharge under the Plan; (ii) debts held by an Entity that, before the Confirmation Date, had neither notice nor actual knowledge of the Chapter 9 Case; (iii) claims against officers or employees of the City in their individual capacity under 42 U.S.C. § 1983; or (iv) Claims of (A) T&T Management, Inc., (B) HRT Enterprises and (C) the John W. and Vivian M. Denis Trust related to condemnation or inverse condemnation actions against the City alleging that the City has taken private property without just compensation in violation of the Takings Clause of the Fifth Amendment to the United States Constitution.

### **3. Releases.**

a. General Releases by Holders of Claims. Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement), each holder of a Claim that voted in favor of the Plan, to the fullest extent permissible under law, is deemed to forever release, waive and discharge (which release will be in addition to the release and discharge of Claims otherwise provided herein and under the Confirmation Order and the Bankruptcy Code):

i. all Liabilities in any way relating to the City, the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), the Plan, the Exhibits or the Disclosure Statement, in each case that such holder has, had or may have against the City or its current and former officials, officers, directors, employees, managers, attorneys, advisors and professionals, each acting in such capacity (and, in addition to and without limiting the foregoing, in the case of any Emergency Manager, in such Emergency Manager's capacity as an appointee under PA 436); provided further, for the avoidance of doubt, that any person or entity designated to manage the Chapter 9 Case for the City after the Emergency Manager's term is terminated, whether such person or entity acts as an employee, advisor or contractor to the City or acts as an employee, agent, contractor or appointee of the State under any applicable state law, shall be treated the same as an employee of the City hereunder; and

ii. all Liabilities in any way relating to (A) Claims that are compromised, settled or discharged under or in connection with the Plan, (B) the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), (C) the Plan, (D) the Exhibits, (E) the Disclosure Statement or (F) the DIA Settlement, in each case that such holder has, had or may have against the City's Related Entities, the State, the State Related Entities and the Released Parties; provided, however, that any such Liability of the Foundations, the DIA Funders and the CFSEM Supporting Organization and their Related Entities are released only to the extent that such Liability, if any, arises from any such entity's participation in the DIA Settlement;

provided, however, that the foregoing provisions shall not affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; provided, further, that nothing in Section III.D.7.a of the Plan shall release (i) the City's obligations under the Plan or (ii) any defenses that any party may have against the City, its Related Entities, the State, the State Related Entities or the Released Parties. Notwithstanding anything in the Plan or the Confirmation Order to the contrary, claims against officers or employees of the City in their individual capacity under 42 U.S.C. § 1983 shall not be released.

b. Release by Holders of Pension Claims. Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases,

agreements or documents entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement), if the State Contribution Agreement is consummated, each holder of a Pension Claim is deemed to forever release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the Plan does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law or the Plan, or, with respect to pensions only, GRS or PFRS.

Notwithstanding Sections III.D.5-7 and IV.L of the Plan, except as set forth in the COP Swap Settlement, nothing in the Plan or the Confirmation Order shall or shall be deemed to provide a release by the COP Swap Counterparties of any Liabilities related to the COPs, the COP Service Corporations, the Transaction Documents (as defined in the COP Swap Settlement), the COP Swap Settlement or the COP Swap Settlement Approval Order. For the avoidance of doubt, notwithstanding Section III.D.6 of the Plan, a vote of DWSD Bond Claims or DWSD Revolving Bond Claims in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to Section III.D.7 of the Plan by a Holder of any such DWSD Bond Claims, a Holder of any such DWSD Revolving Bond Claims or the Bond Insurer insuring any such Claims of any Liabilities against the City or its Related Entities that do not arise in connection with the DWSD Bonds or the DWSD Revolving Bonds. For the further avoidance of doubt, notwithstanding anything in the Plan to the contrary, a vote of a Claim other than a DWSD Bond Claim or DWSD Revolving Bond Claim in favor of the Plan shall not, and shall not be deemed to, effect a release pursuant to Section III.D.7 of the Plan by a Holder of any such voted Claim or the Bond Insurer insuring such voted Claim of any Liabilities against the City or any other Entity arising in connection with the DWSD Bonds or DWSD Revolving Bonds.

#### **4. Injunctions.**

**On the Effective Date, except as otherwise provided in the Plan or in the Confirmation Order:**

**a. All Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims asserted against officers or employees of the City in their official capacity, along with their Related Entities, are permanently enjoined from taking any of the following actions against or affecting the City or its property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from the Confirmation Order): (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (A) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (B) Indirect 36th District Court Claims and (C) Indirect Employee Indemnity Claims asserted against officers or employees of the City in their official capacity); (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly,**

any encumbrance of any kind against the City or its property; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property; (v) proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth therein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and (vi) taking any actions to interfere with the implementation or consummation of the Plan. Notwithstanding anything in the Plan or the Confirmation Order to the contrary, claims against officers or employees of the City in their individual capacity under 42 U.S.C. § 1983 are not enjoined. In addition, all individuals affected by the AFS Recoupment are enjoined from commencing any proceeding against the GRS and its trustees, officers, employees or professionals arising from GRS's compliance with the Plan or this Order.

b. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan are permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, or a Released Party; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan. Notwithstanding the foregoing and without limiting the injunctions in sub-paragraph 4(a) above, the Holders of Indirect 36th District Court Claims shall not be enjoined from taking any of the foregoing actions against the State or the State Related Entities with respect to Indirect 36th District Court Claims to the extent such Claims are not satisfied pursuant to the Plan.

## **5. Treatment of Executory Contracts and Unexpired Leases.**

a. Assumption. Except for Executory Contracts and Unexpired Leases rejected in the Plan or by other court order, or as requested in any motion Filed by the City on or prior to the Effective Date, as of the Effective Date, pursuant to section 365 of the Bankruptcy Code, the City has been deemed to assume all Executory Contracts and Unexpired Leases to which it is a party. Notwithstanding the foregoing, Retirement System Indemnity Obligations have not been assumed under the Plan and have been discharged. For the avoidance of doubt, the City has assumed the Tunnel Lease pursuant to Section II.D.1 of the Plan.

b. Assumption of Ancillary Agreements. Each Executory Contract and Unexpired Lease assumed pursuant to Section II.D.1 of the Plan includes any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such Executory Contract or Unexpired Lease, unless any such modification, amendment, supplement, restatement or other agreement is rejected pursuant to Section II.D.6 of the Plan or designated for rejection in accordance with Section II.D.3 of the Plan.

c. Approval of Assumptions and Assignments. The Confirmation Order constitutes an order of the Bankruptcy Court approving the assumption of Executory Contracts and Unexpired Leases pursuant to Sections II.D.1 and II.D.2 of the Plan (and any related assignment) as of the

Effective Date, except for Executory Contracts or Unexpired Leases that (a) have been rejected pursuant to a Final Order of the Bankruptcy Court, (b) are subject to a pending motion for reconsideration or appeal of an order authorizing the rejection of such Executory Contract or Unexpired Lease, (c) are subject to a motion to reject such Executory Contract or Unexpired Lease Filed on or prior to the Effective Date, (d) are rejected pursuant to Section II.D.6 of the Plan or (e) are designated for rejection in accordance with the last sentence of this paragraph. The City has provided separate notice to each party whose Executory Contract or Unexpired Lease is being assumed pursuant to the Plan of: (a) the Executory Contract or Unexpired Lease being assumed; (b) the Cure Amount Claim, if any, that the City believes it would be obligated to pay in connection with such assumption; (c) any assignment of an Executory Contract or Unexpired Lease; and (d) the procedures for such party to object to the assumption of the applicable Executory Contract or Unexpired Lease, the amount of the proposed Cure Amount Claim or any assignment of an Executory Contract or Unexpired Lease are set forth in the Contract Procedures Order (Docket No. 6512). If an objection to a proposed assumption, assumption and assignment or Cure Amount Claim is not resolved in favor of the City, the applicable Executory Contract or Unexpired Lease may be designated by the City for rejection, which shall be deemed effective as of the Effective Date.

d. Payments Related to the Assumption of Executory Contracts and Unexpired Leases. To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, at the option of the City: (a) by payment of the Cure Amount Claim in Cash on the Effective Date or (b) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. If there is a dispute regarding: (a) the amount of any Cure Amount Claim, (b) the ability of the City or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to the assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code will be made within 30 days following the entry of a Final Order resolving the dispute and approving the assumption.

e. Contracts and Leases Entered Into After the Petition Date. Contracts, leases and other agreements entered into after the Petition Date by the City, including (a) any Executory Contracts or Unexpired Leases assumed by the City and (b) the collective bargaining agreements identified on Exhibit II.D.5 to the Plan, will be performed by the City in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

f. Rejection of Executory Contracts and Unexpired Leases. Each Executory Contract and Unexpired Lease that is listed on Exhibit II.D.6 to the Plan was deemed rejected as of the Effective Date pursuant to section 365 of the Bankruptcy Code. The Confirmation Order constitutes an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the later of: (a) the Effective Date or (b) the resolution of any objection to the proposed rejection of an Executory Contract or Unexpired Lease. Each contract or lease listed on Exhibit II.D.6 to the Plan is rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. Listing a contract or lease on Exhibit II.D.6 to the Plan does not constitute an admission by the City that such contract or lease is an Executory Contract or Unexpired Lease or that the City has any liability thereunder. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan shall be treated as Class 14 Claims (Other Unsecured Claims), subject to the provisions of section 502 of the Bankruptcy Code.

g. Rejection Damages Bar Date. Except as otherwise provided in a Final Order of the Bankruptcy Court approving the rejection of an Executory Contract or

**Unexpired Lease, Claims arising out of the rejection of an Executory Contract or Unexpired Lease must be Filed with the Bankruptcy Court and served upon counsel to the City on or before the later of: (a) 45 days after the Effective Date, i.e., \_\_\_\_\_, 20\_\_; or (b) 45 days after such Executory Contract or Unexpired Lease is rejected pursuant to a Final Order or designated for rejection in accordance with Section II.D.3 of the Plan. Any Claims not Filed within such applicable time periods will be forever barred from receiving a Distribution from, and shall not be enforceable against, the City. Proof of claim forms and instructions for filing claims can be found at the City's restructuring website, <https://www.kccllc.net/detroit>.**

h. Preexisting Obligations to the City Under Rejected Executory Contracts and Unexpired Leases. Pursuant to section 365(g) of the Bankruptcy Code, rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall constitute a breach of such contract or lease and not a termination thereof, and all obligations owing to the City under such contract or lease as of the date of such breach shall remain owing to the City upon rejection. Notwithstanding any applicable non-bankruptcy law to the contrary, the City expressly reserves and does not waive any right to receive, or any continuing obligation of a non-City party to provide, warranties, indemnifications or continued maintenance obligations on goods previously purchased, or services previously received, by the City from non-City parties to rejected Executory Contracts or Unexpired Leases, and any such rights shall remain vested in the City as of the Effective Date.

i. Insurance Policies. From and after the Effective Date, each of the City's insurance policies (other than welfare benefits insurance policies) in existence as of or prior to the Effective Date are reinstated and continue in full force and effect in accordance with their terms and, to the extent applicable, are deemed assumed by the City pursuant to section 365 of the Bankruptcy Code and Section II.D.1 of the Plan. Nothing contained in the Plan shall constitute or be deemed a waiver of any Causes of Action that the City may hold against any Entity, including any insurer under any of the City's insurance policies. For the avoidance of doubt, nothing contained in Section II.D.9 of the Plan shall apply to reinstate or continue any obligation of the City or any fund thereof to any Bond Insurer.

## **6. Payment of Administrative Claims.**

a. Administrative Claims in General. Except as specified in Section II.A.1 of the Plan, and subject to the bar date provisions therein, unless otherwise agreed by the Holder of an Administrative Claim and the City, or ordered by the Bankruptcy Court, each Holder of an Allowed Administrative Claim will receive, in full satisfaction of such Allowed Administrative Claim, Cash in an amount equal to such Allowed Administrative Claim either: (1) on the Effective Date or as soon as reasonably practicable thereafter; or (2) if the Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which such Administrative Claim becomes an Allowed Claim. No Claim of any official or unofficial creditors' committee or any member thereof for professionals' fees or other costs and expenses incurred by such creditors' committee or by a member of such creditors' committee shall constitute an Allowed Administrative Claim, except that the Retiree Committee's members and the Retiree Committee Professionals shall be entitled to payment in accordance with the Fee Review Order and any additional fee process established by the Court.

## **7. Bar Dates for Administrative Claims.**

a. General Bar Date Provisions. Except as otherwise provided in subparagraphs 7(b) or 7(c) below or in a Bar Date Order or other order of the Bankruptcy Court, unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the City no later than 45 days after the Effective Date, i.e., \_\_\_\_\_, 20\_\_. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date will

be forever barred from asserting such Administrative Claims against the City or its property, and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the City and the requesting party by the later of (i) 150 days after the Effective Date, i.e., \_\_\_\_\_, 20\_\_ , (ii) 60 days after the Filing of the applicable request for payment of Administrative Claims or (iii) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Administrative Claims.

b. Ordinary Course Claims. Holders of Claims based on Liabilities incurred by the City after the Petition Date in the ordinary course of its operations are not required to File or serve any request for payment or application for allowance of such Claims. Such Claims will be paid by the City, pursuant to the terms and conditions of the particular transaction giving rise to such Claims, without further action by the Holders of such Claims or further action or approval of the Bankruptcy Court.

c. Claims Under the Postpetition Financing Agreement. Holders of Administrative Claims that are Postpetition Financing Claims are not required to File or serve any request for payment or application for allowance of such Claims. Such Administrative Claims will be satisfied as set forth in subparagraph 7(b) above.

d. No Modification of Bar Date Order. The Plan does not modify any other Bar Date Order, including Bar Dates for Claims entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.

#### 8. ASF Recoupment Cash Option.

a. ASF Recoupment Cash Option Election. No later than seven days following the Effective Date, i.e., \_\_\_\_\_, 20\_\_, the City, through its Claims and Balloting Agent, will send the ASF Election Notice and the ASF Election Form by first-class U.S. mail to each ASF Distribution Recipient. The ASF Election Notice will notify ASF Distribution Recipients that each ASF Distribution Recipient may elect to pay the total amount of his or her ASF Recoupment in a single lump sum by timely returning a properly-completed ASF Election Form. The ASF Election Form will explain that the amount of the ASF Recoupment Cash Payment shall be equal to the total amount of ASF Recoupment shown on the ASF Distribution Recipient's Ballot, unless the aggregate amount of ASF Recoupment for all ASF Distribution Recipients electing the ASF Recoupment Cash Option exceeds \$30,000,000, in which case (i) the ASF Recoupment Cash Payment will be the ASF Distribution Recipient's Pro Rata portion of \$30,000,000, and (ii) the remaining portion of the ASF Distribution Recipient's ASF Recoupment will be annuitized and deducted from the ASF Distribution Recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i of the Plan. ***An ASF Distribution Recipient must return his or her ASF Election Form to the Claims and Balloting Agent so that it is actually received by the Claims and Balloting Agent by the ASF Election Date, i.e., 35 days after the date on which the ASF Election Form is mailed.***

b. ASF Recoupment Cash Payment. GRS will mail the ASF Final Cash Payment Notice no later than 14 days after the ASF Election Date. The ASF Final Cash Payment Notice is a notice that will be sent to each ASF Distribution Recipient who timely elects the ASF Recoupment Cash Option, and will indicate the amount of such ASF Distribution Recipient's ASF Recoupment Cash Payment. ***ASF Distribution Recipients shall have until the ASF Final Cash Payment Date – i.e., the later of (i) 90 days after the Effective Date, i.e., \_\_\_\_\_, 20\_\_ or (ii) 50 days after the date of mailing of an ASF Final Cash Payment Notice – to make the ASF Recoupment Cash Payment, which payment must be made by cashier's check or wire transfer and may not be made by personal check. If an ASF Distribution Recipient's ASF Recoupment Cash Payment is not received by the ASF Final Cash Payment Date, GRS will notify the ASF Distribution Recipient of the failure to timely pay, and***



***ASF Recoupment will be effected through diminution of such recipient's monthly pension check, as provided for in Section II.B.3.r.ii.D.2.i of the Plan.*** The calculation of each electing ASF Distribution Recipient's ASF Recoupment Cash Payment shall not be adjusted under any circumstances, including as a result of default by any other electing ASF Distribution Recipient to remit his or her ASF Recoupment Cash Payment by the ASF Final Cash Payment Date.

**9. Copies of the Plan and Confirmation Order.** Copies of the Plan, Confirmation Order and all other documents Filed in the Chapter 9 Case may be obtained, free of charge, from the City's restructuring website at <https://www.kccllc.net/detroit> or from Kurtzman Carson Consultants LLC by calling (877) 298-6236 (toll-free).

BY ORDER OF THE COURT

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ATTORNEYS FOR THE CITY

## **CERTIFICATE OF SERVICE**

I, Heather Lennox, hereby certify that the foregoing Notice of (I) Entry of Order Confirming Eighth Amended Plan for the Adjustment of Debts of the City of Detroit and (II) Occurrence of Effective Date was filed and served via the Court's electronic case filing and noticing system on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

/s/ Heather Lennox

**ITEM 20**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

Chapter 9

City of Detroit, Michigan,

Case No. 13-53846

Debtor.

Hon. Steven W. Rhodes

**CERTIFICATE OF SERVICE**

I, Lydia Pastor Nino, certify and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On November 13, 2014, at my direction and under my supervision, employees of KCC caused to be served the following document via Email on the service list attached hereto as **Exhibit A**; and via First Class mail on the service list attached hereto as **Exhibit B**:

- Order Confirming Eighth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 8272]

Dated: November 14, 2014

/s/ Lydia Pastor Nino  
Lydia Pastor Nino  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245



# **EXHIBIT A**

**Exhibit A**  
**Served via Email**

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**Exhibit A**  
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**Exhibit A**  
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**Exhibit A**  
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Counsel for HP Enterprise Services LLC	HP Enterprises Services LLC	Ayala Hassell	ayala.hassell@hp.com
Counsel for HP Enterprise Services LLC	HP Enterprises Services LLC	Ken Higman	ken.higman@hp.com
Union Representative	I.U.O.E. Local 324	Attn: William Miller	william.miller@luoe324.org
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Counsel for Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A., Hypothekenbank Frankfurt AG, Hypothekenbank Frankfurt International S.A., and Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. (collectively "EPPK")	Jacob & Weingarten, P. C.	Howard S Sher	howard@jacobweingarten.com
Counsel for National Public Finance Guarantee Corporation	Jaffe Raitt Heuer & Weiss PC	Attn Eric D Novetsky	enovetsky@jaffelaw.com
Counsel for National Public Finance Guarantee Corporation	Jaffe Raitt Heuer & Weiss PC	Attn Louis P Rochkind	lrochkind@jaffelaw.com
Counsel for National Public Finance Guarantee Corporation	Jaffe Raitt Heuer & Weiss PC	Attn Paul R Hage	phage@jaffelaw.com
Counsel for the Retired Detroit Police Members Association; William Ochadlaus, Shelton Hayes, Shirley Berger, Raymond Yee, Frederick McClure Jr., John Clark, Jim Benci, Janice Butler, Morris Wells, Melvin Williams Sr., Kimberly Ann Sanders, Sarah E. Giddens, Deborah Ward, Jackie Fulbright, Catherine Tuttle, Rita Serra, Martin Treadwell, Ed Gaines, Barbara Triplett-Decrease, John J. O'Neill, Roy McCalister, Polly McCalister, Gail Wilson-Turner, Loletha Porter-Coleman, Afford Coleman, Jessie Banks, Lester Coleman, Deborah Lark, Moses Lark, Sharon Cowling, Michael Cowling, Robert Jackson, Rashelle Pettway, Michael A. Adams, John Hawkins, Laura Isom, Duane McKissic, Herbert Moreland, Cynthia Diane Moreland, Henry Elis, Keith Jackson Sr., Deborah Robinson, James Alexander Jr., Debra J. Fair, Brenda Goss-Andrews, Ricardo C. Jenkins, Jaqueline Jackson, Tommie Carodine, Lawrence V. Porter, Robbin Rivers, James R. Younger, Roscoe Mayfield, Charles Barbieri, Craig Schwartz, Glenda Cole-Dixon, Walter Long Jr., George Graves, Terrance Anderson, David Anderson, Nancy Fowler, George Chester, Anthony Klukowski Jr., Todd Klukowski, Roger Klukowski, Lois Klukowski-Hogen, Patricia McCabe, Daniel P.	Jamie S Fields		jeansartre@msn.com
Counsel for ODM LLC	Jeffer Mangels Butler & Mitchell LLP	David M Poitras	dpoitras@jmbm.com
Counsel for International Outdoor Inc	Jeffery R Sieving		jeff@jobillboard.com
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Pro Se	John P Quinn		quinjohn@umich.edu
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Counsel to the City	Jones Day	David G. Heiman, Esq. Heather Lennox, Esq., Robert W. Hamilton	dgheiman@jonesday.com; hlennox@jonesday.com; tawilson@jonesday.com; rwhamilton@jonesday.com

**Exhibit A**  
**Served via Email**

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Counsel for Deutsche Bank Securities Inc; Deutsche Bank AG, London	Katten Muchin Rosenman LLP	Kenneth E Noble & John J. Ramirez,	kenneth.noble@kattenlaw.com;
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Counsel for New England Fertilizer Company and Wade Trim Associates Inc	Kerr Russell and Weber PLC	Jason W Bank	paige.barr@kattenlaw.com
Counsel for the City of Detroit Water and Sewerage Department and its Board of Water Commissioners	Kilpatrick & Associates PC	Richardo I Kilpatrick	jbank@kerr-russell.com
Counsel for Syncora Capital Assurance Inc., Syncora Holdings Ltd	Kirkland & Ellis LLP	James HM Sprayregen PC Ryan Blaine Bennett	ecf@kaalaw.com
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Counsel for Nuveen Asset Management and BlackRock Financial Management, Inc.	Kramer Levin Naftalis & Frankel LLP	Att Amy Caton	ryan.bennett@kirkland.com;
Counsel to Certain Significant Holders of the COPs	Kramer Levin Naftalis & Frankel LLP	Thomas Moers Mayer	stephen.hackney@kirkland.com;
Special Assistant Attorney General to State of Michigan	LAMBERT LESER	Rozanne M. Giunta and Winnifred P. Boylan	noah.ornstein@kirkland.com
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Counsel for the Retired Detroit Police and Fire Fighters Association; Donald Taylor; Detroit Retired City Employees Association; and Shirley V Lightsey	Lippitt O Keefe PLLC	Attn Brian O Keefe	wboylan@lambertleser.com
Counsel for the Retired Detroit Police and Fire Fighters Association; Donald Taylor; Shirley V Lightsey; and Detroit Retired City Employees Association	Lippitt O Keefe PLLC	Att Ryan C Plecha	mlee@leeandcorrell.com
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Counsel for FK Park, LLC and FK South, LLC	Maddin, Hauser, Roth & Heller, P.C.	Ian S Bolton & David E. Hart	oshagan@legghioisrael.com
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Counsel for Syncora Guarantee Inc	Mantese Honigman Rossman and Williamson PC	Ian M Williamson	ibolton@maddinhauser.com;
Counsel for The Allen Park Retirees Association Inc and Russell Pillar	Mark A Porter & Associates PLLC	Mark A Porter	dhart@maddinhauser.com
Counsel for Amalgamated Transit Union Local 26	Mark H Cousens	John E. Eaton, Esq.	msl@maddinhauser.com
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Interested Party	McAlpine PC	David M Zack	
Counsel for US Bank National Association	McDermott Will & Emery LLP	Jeffrey A Rossman	jrossman@mwe.com
Counsel for U.S. Bank National Association (Top 20 Creditor)	McDermott Will & Emery LLP	Attn: William P. Smith, Esq.	wsmith@mwe.com
Counsel for U.S. Bank National Association	McDermott Will & Emery LLP	William P Smith & Nathan F Coco	wsmith@mwe.com;
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Counsel for Bishop Real Estate, L.L.C.	McDonald Hopkins PLC	Jason L Weiner	
Counsel for Syncora Holdings Ltd Syncora Guarantee Inc and Syncora Capital Assurance Inc and Bishop Real Estate, L.L.C.	McDonald Hopkins PLC	Stephen M Gross	jgadharf@mcdonaldhopkins.com
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Counsel for Michigan Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO	McKnight McCow Canzano Smith & Radtke PC	John R Canzano	sgross@mcdonaldhopkins.com
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Counsel to the City	Miller, Canfield, Paddock and Stone, P.L.C.	Jonathan S. Green, Esq. Stephen S. LaPlante Marc N. Swanson & Eric D Carlson	fusco@millercanfield.com
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Office of the United States Trustee	Office of the United States Trustee	Sean Cowley	maria.d.giannirakis@usdoj.gov
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Counsel for Federal National Mortgage Association, creditor c/o Seterus, Inc., in the entitled action; and Everhome Mortgage Company as servicing agent for Everbank	Orlans Associates, P.C	Caleb J. Shureb, Craig B. Rule, Elizabeth M. Abood-Carroll, Heather D. McGivern, and Heather M. Dickow	wmueller@olsmanlaw.com
Counsel for Xerox Corporation	Osipov Bigelman PC	Jeffrey H Bigelman	eabood-carroll@orlans.com;

**Exhibit A**  
**Served via Email**

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Counsel for Fountain Park Court Consumer Housing Cooperative; LaSalle Town Houses Cooperative Association, Nicolet Town Houses Cooperative Association, Lafayette Town Houses, Inc., Joliet Town Houses Cooperative Association, St. James Cooperative, Individually and on Behalf of all Similarly Entities	Pentiuk Couvreur & Kobiljak PC	Randall A Pentiuk & Michael A Karman	rpentiuk@pck-law.com
Counsel for Debtor City of Detroit Michigan; Michigan, Kevyn D. Orr, John Naglick, Michael Jamison, and Cheryl Johnson	Pepper Hamilton LLP	Robert S Hertzberg	hertzberg@pepperlaw.com
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Counsel for Debtor City of Detroit Michigan	Pepper Hamilton LLP	Kay Standridge Kress	kressk@pepperlaw.com
Counsel for Community Foundation for Southeast Michigan; William Davidson Foundation; The Fred A. and Barbara M. Erb Family Foundation; Max M. and Marjorie S. Fisher Foundation; The Ford Foundation; Hudson-Webber Foundation; W.K. Kellogg Foundation; McGregor Fund; Charles Stewart Mott Foundation; and A. Paul and Carol C. Schaap Foundation (Collectively, the "Foundations")	Plunkett Cooney	Douglas C Bernstein	dbernstein@plunkettcooney.com
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Top 20 Creditor - City's Pension Trusts	Police and Fire Retirement System of the City of Detroit	Attn: Joseph E. Turner, Esq.	jturner@clarkhill.com
Union Representative	Police Officers Association of Michigan	Attn: John Barr	poam@poam.net
Union Representative	Police Officers Labor Council	Attn: Chet Kulesza	ck445polc@yahoo.com
Union Representative	Police Officers Labor Council	Attn: Marvin Hansberry	HansberryM@detroitmi.gov
Union Representative	Police Officers Labor Council	Attn: Jan Zaleski	presidentjan@aol.com
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Counsel for Michael Beydoun	Raymond Guzall III PC	Raymond Guzall III	rayguzall@attorneyguzall.com
Counsel enters an appearance for The Bank of New York Mellon (successor by operation of law to The Bank of New York), as custodian of the Police and Fire Retirement System of the City of Detroit Fund and as custodian of the General Retirement System of the City of Detroit Fund	Reed Smith LLP	Amy M Tonti	atonti@reedsmith.com
Attorneys for Creditors: Carlton Carter, Bobby Jones, Roderick Holley and Richard T. Weatherly	Resnick & Moss PC	H Nathan Resnick	hnresnick@resnicklaw.net
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Counsel to Eric Kimbrough, Leinathian Jelks, Brandon Brooks, Phyllis Tharpe, Rodney Heard, Clenette Harris, Gregory Brazell, Jennifer Harris-Barnes, Henry Hassan, Melvin Miller, Terry Hardison, Velma, Denson, Raymond Thompson, Lucy Flowers, Brandon Gilbert, Brady Johnson, Quentin King, Sharon Pettway, Taralyn Smith, Donna Weatherspoon, Tarita Wilburn, Joseph Wright, Laverne Covington, James Matson, Kevin McGillivray, Rhonda Craig, Orlando Marion, John Collins, Terry Hardison, Carolyn Harp, Jeffrey Peterson, Clementine Stephens, Ezekiel Davis, Michael McKay, David Both, Raymond Thompson, Jr., Doug Taylor, Shumithia Baker, Floyd Brunson, Jerry Ashley, Anthony Harmon, Shelton Bell, Jr., Jeremiah Duren, Otis Evans, Wendy Jefferson, Gary Musser, Mario Littlejohn, Angela Davis, Jeffrey Theriot, Bernard White, Eddie Moore, Robert McGowen, Curtis Morris, Hondra Porter, Kevin McDonald, Jay Woods, Taesean Parnell, Yvette Spencer, Viena Lowe, Landon Banks, Darchella Lattner, Micholas Martin, Marilyn Cloyd, Robert Hall, Victoria Wilson, Theresa Chalch, Angela Davis, Jamie Jackson, Donald Harris, Winter Owens, Samiya Speed, Teran Brown,	Romano Law PLLC	Attn Daniel G Romano & Trevor J. Zamborsky	tzamborsky@romanolawpllc.com; dromano@romanolawpllc.com
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Counsel for Ambac Assurance Corporation	Schafer and Weiner PLLC	Daniel J Weiner	dweiner@schaferandweiner.com
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Counsel for DEPFA Bank PLC	Schiff Hardin LLP	Suzanne L Wahl	swahl@schiffhardin.com
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Counsel for Schneiderman and Sherman PC; Attorney for U.S. Bank National Association as servicer for Michigan State Housing Development Authority; Flagstar Bank, FSB; Counsel for Kondaur Capital Corporation	Schneiderman & Sherman PC	Brett A Border	bborder@sspclegal.com
Union Representative	SEIU Local 517M	Attn: Yolanda Langston	langstony@gmail.com

**Exhibit A**  
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Counsel for National Public Finance Guarantee Corporation	Sidley Austin LLP	Attn Peter L Canzano	pcanzano@sidley.com
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State of Michigan Assistant Attorney General, Counsel to State of Michigan	State of Michigan Revenue & Collections Division	Steven B Flancher & Matther Schneider	flanchers@michigan.gov; schneiderm7@michigan.gov
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Counsel for Nuveen Asset Management and BlackRock Financial Management, Inc.	Steinberg Shapiro & Clark	Mark H Shapiro & Geoffrey T. Pavlic	shapiro@steinbergshapiro.com; pavlic@steinbergshapiro.com
Counsel for Gabriel, Roeder, Smith & Company	Stevenson & Bullock PLC	Charles D Bullock Elliot G Crowder & Sean M Walsh	cbullock@sbplclaw.com; ecrowder@sbplclaw.com; swalsh@sbplclaw.com
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Counsel for the Retired Detroit Police Members Association	Strobl & Sharp PC	Attn Meredith E Taunt	mtaunt@stroblpc.com
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City's Secured & Unsecured Bonds	The Bank of New York Mellon Trust Company, National Association, as trustee	Attn: Eduardo Rodriguez	eduardo.rodriguez@bnymellon.com
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Counsel for Michigan Auto Recovery Service Inc; Wayne County Circuit Court, Hyde Park Cooperative, et al. v. City of Detroit, by and through its Buildings and Safety Engineering Department, Case No. 10-005687-CZ	Thornbladh Legal Group PLLC	Kurt Thornbladh	kthornbladh@gmail.com; thornbladh.kurt3@gmail.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan T. Brown	susan.brown5@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water)	U.S. Bank National Association, as trustee, bond registrar transfer agent, paying agent, custodian and/or contract administrator	Attn: Susan E. Jacobsen VP	susan.jacobsen2@usbank.com
Top 20 Creditor - City's Secured & Unsecured Bonds (Including Sewer and Water Bonds)	U.S. Bank National Association, as trustee, for the Detroit Sewer and Water Bonds	Attn: Lawrence J. Bell	lawrence.bell@usbank.com
Union Representative	UAW - Local # 412	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - Local #212	Attn: John Cunningham	jcunningham@uaw.net
Union Representative	UAW - PAA Local #2211	Attn: Robyn Brooks	BrooR@detroitmi.gov
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Union Representative	Utility Workers Union of America Local #488	Attn: Carl Anderson	canderson@dwsd.org
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Union Representative	Utility Workers Union of America Local #531	Attn: Samuel Wilson	swilson@dwsd.org
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Counsel for UBS AG and Merrill Lynch Capital Services, Inc. (COP Swap Counterparties)	Warner Norcross & Judd LLP	Charles N Ash Jr	cash@wnj.com

**Exhibit A**  
**Served via Email**

Party Description	Company	Contact	Email
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Counsel for International Association of Fire Fighters, AFL-CIO, CL	Woodley & McGillivray	Douglas L Steele	dls@wmlaborlaw.com
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# **EXHIBIT B**

**Exhibit B**  
**Served via First Class Mail**

Party Description	Company	Contact	Address 1	Address 2	City	State	Zip
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Union Representative	AFSCME Local #0312	Attn: Phillip Douglas	14022 Linwood		Detroit	MI	48238
Union Representative	AFSCME Local #0457	Attn: Laurie Walker	600 W. Lafayette, Ste. L – 104		Detroit	MI	48226
Union Representative	AFSCME Local #1642	Attn: Gina Thompson-Mitchell	600 W. Lafayette, Ste. L – 123		Detroit	MI	48226
Retiree Representative	Detroit Firemen's Fund Association	Attn: Kim Fett	1301 Third St. Suite 329		Detroit	MI	48226
Retiree Representative	Detroit Police Benefit and Protective Association	Attn: Delbert R. Jennings, Sr.	3031 W. Grand Boulevard, Suite 405		Detroit	MI	48202
Union Representative	Field Engineers Association	Attn Larry Hart	PO Box 252805		West Bloomfield	MI	48325
The Office of the Governor of the State of Michigan	Governor Rick Snyder		P.O. Box 30013		Lansing	MI	48909
Counsel for IBM Credit LLC	IBM Credit LLC	Andy Gravina	Special Handling Group MD NC317	6303 Barfield Rd NE	Atlanta	GA	30328
Pro se	Nathaniel Brent		538 S Livernois		Detroit	MI	48209
Office of the United States Trustee	Office of the United States Trustee	Daniel McDermott	211 West Fort Street Suite 700		Detroit	MI	48226
Interested Party	Ricoh USA Inc	Recovery & Bankruptcy Group	3920 Arkwright Rd Ste 400		Macon	GA	31210
SEC	Securities & Exchange Commission	Bankruptcy Section	175 W Jackson Blvd	Suite 900	Chicago	IL	60604-2815
The City, c/o the Emergency Manager	The City of Detroit	Attn: Kevyn D. Orr, Emergency Manager	Coleman A. Young Municipal Center	2 Woodward Ave Suite 1126	Detroit	MI	48226